PROPOSAL OVERVIEW AND ENROLLMENT PROJECTIONS

Please provide information for the applicant group's **designated representative**. This individual will serve as the contact for all communications, interviews, and notices from the ICSB regarding the submitted application .

IMPORTANT NOTE: *The full application, including this form, will be posted on the ICSB website. Applicants are advised that local community members, including members of the media, may contact the designated representative for questions about the proposed school(s).*

Legal name of group applying for charter(s):	Goodwill LEADS, Inc.
Names, roles, and current employment for all persons on applicant team, including each board member:	Debie Coble, President & CEO, Goodwill Industries of Michiana, Inc.; Board member Guy Fisher, VP of Mission Advancement, Goodwill Arden Floran, VP of Workforce Development Svcs, Goodwill Terri Burks, Chief Finance Officer, Goodwill Elyse Russell, Asst. to the President/CEO, Goodwill Rolla Baumgartner, Chair James Summers, Vice-Chair Joe Barkman, Secretary/Treasurer Ann Carol Nash, Board member Rob Staley, Board member
Designated applicant representative:	Debie Coble
Address:	1805 Western Ave., P.O. Box 3846 South Bend, IN 46619-3846
Office and cell phone numbers:	(574) 472-7330
Email address:	Dcoble@goodwill-ni.org

Provide the requested information for each school included in this proposal.
(You may add lines to the table if needed.)

Proposed School Name	Opening Year	School Model (e.g., college prep, dropout recovery)	Geographic Community *	School District(s) in Proposed Location	Grade Levels at Full Enrollment
The Excel Center – South Bend	2015	Dropout recovery	South Bend	South Bend Community School Corp	9-12

The Excel Center – (TBD)	2016	Dropout Recovery	TBD	TBD	9-12
The Excel Center – (TBD)	2017	Dropout recovery	TBD	TBD	9-12

NOTE: * Please indicate the city/town and, if known, potential address or neighborhood of location. Virtual operators should indicate the relevant geographies the operator intends to serve.

Proposed Grade Levels and Student Enrollment

Provide the following information for each charter school included in this proposal. Specify the planned year of opening for each, the grade levels served, and both the planned and maximum number of enrolled students by grade level for each year. (You may duplicate the table as needed.)

Proposed School Name:	The Excel Center – South Bend	
Academic Year	**Grade Levels**	**Student Enrollment (Planned/Maximum)**
2015	9-12	300 / 350
2016	9-12	325 / 350
2017	9-12	350 / 350
2018	9-12	350 / 350
2019	9-12	350 / 350
At Capacity	9-12	350 / 350

Proposed School Name:	The Excel Center – *TBD*	
Academic Year	**Grade Levels**	**Student Enrollment (Planned/Maximum)**
2016	9-12	300 / 350
2017	9-12	325 / 350
2018	9-12	350 / 350
2019	9-12	350 / 350
2020	9-12	350 / 350
At Capacity	9-12	350 / 350

Proposed School Name:	The Excel Center – *TBD*	
Academic Year	**Grade Levels**	**Student Enrollment (Planned/Maximum)**
2017	9-12	300 / 350
2018	9-12	325 / 350
2019	9-12	350 / 350
2020	9-12	350 / 350
2021	9-12	350 / 350
At Capacity	9-12	350 / 350

Do any of the proposed schools expect to contract or partner with an Education Service Provider (ESP) or other organization for school management/operation?* Yes☒ No☐

If yes, identify the ESP or other partner organization: INIschools, LLC (Goodwill Education Initiatives, Inc.)

Will an application for the same charter school(s) be submitted to another authorizer in the near future ?
Yes☐ No ☒

If yes, identify the authorizer(s): n/a

Planned submission date(s): n/a

Please list the number of previous submissions for request to authorize this(ese) charter school(s) over the past five years, as required under IC § 20-24-3-4. Include the following information:

Authorizer(s): n/a

Submission date(s): n/a

The Excel Center

Application

A charter proposal by:
Goodwill LEADS, Inc.

Sponsored by:
Goodwill Industries of Michiana, Inc.

Location of the Schools:

1. **South Bend, Indiana**
2. **TBD**
3. **TBD**

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Executive Summary

Goodwill LEADS, Inc. proposes to operate three (3) charter schools: one in South Bend, Indiana and two (2) additional locations within Goodwill's territory in North Central and Northwest Indiana. The school ("Excel Center") will adopt the successful Excel Center Model and be operated under a license from Goodwill Education Initiatives, Inc. ("GEI").

The Excel Center Model provides adults the opportunity and support to earn a high school diploma and begin post-secondary education while developing career paths in sectors of the local economy that offer better-than-average employment and growth opportunities. The Excel Center will "meet students where they are" in their education by providing a flexible structure and supportive relationships to help them manage work, life and family concerns as they achieve their educational goals.

An individual who drops out of high school faces a number of challenges that affect his or her current well-being and future success. High school dropouts have worse health, lower incomes, and fewer job opportunities than the general population. [i] In addition, high school dropouts are more likely to have lower earnings, be recipients of government welfare, and are eight times more likely to be incarcerated than high school graduates. [ii] The Excel Center will seek to enroll students over 18 who have not completed high school, and have either dropped out or are severely under-credited compared to their cohort. While The Excel Center will accept any student who applies to attend, it will also recommend other educational options for students who may benefit from a traditional-age high school.

The Excel Center provides a structured environment that meets the particular needs of adult students as they work towards a high school diploma. Adult learners often face additional non-academic barriers to their educational success, many of which were prominent reasons that students dropped out of school in the first place. Several of these other reasons remain significant barriers to their educational progress; effective educational opportunities for adults must provide supports and flexibility to promote student achievement while maintaining a supportive learning environment that helps students overcome the various challenges to their continued education. Students will enter The Excel Center at a variety of skill and credit levels, so the school environment will be flexible enough to give each student a realistic path for their educational success and a possible career.

The South Bend community has a significant need for an Excel Center. Over 11% of the city's population over 18 lacks a high school diploma and there are few good options for these individuals to become reconnected to their education goals. Within a 10-mile radius of South Bend, there are well over 40,000 adults over 18 without a high school diploma [iii]. As a result, a large portion of the South Bend community is unprepared to participate in the 21st century workforce – one that will require additional skills beyond high school, whether through an industry certification or postsecondary degree.

Community interest in The Excel Center has grown since many local leaders heard about The Excel Center opening in Indianapolis in 2010. Local legislators and community leaders were equally intrigued by the idea of a high school that serves adults that have previously dropped out of high school and became even more interested after learning of the success that the Indianapolis Excel Center has had in enabling students to graduate and earn postsecondary credentials. Local governments, the Chamber of Commerce of St. Joseph County, as well as community agencies that serve the underserved have expressed their support in opening an Excel Center in St. Joseph County, IN. One prominent figure is State Representative Dale DeVon who has voiced support for The Excel Center during recent Indiana legislative sessions.

Goodwill Education Initiatives, Inc. (GEI) and the Indiana Network of Independent Schools (INIschools) [1] have worked with Goodwill to build a vision for reaching an under-served area of South Bend. The leadership team of Goodwill has championed efforts to educate the community about The Excel Center, organizing multiple stakeholders to work together to establish a building, and have explained the benefits of the school to leaders throughout the South Bend Community, including Representative Dale DeVon, Representative David Niezgodski, Senator Joseph Zakas, the Deputy Mayor of South Bend, Mayor of Mishawaka, Superintendents of the South Bend Community School Corporation, School City of Mishawaka, Penn-Harris-Madison School Corporation, and John Glenn School Corporation, South Bend Career Academy and The Crossing, President of the St. Joseph County Chamber of Commerce , The Chancellor of Ivy Tech of the Northwest Region and North Central Region and the Board of Directors of Goodwill Industries of Michiana, Inc. The Excel Center provides an educational opportunity to a segment of the population with few options to achieve their academic goals or improve their economic opportunity due to not having a high school diploma. Initial contact with agencies that serve populations less likely to have a high school diploma have been contacted, such as Dismas House, St. Joseph County Bridges Out of Poverty Initiative, Hannah's House, Center for the Homeless as well as employees and participants at Goodwill Industries of Michiana.

The Excel Center Model has three main pillars: a secondary-level academic platform that fits needs of non-traditional students, a College and Career Readiness focus on viable careers, and a "coaching" program that works with students to identify barriers to their education and proactively plan ways to remain engaged in their education. The Excel Center provides a rigorous, Indiana College & Career Readiness Standards-aligned curriculum with an accelerated schedule that allows students to work quickly to earn course credit and progress at a faster pace than a traditional high school. The Excel Center's instructional program is aligned to Indiana College & Career Readiness Standards and includes team-taught courses, fixed length teaching, and credit recovery in non-essential courses. College and Career Readiness is ingrained in the regular functions of the school. Students who demonstrate the skills necessary to work at postsecondary level are encouraged to take postsecondary-level coursework as a way of encouraging students to continue learning at the college level. As a result, dual credit and postsecondary credits are a strong feature of The Excel Center Model. In addition, The Excel Center identifies particular industries with above-average growth potential and introduces students to that industry, helping students explore careers in that field and find a career pathway that leads to productive work. Coaching in The Excel Model is an attempt to address the life barriers and issues that prevent students from being successful. The Excel Center coaches are responsible for keeping students engaged and motivated in the school. The relationship that coaches create with each student is a critical factor in student success, as that relationship will provide security, confidence and encouragement for students to continue when the work becomes difficult and life barriers become difficult to manage. Coaches will work with students to identify potential barriers to students' continued education, whether through short-term barriers (such as housing and childcare) or long-term challenges (including student self-efficacy and self-confidence).

The Excel Center will open in South Bend in July 2015 and will serve 300 adult students. In both 2016 and 2017, an additional Excel Center will open within Goodwill's territory. The locations of these schools will be determined based on community need and support. The Excel Center operates year-round and, as students graduate or leave the school, spaces are filled by students on the waiting list. As a result, the Excel Center does not operate with discrete grade levels. The Excel Center will maintain a size of 300 - 350 students in order to maintain a small, intimate environment and for staff to establish meaningful relationships with students.

[1] Indiana Network of Independent Schools, LLC ("INIschools") is operated under a nonprofit designation; its sole member is Goodwill Education Initiatives, Inc. (GEI), which is affiliated with Goodwill Industries of Central Indiana, Inc.

Even though The Excel Center Model requires an intimate school setting, there is overwhelming demand for seats in Excel Centers. In Indianapolis, the first Excel Center planned to open with a few hundred students, but over 2,200 individuals applied to the school.

GEI recognizes that there is similar high demand for The Excel Center Model in certain concentrations of population throughout the state. Over 700,000 Hoosiers lack a high school diploma. In areas where there is demonstrable need, considerable community support, and a viable financial model, The Excel Center Model can work in communities across Indiana. This demand and community support is evident in South Bend, and Goodwill Industries of Michiana will serve as a very strong anchor organization to support the school.

The Excel Center will be operated and governed by Goodwill LEADS, Inc. Goodwill LEADS will adopt The Excel Center name under license from GEI and operate the school with fidelity to The Excel Center Model's core elements. With support of Goodwill Industries of Central Indiana, Inc. GEI was established in 2004 to operate charter schools. GEI currently operates the Indianapolis Metropolitan High School, which serves traditional-age high school students in a non-traditional academic environment, and The Excel Center, which currently operates in 9 (nine) locations across Central Indiana. INIschools provides the support functions for GEI's schools, data and performance management, finance and accounting, state reporting, and special education. In total, GEI's schools have over 3,000 students, serving primarily disadvantaged and low-income student populations. Through a licensing and services agreement, such as that which is proposed with Goodwill LEADS, the Goodwill Industries of Central Texas is opening an Excel Center in Austin, Texas in the fall of 2015 and Goodwill Excel Center Midsouth, Inc. (a 501(c)(3) started by Memphis Goodwill Industries) has been authorized to open an Excel Center in Memphis, Tennessee in the fall of 2015.

Goodwill Industries of Michiana's leadership has decades of experience operating successful businesses and not-for-profit organizations. Furthermore, Goodwill has experience successfully running and starting up new programs – particularly programs that help high-need adults and young adults.. Goodwill is well-poised to operate and govern an Excel Center in the South Bend community. In 2013, alone, Goodwill enrolled over 3,000 individuals in its programs, assisted over 5,000 individuals to utilize free services at its Career Centers, and helped over 1,000 individuals find employment. Goodwill Industries of Michiana has a strong history of helping to improve the lives of individuals throughout the communities it serves and is dedicated to increasing its impact by providing adults an opportunity and the support to earn a high school diploma while developing career paths that offer better-than-average employment and growth opportunities.

Leaders on Goodwill LEADS's board have also served on the board of Goodwill Industries of Michiana.

Section I: Evidence of Capacity

Founding Group

Founding Group Membership
Biographies and resumes of key members of the Founding Group are included as **Attachment 1**.

Debie Coble has been a part of Goodwill Industries of Michiana, Inc since 1990. She served as a Vice President over mission for seventeen years and during that time has added additional responsibilities, including, but not limited to Mission Advancement, Public Relations and Industrial Services after graduating from Goodwill Industries International's Executive Training. As the former CEO approached retirement, she continued to assume more daily operational roles and was offered the position of

President/CEO after a national search was conducted by the Board of Directors in 2013. During her leadership, Goodwill has established innovative workforce development programs designed to work with the neediest citizens of the community and assist them in moving towards self-sufficiency. Coble presides over an organization that now has over 600 employees employed in North Central/North West Indiana in donated goods retail stores, light manufacturing, recycling work, violence reduction initiatives and workforce development services. Coble will serve as a non-voting ex-officio member of the Board.

Board Leadership The Goodwill LEADS board brings together an array of skill sets: business operations, event planning, education, finance, and other skills. The board includes the following individuals:

- Rolla Baumgartner, Chair
- James Summers, Vice-Chair
- Joe Barkman, Secretary/Treasurer
- Ann Carol Nash
- Rob Staley
- Debie Coble

Partner Organizations

Goodwill Industries of Michiana

Goodwill supports Goodwill LEADS by providing substantial support for school operations and long-term planning, allowing school staff to focus most of their efforts on providing quality educational opportunities for its students. Goodwill supports Goodwill LEADS in a variety of in-kind and financed support services, including:

- Facilities planning, including renovations of new space
- Administrative support through IT services, recruitment and HR practices
- Development and fundraising support, as well as capital
- Connecting students and their families to resources in the community.

Goodwill maintains solid working relationships with a number of community-based organizations, not-for-profits, and public organizations. In some cases, Goodwill can also provide employment in Goodwill stores in the community to students who may need to work part-time while they continue in school

Goodwill serves fifteen (15) counties in North Central and Northwest Indiana, the city of Niles in Southwestern Michigan, and a small portion of Northeastern Illinois. The Indiana counties that Goodwill Industries of Michiana serves includes: Cass, Elkhart, Fulton, Jasper, Kosciusko, Lake, LaPorte, Marshall, Miami, Newton, Porter, Pulaski, St. Joseph, Starke and Wabash.

Under Coble's leadership, the workforce development services grew from serving three counties with case management services to serving ten counties, as well as two community career centers that provide free community services to individuals seeking to find or upgrade employment. The emphasis in all programs is lifelong learning. There is an underlying philosophy within Goodwill that individuals need to continue to learn. Prior to the opportunity to open an Excel Center in South Bend, the option for adults has been a GED. Goodwill provided that opportunity within the South Bend facility. The leadership team has extensive organizational leadership experience managing for-profit and not-for-profit businesses, working in public policy, serving on the boards of local community organizations, and managing schools.

Goodwill Education Initiatives and INIschools
Goodwill Education Initiatives and INIschools will provide a significant amount of assistance to Goodwill LEADS in starting up and providing ongoing support to operate The Excel Center. Goodwill LEADS will adopt The Excel Center name under license from GEI and operate the school with fidelity to The Excel Center Model's core elements. Goodwill LEADS, as part of the license, will receive services from GEI and INIschools and this will make INIschools the Excel Center's education service provider (ESP). The Goodwill LEADS Board of Directors is responsible for all high-level decision-making regarding the operations of the school it will operate. The Board, will maintain oversight of the Excel Center's governance and shall not concede control of the School to any other entity outside of the Board, including the ESP. The Board will oversee and be responsible for school-level policy development and organizational development (such as development and maintenance of community partnerships, parent and partner engagement and other day-to-day matters). Please see **Attachment 8** for a draft of the licensing and services agreement between Goodwill LEADS, Inc. and GEI, which includes a list of services GEI, through INIschools, will provide the school.

Background
Since its founding in 1930, Goodwill Industries of Central Indiana, Inc. ("GICI") has attempted to address the most pressing social needs in the Central Indiana community. For decades, GICI has provided employment opportunities to individuals with few options to gain viable employment elsewhere. GICI recognized that it can add the greatest value for individuals it works with and communities where it works if it can help young people and adults who have struggled or failed in other educational settings complete high school and attain a post-secondary degree or other recognized credential.

In 2010, GEI opened The Excel Center ("Indy Excel Center"), a high school designed to work with young adults who have dropped out of school. Designed to meet the unique needs of older students, the Indy Excel Center includes an array of supports that address life needs outside the classroom, including childcare, transportation assistance, and balancing school with work. The Indy Excel Center operates under multiple charters from the Indiana Charter School Board and the Mayor of Indianapolis, and serves over 3,000 students on nine campuses, all operating in Central Indiana.

The Indy Excel Center has reached a unique need in the adult education landscape which has few alternative options. Across the state of Indiana, most GED programs have seat-time requirements that require a student to be present in class a specified number of hours before taking the test. In addition, the majority of adult education programs are open limited hours – most often Tuesdays and Thursdays of each week – providing little ongoing support for adults who would like to earn their equivalency. The Excel Center's extended hours, skilled support staff, and the array of educational resources at their disposal has provided significant benefits to a population in an area where many adult education providers are experiencing cutbacks.

The first Indy Excel Center planned to open with a few hundred students, but 2,200 individuals applied to the school. In response to this incredible demand, in 2011, The Indy Excel Center opened two additional sites in Marion County in the Meadows and Decatur Township communities. In 2012, another Marion County location opened on the East side of Indianapolis as well as another location in Anderson, Indiana. To meet the continued demand and need of adult learners throughout Central Indiana, four new locations opened in 2013: one on the West side of Indianapolis, and others in Lafayette, Kokomo, and Richmond. The Indy Excel Centers in Central Indiana serve over 2,800 students at a given time.

In St. Joseph County alone, there are over 25,000 individuals who lack a high school diploma. [iv] Recent statistics indicate that this number will only grow in the short term. Only 72.4% of students from South Bend Community School Corporation graduated from high school during the 2012-2013 school year. [v] Across St. Joseph County, there are many students who have dropped out of high school and, according

to data provided by the Indiana Department of Education, there are over an additional 600 students who have been removed from their 2013 graduation cohort and it cannot be verified whether they have graduated from a different high school due to transferring out of state, leaving high school to be homeschooled, or for other mobility reasons [vi]. It is anticipated that dropout rates across all of Indiana artificially deflate the actual number of students who have dropped out of high school. An individual who drops out of high school faces a number of challenges that affect his or her current physical, emotional, and financial well-being and future success. High school dropouts have worse health, lower incomes, and fewer job opportunities than the general population who have earned regular high school diplomas. [vii] In addition, high school dropouts are more likely to have lower earnings, be recipients of government welfare, and are eight times more likely to be incarcerated than high school graduates. [viii]
Across the United States, many Goodwills work to address the most challenging social problems they face in their local communities. With the support of Goodwill, the founding team is seeking to open The Excel Center to provide a unique opportunity to address one of the most challenging social problems in the South Bend and Northern Indiana community: improving the educational attainment of adults who have dropped out of high school.

The South Bend community has a significant need for an Excel Center. Over 11% of the city's population over 18 lacks a high school diploma and there are few good options for these individuals to become reconnected to their education goals. Within a 10-mile radius of South Bend, there are well over 40,000 adults over 18 without a high school diploma [ix]. As a result, a large portion of the South Bend community is unprepared to participate in the 21st century workforce, one that will require additional skills beyond high school, whether through an industry certification or postsecondary degree. Poor educational attainment among our young people severely limits their career potential. Unfortunately, this issue is not unique to South Bend. Across, Goodwill 's service territory, there are cities with dense populations of individuals who lack a high school diploma. The table below depicts the number of individuals in towns across Goodwill's territory which have high populations of individuals who have dropped out of high school, according to national Census data.

Highest Concentrations of Dropouts in Goodwill 's Territory

			Dropouts - 2 mile radius		Dropouts - 10 mile radius	
City	**Ivy Tech?**	**City Population**	**18 - 24**	**All ages**	**18 - 24**	**All ages**
Hammond		80,830	2,811	**18,313**	19,745	118,530
East Chicago	X	29,698	2,540	**15,624**	21,039	122,211
Elkhart		50,949	2,597	**13,824**	11,638	63,492
South Bend	X	101,168	2,120	**11,608**	6,070	40,594
Gary	X	80,294	1,428	**7,340**	37,289	194,528
Goshen	X	31,719	1,575	**7,218**	10,104	50,591
Portage		36,828	1,397	**5,730**	26,477	121,912
Michigan City	X	31,479	940	**5,072**	5,157	25,078
Warsaw	X	13,559	718	**3,389**	1,831	9,433

Leaders in Indiana have recognized that this lack of skills is limiting the productivity of the state and what opportunities will exist for Hoosiers in the future. In *Indiana's Forgotten Middle Skill Jobs: Meeting the Demands of a 21st-Centruy Economy,* the Skills2Compete-Indiana Campaign presents the issue clearly:

"Indiana needs a bold and broad vision to address the educational and economic challenges facing the state during these tough economic times and beyond. Those challenges demand a truly transformative vision that allows every worker to be a part of the economic recovery: guaranteed access to two years of postsecondary education or training. Every Hoosier must have the opportunity to earn the equivalent of at least two years of education or training past high school that leads to a vocational credential, industry certification, associate's degree, or one's first two years of college. It must be available at whatever point and pace makes sense for individual workers and industries. Indiana must further ensure that every resident has access to the basic skills needed to pursue such education.

[…]

Over one-half million working age Indiana residents do not have a high school diploma…What is more, only about 8 percent of Indiana adults with less than a high school diploma are enrolled in adult basic education, and less than 12 percent of residents with limited English proficiency are enrolled in English as a Second Language (ESL) classes.

This evidence suggests that Indiana faces challenges in meeting the basic skill attainment levels needed to grow its middle-skill workforce. By better aligning adult basic education with industry-focused training, many more Indiana residents could prepare to enter and succeed in middle-skill jobs and businesses would have a pipeline of workers to help meet immediate demand."[x]

School Leader and Leadership Team

Local Site Director Selection Process

The local school leader who will be responsible for the operations of The Excel Center in South Bend has not yet been selected. Upon charter approval, the recruitment and selection process will begin, with the school Director being hired by February 2015. At that time, the selected Excel Center Director will devote his/her work to preparing the school to open in South Bend in July 2015.

INIschools, the selected ESP, will assist in recruiting and identifying a highly qualified school leader and school staff. Although INIschools will assist with school staffing, all school leadership positions will be in the employ of Goodwill and selected by the Goodwill LEADS Board of Directors. The selected school leader ("Director") will make staff hiring decisions with oversight from the Board.

In support of this effort will be INIschools. INIschools has a strong history of successfully recruiting school staff and currently recruits all teachers and staff members for the Indianapolis Metropolitan High School as well as for nine (9) Indy Excel Centers across Central Indiana. The talent acquisition plan is based on Targeted Selection®, a competency-based behavioral interviewing system used across the organization, including. The talent acquisition strategies approach asse sses applicants' behaviors, motivations, and technical knowledge necessary to accomplish the tasks of the target position.

The Director of The Excel Center will ensure that instructors and school curriculum are applied according to the principles of The Excel Center Model and that school is meeting the desired educational and student outcomes. Essential functions include: supervision and management of faculty and staff, creating and maintaining a safe and secure educational environment for up to 350 students and managing the fiscal activities of the school. The Director will report to the Board of Directors and will be required to hold a Bachelor's degree in a relevant field required, although a Master's degree is preferred.

Other Director qualifications include:

- Current Indiana Secondary Administrator's License preferred but not required;
- 5+ years in a school-related leadership role;
- Prior experience managing groups of professionals;
- Strong communicator at a variety of levels. Demonstrates effective presentation and communication skills; and
- Solid planning and organizing skills.

The full job description for the Director is provided as **Attachment 2**.

School Development Team

Immediately after charter approval, a number of Goodwill staff will set to work to lead the development and start-up of The Excel Center in South Bend. These individuals include:

- Debie Coble – President & CEO
- Guy Fisher – Vice President of Mission Advancement
- Arden Floran – Vice President of Workforce Development Services
- Terri Burks – CFO
- Elyse Russell – Assistant to the President/CEO

The resumes of this leadership team is included in **Attachment 3** (excluding those leaders who were included in **Attachment 1**).

INIschools has been effective at managing the operations of the existing Excel Center locations in Indiana and will continue to be a resource to The Excel Center in South Bend during the start-up phase and, as needed, once the school is in operation. INIschools will also provide this same level of assistance to any additional Excel Centers operated by Goodwill LEADS. Collectively, the group has an array of skills in school management and performance management; business and finance operations, curriculum, instruction and assessment; special education; college and career readiness; and management of The Excel Center Model. INIschools' leadership that directly impacts The Excel Center Network includes:

- Scott Bess – Chief Operating Officer
- Joe White – Executive Director of The Excel Center
- Janet Rummel – Chief Academic Officer
- Tonya Taylor – Director of Special Education
- Lori Thompson – Controller
- Dan Scott – Director of Data Services
- Kim Reier – Director of Network Development and Advancement
- Tieree Smith – Director of College and Career Readiness

Background information for this leadership team is included in **Attachment 3**.

In addition to the Director, The Excel Center will employ a Lead Teacher as part of the school's leadership team. Both the Director and Lead Teacher will ensure that the Excel Center's academic model is implemented effectively and students' academic and non-academic needs are met.

The Lead Teacher is responsible for coordinating the student engagement and support functions within the school. He/she will provide hands-on leadership and academic guidance to coaches, teachers and administrative support staff at The Excel Center. He/she will work effectively across the organization to make certain that students are supported in a way that ensures success with both academic and personal goals. Essential functions include: supervision and management of teaching staff, identification of internal and external academically supportive resources, and marketing of The Excel Center to the broader community. The position will work with the Director in establishing school goals and objectives.

INIschools will assist the Board and Director to recruit and select a highly qualified Lead Teacher. The full job description for the Lead Teacher is provided in **Attachment 3**.

Governance

Legal Status and Governing Documents

The following governance documents in **Attachment 4**:

- Evidence Goodwill LEADS has applied for federal tax-exempt status from the IRS;
- Copy of the Articles of Incorporation;
- Copy of the Board Bylaws; and
- Board minutes.

The complete and signed Statement of Assurances form is **Attachment 5**.

Governing Board

Governance Structure and Composition

Goodwill LEADS will hold the charter for The Excel Center in South Bend and two (2) other locations to be determined in Northern Indiana. Goodwill LEADS is an Indiana nonprofit corporation that has applied for tax exemption as a 501(c)(3) entity.

The Goodwill LEADS Board will serve as a network-level board that will govern all the schools for which it holds a charter. The Board will meet regularly at Goodwill's headquarters in South Bend. As the Board's portfolio of schools expands to other areas within Goodwill's territory, the Board will recruit additional members to include representatives from those communities. The Board will also explore holding virtual meetings. To accommodate Public Access regulations, Board meetings will be recorded and broadcast live in each of the Excel Centers for locations that are beyond a half hour drive of the location of the meeting. A room in each Excel Center location will show the Board meeting, and it will be open to the public, allowing for parents and other members of the community to view the proceedings of the Board meetings.

The Board currently consists of five (5) individuals. Over time and as the Board opens additional schools, it will recruit additional members to include representatives from those communities where schools are located. The Board intends to maintain between 3 – 11. The majority of Goodwill LEADS Board members will be appointed by the board of Goodwill. The President and CEO of Goodwill Industries of Michiana is also a non-voting ex-officio member of Goodwill LEADS Board.

Governing Entity's Responsibilities

The Goodwill LEADS Board is the ultimate governing body for The Excel Center in South Bend and any other charter held by Goodwill LEADS. The Board will concern itself more with long-term rather than short-term matters, matters of policy rather than operational concerns, and matters of paramount rather than ordinary importance. The Board's specific responsibilities include:

- Monitoring The Excel Center's key performance indicators;
- Establishing policy;
- Approving long-range plans;
- Approving annual plans and budgets;
- Approving any actions that would create or have the potential to create significant obligations for the schools;
- Ensuring financial solvency;
- Representing the schools to the community;
- Assessing its own performance;

- Holding the GEI and INIschools accountable to their contractual obligations and performance; and
- Taking other actions as necessary and ensuring that structures and mechanisms are in place to ensure that The Excel Center is in compliance with all applicable laws, regulations, and contracts, including requirements of the charter.

In addition, the Goodwill LEADS Board is responsible for periodically (no less than annually) reviewing and evaluating the relationship between Goodwill LEADS and GEI/INIschools to ensure that services provided to the schools by INIschools are meeting contractual and quality expectations, providing good value for the school, and are enhancing the Board's objective of being a good steward of its resources.

The Goodwill LEADS Board currently includes the following voting members:

- Rolla Baumgartner, Chair
- James Summers, Vice-Chair
- Joe Barkman, Secretary/Treasurer
- Ann Carol Nash
- Rob Staley

Additionally, Debie Coble, the President and CEO of Goodwill Industries of Michiana, Inc. serves as a non-voting ex-officio member of the Board.

The group brings together an array of business experience in industries, legal, public policy, education, finance, and workforce development. Board members choose to serve on the Goodwill LEADS Board for a number of reasons, including: a desire to improve the educational opportunities available to adults, a belief in helping individuals reach their maximum potential, and hoping to see more individuals earn the basic credential most needed for a successful, productive life – a high school diploma.

All Board members' resumes are included in **Attachment 1.** A completed and signed Board member Information Sheet is available for each Board member in **Attachment 6**.

Procedures

Goodwill LEADS has a Board of Directors composed of a maximum of eleven (11) persons, a majority of whom are appointed by the board of Goodwill Industries of Michiana, Inc. The President and CEO of Goodwill is a non-voting ex-officio member of Goodwill LEADS's Board. The Board of Directors of Goodwill Industries of Michiana, Inc. appoints a majority of the members of the Goodwill LEADS Board. Candidates for the remaining positions on the Board are recommended by the B oard's governance committee and are voted upon by the Board. Candidates are selected to give the overall Board an optimal combination of skills, expertise, experiences, and perspectives for effective governance of a publicly chartered high school. Directors are elected or appointed for 3-year terms.

At the time of charter application submission, the Board has met once and has multiple meetings scheduled to meet shortly after submission. The Board will meet frequently during the school start-up period and, during normal operation, will meet at least five (5) times each calendar year. During meetings, the Board oversees key student performance metrics. Each member of the Board will receive a monthly report of The Excel Center's operations, as well as a financial report. In addition, Board members will express their preference in policies, manage the key staff of The Excel Center, and provide strategic direction for the school operations.

Financial management of The Excel Center will be overseen by the Board. Day-to-day financial management will be a collaborative joint effort among Goodwill's Chief Financial Officer and the Excel Center Director. Also included in the financial operations is INIschools, who produces all of the required

state financial reports. The schools that the Board oversees will also undergo annual audits as part of financial oversight.

Ongoing board development includes presentations at Board meetings on various aspects of the school operations. The Board also has the following subcommittees:

- The governance committee, which is responsible for the selection, development, and management of the Board;
- The finance and audit committee, which is responsible for managing school finances;
- The evaluation committee, which monitors the performance of the ESP; and
- Other committees, as needed.

The Excel Center and Board will comply with Indiana's Public Access Laws. Notification of Board meetings will be posted at least 48 hours prior to the meeting. All Board meetings will be recorded with a video camera and broadcast live in each of the schools operated by the Board. These broadcasts will be viewable to members of the public, and notice of these meetings will be posted prior to the meeting in each school location. Minutes will also be available to the public upon request.

Ethics and Conflicts of Interest

The majority of The Excel Centers' support services will be provided by Goodwill and the ESP, GEI/INIschools. Board members are not compensated for their service on the Board and sign a conflict of interest statement. The Board's Code of Ethics and Conflict of Interest policies are included as **Attachment 7**.

Advisory Bodies

Although the Board assumes sole governing authority over The Excel Center, to the extent possible, the Board will engage members of each of the communities where Excel Centers are located, including students, to inform school direction and policies.

Each location of The Excel Center will have an advisory group to ensure that The Excel Center is providing a relevant educational program that meets the local community's need. These advisory groups will meet six (6) times each year in each site location and will be a means by which The Excel Center will communicate with individuals in the community.

The advisory groups will be responsible for providing input to The Excel Center on what factors are at play in the local environment, including major economic changes or shocks, changes in the political environment, and any major news that would affect the performance and/or long-term success of each Excel Center location. Moreover, advisory groups will provide a community voice to the schools.

Advisory groups will consist of 8-10 members and include relevant stakeholders in T he Excel Centers' success, drawing on expertise from postsecondary institutions, community groups, K-12 education, government/public policy, and business. These groups will also include teachers and students (either past or present) to ensure that students have a voice in the feedback of school operations.

The local Excel Center Director will be responsible for managing the relationship between the school and the advisory group; he/she will set agendas for each meeting in collaboration with the Board.

Grievance Process

In the event that a parent or student has an objection to a governing board policy or decision, the issue will be forwarded to The Excel Center Director. If the Director is unable to resolve the question, the student/parent is able to take that request to the Board. It should be noted that the Goodwill LEADS

Board has an active policy not to hear on matters of expulsion, so in the event the raised issue or concern is related to expulsion, the next step of conflict mediation would be to seek restitution in the courts.

Documents related to the meetings of the Goodwill LEADS Board are available to individuals free of charge. Students also receive a student handbook – which outlines the policies and procedures of the school. Students are also able to receive their transcript free of charge.

School Management Contracts

Goodwill LEADS intends to contract with GEI/INIschools as its Education Service Provider (ESP). For Further information, please find ESP Documentation as **Attachment 8**.

Network Vision, Growth Plan & Capacity

Please find the Organization's Business Plan included as **Attachment 9**.

Network Management

Goodwill will provide significant support for the schools that Goodwill LEADS operates. The majority of services, including marketing, financial data entry and community outreach will be done in-kind. In the event that significant support is needed, Goodwill LEADS will pay for such support services through a contract agreement. Key leaders include:

Debie Coble, President & CEO – The President and CEO of Goodwill also provides overall executive leadership for Goodwill LEADS. Specific responsibilities include the following:

- Providing staff support for the Board of Directors;
- Articulating a vision for Goodwill LEADS and the schools it operates;
- Leading strategic planning activities, including planning for physical plant and capital equipment for the schools;
- Monitoring the external environment to detect changes that might pose a threat or create an opportunity;
- Assessing the performance of the schools Goodwill LEADS operates;
- Setting high standards; measuring and monitoring key performance indicators;
- Developing and maintaining relationships that are essential or that could be helpful to the school and/or its students;
- Assisting in interpreting the school to the community; and
- Assisting in raising financial support for the schools.

The ESP, GEI/INIschools, will also provide The Excel Center(s) with significant support. INIschools will assist Goodwill LEADS with the start-up operations of the schools as well as ongoing school support. INIschools provides high quality administrative services that enable school administrators to improve cost efficiency and focus on student achievement. These services include: performance analytics, financial management, state reporting and compliance, special education and other ala carte or specialized service coordination. In the case of The Excel Center, INIschools provides support related to the school model, curriculum development and professional development to nine other Excel Centers throughout Central Indiana as well as The Excel Centers in Austin, Texas and Memphis, Tennessee.

The cost of services charged to Goodwill LEADS will be the same amount that INIschools charges to the other Indy Excel Centers. At 14.5% of state revenue in the first year of operation and the lesser of $320,000 or 14.5% of state revenue in subsequent years, INIschools fees are enough to cover its costs for providing support and services related to The Excel Center Model.

The Board will evaluate the performance of INIschools, permitting the Board to hold INIschools accountable under its services agreement (see the "Draft Licensing and Services Agreement" in

Attachment 8). The Board will have continuous communication with INIschools and hold it accountable to all terms of the written performance agreement. Further, The Board will monitor school performance to determine whether the technical assistance being provided is having a significant impact on the schools ' academic and organizational performance. To do this, the Board may form sub- committees, on an "as needed" basis to provide oversight, evaluation, or general guidance and recommendations as areas of the school's functions are assessed or issues arise. Sub-committees will always include members of the Board, and may include additional individuals from the school staff, community members, students/parents, or experts in the field related to the particular topic of the sub-committee. The responsibilities of sub-committees include:

- Gathering information and data to inform Board decisions;
- Providing oversight or evaluations (written or verbal), as needed;
- Providing actionable recommendations to the Board; and
- Performing all functions, as assigned, by the Board.

The table on the following page outlines school- and organization-level decision-making authority as it relates to key functions of the schools. Although INIschools will assist Goodwill LEADS and provide it and its schools with administrative services, Goodwill LEADS has ultimate governing authority of the schools it operates.

In some instances – most notably student recruitment and community relations – all three levels are engaged in providing essential students for the school and engaging the community so that they are aware of the school and the benefits it provides to individuals and the community as a whole.

Please see **Attachment 10** for network- and school-level organizational charts.

Function	**Network / Management Decision Making**		**School Decision-Making**
	Goodwill LEADS	**Goodwill Michiana**	
Performance Goals	X		
Curriculum	X		
Professional Development	X		
Data Management and Interim Assessments	X		
Promotion Criteria	X		
Culture	X		
Budgeting, Finance, and Accounting	X		
Student Recruitment	X	X	X
School Staff Recruitment and Hiring	X		X
H/R Services (payroll, benefits, etc.)		X	
Development	X	X	
Community Relations	X	X	X
IT		X	
Facilities Management		X	
Vendor Management / Procurement	X		
Other operational services			

Section II: School Design

Curriculum and Instructional Design

Instructional Design

The Excel Center Model was designed with 3 R's as foundational to its design: Relationships, Relevance, and Rigor. Adult learners benefit from strong relationships with peers and staff; these relationships provide consistent support for student education, strengthen motivation to achieve goals, and build resiliency to overcome obstacles that might impede progress. Students who have dropped out require flexibility in their educational programs; students will enroll in The Excel Center at various skill levels and will balance their educations with many life obstacles, including work and family obligations. Therefore, The Excel Center will use a "one student at a time" method where each student will establish his or her educational goals and move at his or her own pace to achieve learning goals. The Excel Center's primary focus is to develop each student's ability to be successful in post-secondary environments and to develop the skills required in the modern workforce.

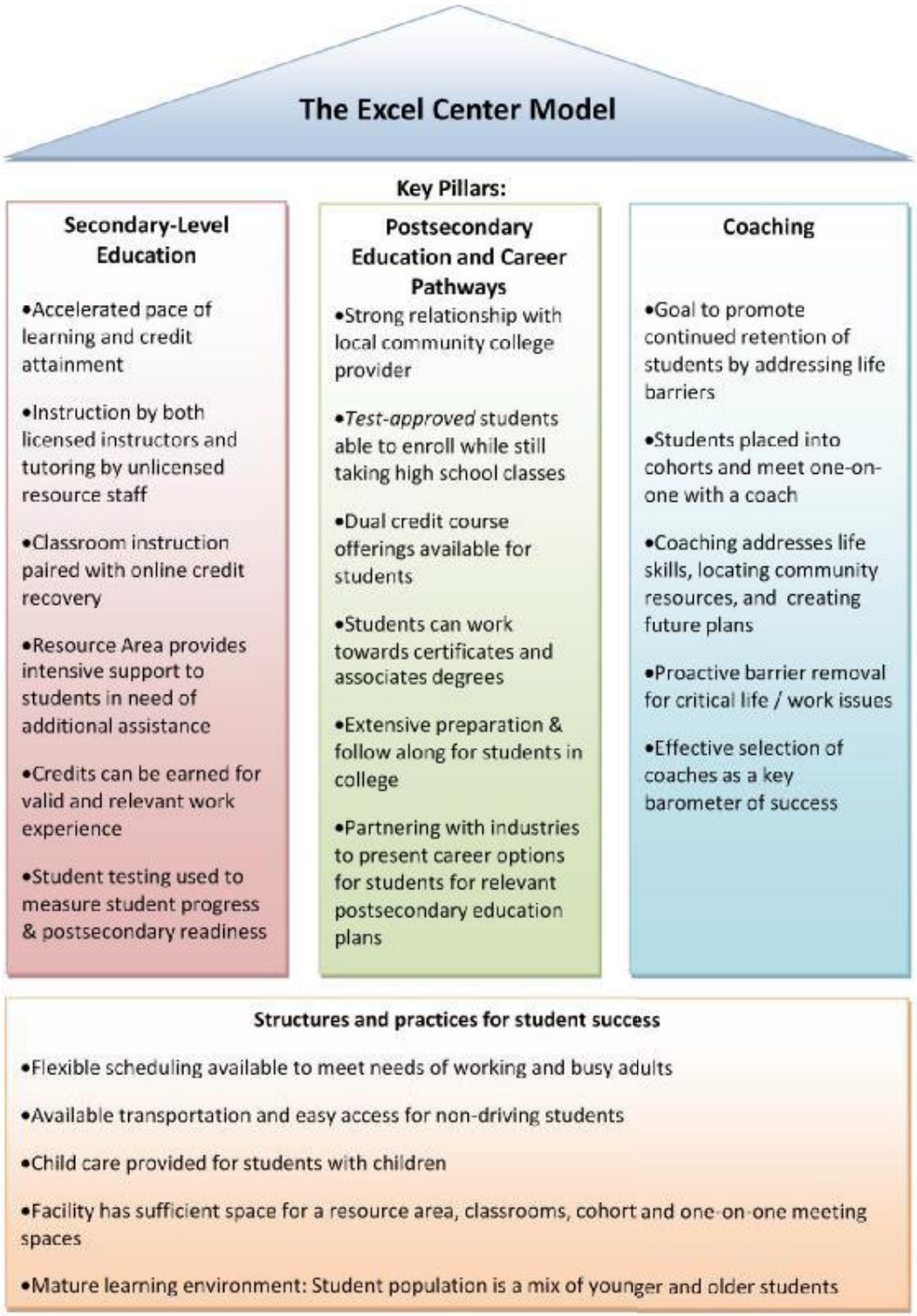
The Excel Center's education plan has three main pillars: (1) an academic philosophy that meets the goals and needs of adult students, (2) a concentrated focus on College and Career Readiness, and (3) a coaching platform designed to address what barriers impede with a student's continued educational success. Please see the graphic on the following page.

Academic Instruction for students who have dropped out requires flexibility in the design of the educational program. Students will enroll in The Excel Center at various skill levels, have different numbers of credits to achieve, and many will balance their educations with life obstacles, including work and family obligations. Therefore, The Excel Center will use a "one student at a time" method where each student will establish his or her educational goals and move at his or her own pace to achieve learning goals. Every student at The Excel Center will have a unique educational plan, and the school staff will work with each student to craft an educational program that fits his or her specific needs.

The environment within The Excel Center is designed to meet adults' learning needs by encouraging them to see the relevance and importance of their education while providing a mature environment for learning and discussion. The school is designed to reflect the characteristics of educational environments that benefit adult learners, including open discussion, self-directed learning and personal accountability.

The Excel Center has established a learning environment that meets adults where they are academically. Students participate in fixed-time classes where they cover key academic subjects in language arts, mathematics, social studies and science. These courses are designed to build skills, learn material, and engage with students. However, many students come to The Excel Center requiring significant remediation and special supports. For these students, reading, math, and basic skills labs allow them to learn critical information when they need it. Classes will include between 10 and 15 students in each course. Courses often integrate material from multiple disciplines, allowing students to demonstrate learning standards in an integrated plan that brings together a number of different skills and precedents.

Additional resources support the unique needs for adults outside of the core fixed-length courses. A portion of credits are attainable via online credit recovery format. In addition, students who have demonstrated high skill levels (as shown on by high scores on the COMPASS exam) are be eligible to enroll in dual credit courses, thereby beginning their pathway and success in working towards postsecondary education goals.


The Excel Center Model
Key Pillars:
Secondary-Level Education
•Accelerated pace of learning and credit attainment
•Instruction by both licensed instructors and tutoring by unlicensed resource staff
•Classroom instruction paired with online credit recovery
•Resource Area provides intensive support to students in need of additional assistance
•Credits can be earned for valid and relevant work experience
•Student testing used to measure student progress & postsecondary readiness
Postsecondary Education and Career Pathways
•Strong relationship with local community college provider
•*Test-approved* students able to enroll while still taking high school classes
•Dual credit course offerings available for students
•Students can work towards certificates and associates degrees
•Extensive preparation & follow along for students in college
•Partnering with industries to present career options for students for relevant postsecondary education plans
Coaching
•Goal to promote continued retention of students by addressing life barriers
•Students placed into cohorts and meet one-on-one with a coach
•Coaching addresses life skills, locating community resources, and creating future plans
•Proactive barrier removal for critical life / work issues
•Effective selection of coaches as a key barometer of success
Structures and practices for student success
•Flexible scheduling available to meet needs of working and busy adults
•Available transportation and easy access for non-driving students
•Child care provided for students with children
•Facility has sufficient space for a resource area, classrooms, cohort and one-on-one meeting spaces
•Mature learning environment: Student population is a mix of younger and older students

Technology features prominently in the design and delivery of academic content in The Excel Center. Coursework is presented in multimedia formats, reaching different personalities and groups. In addition, students are able to participate in computer-based instruction for online credit recovery, TABE and for tutoring-based work.

Postsecondary Education and College and Career Readiness prepares students to learn the general skills necessary to become successful in 21st-century workplaces. The Partnership for 21st Century Skills developed a framework that identified many of the critical competencies and skills essential to students preparing to enter the workforce in the 21st century. These skills are grouped into four general categories: a strong mastery of core subjects and knowledge of 21st century issues; life and career skills; learning and innovation skills; and information, media and technology skills. [xi] Building upon the Common Core's focus on 21st Century Skills, The Excel Center's emphasizes these skills so that they are better prepared in the modern workforce. Students will build on themes and case studies applied in workplace contexts, encouraging students to develop and demonstrate skills that will be valuable in workplace environments. Opportunities for students to demonstrate these skills are woven into core content and school progress. The school's emphasis on these skills will enable each student to understand how mastery of the core curriculum can be used as a means to develop skills that will be important in his or her career.

Many individuals who have dropped out of school will re-enter the educational system when they find that there are few employment opportunities available for individuals who lack a high school diploma. To respond to this demand, The Excel Center's coursework and learning environment enables students to access greater career opportunities. Students' educational plans will build towards post-secondary certificates and/or advanced degrees that lead to career pathways with better-than-average growth potential in the local economy. These academic goals will include courses at post-secondary institutions, including Ivy Tech Community College, that offer tangible skills training to equip students for future careers.

The Excel Center promotes students' awareness and access to valuable careers by introducing students to the benefits, details, and possibilities of a number of careers, and helping to outline the path a student may take to enter a career in a given field. Every Excel Center site prioritizes a particular industry to highlight and present to its students. For most of The Excel Center's students, earning a high school diploma was the primary reason for them to go to school, but few students have thought about what career to enter after graduating. Therefore, The Excel Center spends significant amounts of time introducing students to industries and fields where there are good prospects of finding stable employment and finding a career in an industry with growth potential.

Coaching in The Excel Center Model is an attempt to address the life barriers and issues that prevent students from being successful. The Excel Center coaches are responsible for keeping students engaged and motivated in the school. The relationship that coaches create with each student is a critical factor in student success, as that relationship will provide security, confidence and encouragement for students to continue when the work becomes difficult and life barriers become difficult to manage. Coaches will work with students to identify potential barriers to students' continued education, whether through short-term barriers (such as housing and childcare) or long-term challenges (including student self-efficacy and self-confidence).

The Excel Center will prepare students for and introduce them to post-secondary education through opportunities that are relevant to their educational and career goals. Students will cover the basic requirements to receive a high school diploma and enroll in some form of post-secondary education, whether a certificate or credential program or a track moving towards an associate's degree.

Evidence-based support The curricular foundation of The Excel Center is based upon significant evidence that its model meets the educational needs of adults. The foundation of The Excel Center's curricular approach is found in Brookfield, S. (1987). *Developing critical thinkers: Challenging adults to explore alternative ways of thinking and acting.* San Francisco: Jossey-Bass., Cohen, N. (1995). *Mentoring adult learners: A guide for educators and trainers.* Malabar, FL: Krieger, and Daloz, L. (1999). *Mentor: Guiding the journey of adult learners.* San Francisco: Jossey-Bass.

A significant number of both youth and adults who have dropped out of school nevertheless show a strong desire to continue their education. Jobs for the Future analyzed the National Educational Longitudinal Survey and discovered that dropouts are persistent in trying to further their education: over the course of their lives, more than 60 percent of dropouts eventually do earn a high school credential – most often a General Education Development (GED) certificate.[xii] However, many students struggle to complete their education, as skill deficits and life challenges often impede progress. Nationally, only about two percent of all high school dropouts will take a GED test in a given year, [xiii] and only ten percent of the estimated 3.8 million young people ages 18-24 without a diploma receive their GED. [xiv]

Although many dropouts would like to continue their education, they face limited options to achieve their goals. GED tests are the most common avenue for adult education, and studies have challenged the long-term benefits of earning a GED. Economists have argued that the wage benefits earned by GED recipients are largely explained by GED earners' higher initial skills.[xv] However, other reports have shown strong psychological and social benefits of earning a GED, especially when a GED is used to prepare students for post-secondary education. Unfortunately, most people who earn a GED struggle at the post-secondary level: although 65% of GED test takers plan on attending college, between 30 and 35 percent are able to attend. Ultimately, only five to ten percent of GED recipients are able to finish their first year of college.[xvi]

Many of these struggles indicate that traditional approaches to re-engaging this population are often insufficient to address the array of challenges the population of dropouts face. The 2006 Gates Foundation report, "The Silent Epidemic," surveyed dropouts about the reasons they left school. The research indicated that failing in school was cited by only 35 percent as a reason for dropping out, and a substantial portion of students left school for other-than-academic reasons. In particular, life circumstances such as needing to work, pregnancy and parenting, or caring for other family members were most prominent. [xvii] These challenges also affect the structure of how students continue their education.

Complete College America's 2011 report, "Time is the Enemy," highlights how, for many adults in college, an extended period of time to progress through school is a major detriment to their lasting success. Although the report's findings focused on postsecondary education, its lessons about adult learners have been incorporated into the design of The Excel Center. For students who are balancing commute times, family obligations, work, and school, lengthy educational programs with few rewards are a major barrier to ongoing success. The following elements of Complete College America's recommendations have been incorporated into the academic design of The Excel Center:

- *Use block schedules with fixed and predictable classroom meeting times.* The Excel Center's classes operate for at least 90 minutes each day, with student schedules fixed for each 8-week term.
- *Allow students to proceed at a faster pace, with shorter academic terms, less time off between terms, and year-round scheduling.* The Excel Center's year-round calendar takes minimal breaks and operates on five 8-week terms, as shown in Attachment 4.
- *Simplify the registration process.* Students enroll in one coherent program during iExcel and receive substantial help from life coaches, teachers, and other staff to understand their path to earn a high school diploma and a certification.

- *Form peer support and learning networks.* Students build relationships with other students and teachers in The Excel Center's small school environment. In addition, life coaches work to ensure that students remain engaged in the school's academic program and feel like they belong in the school's culture.
- *Embed remediation into the regular educational design, so that students don't waste time before they start earning credits.* Foundations Math and Competency English allows students to earn elective credit, helping students connect their remedial work to the goal of earning credits towards their highs school diploma .[xviii]

The Indy Excel Centers have demonstrated that this model is effective in engaging adults who have dropped out of school and leading them to earn high school diplomas and beyond. There are now nine Excel Centers, serving 3,000 students in five cities in Indiana. There have been over 720 Excel Center graduates since the school opened in 2010.

Nearly 82% of The Excel Center's graduates have already earned an industry certification or are currently enrolled in courses leading to certification in career pathways that include health care, information technology, advanced manufacturing, and logistics.

The Excel Center staff has conducted follow-ups on Excel Center student outcomes, noting that 32% of Excel Center graduates surveyed are enrolled in college. Of those enrolled in college, 32% are enrolled in four-year colleges, and 68% are enrolled in two-year colleges. Additionally, many Excel Center graduates have begun a transition to positive employment. Surveys of graduates indicate that over 75% of its graduates are either employed or in college after leaving The Excel Center. Surveys of graduated students have shown that 60% of Excel Center students are employed.

There are substantial economic benefits for an Excel Center student earning his/her high school diploma. Across the United States, median earnings of high school graduates are 38% higher than for dropouts. [xix] Adding an industry-recognized certificate boosts earnings an additional 20%. [xx] On average, compared with high school graduates, each dropout costs the U.S. economy $260,000 in lost earnings, taxes, and productivity over his/her lifetime.[xxi] There are also benefits that accrue to family members of a high school graduate. The child of a high school graduate is 50% less likely to drop out of high school than is the child of a dropout. Only 5% of children whose parents had some college or a vocational certification drop out of high school.[xxii]

A research study conducted in Indiana looked at state-level wage data and determined that there are significant benefits to employment levels and to earnings of Excel Center students. Graduating from The Excel Center improved an individual's likelihood to be employed and earn higher wages than high school dropouts. Graduates created a total benefit of $9,330 per student, and students who attended but did not graduate had a benefit of $835 per student. [xxiii]

Instructional Strategies

The Excel Center's teaching style provides sufficient structure and accountability to keep adult learners involved in their education. For at-risk populations that often face immediate crises and short-term barriers to an education, the long-term path it takes to earn a diploma (or even to earn course credit) can seem a long way away, and students can become disengaged or discouraged at the time it takes to make tangible progress towards student goals. To mitigate this belief, courses are designed into 8-week schedules that accelerate learning and the pace in which a student can attain course credit. Students are able to earn credits faster than in a traditional calendar, providing more immediate feedback than a student is making progress towards earning a high school diploma. Classes meet in extended blocks and in face-to-face settings, permitting teachers to establish relationships of trust, relevance, and respect with students. Courses are often co- or team-taught between several instructors, blending coursework across

multiple domains to increase the relevance of education and to encourage students to think creatively about how coursework blends interdisciplinary work.

TABE testing of students at intake indicates that less than one third of current Excel Center students entered the school at high-school reading and math levels. Therefore, to prepare students for high school-level content, the school provides an array of instructional strategies to help students catch up and progress quickly. The Excel Center operates resource area that will be open for students from the early morning into the evening – allowing working adults the opportunity to be in school when their schedules permit. Resource staff and tutors are available to answer students' questions and provide one-on-one instruction on requests from students.

Students in need of remediation are able to enroll in Basic Skills: Reading and Basic Skills: Math courses to prepare for higher-level coursework. These courses blend online learning (through Lexia, iLearn, and Reading Plus) with scheduled group work to cover material that a number of students could benefit from learning from an instructor.

The core of The Excel Center model, however, is fixed-time classes. Over 8-week schedules, students learn in classes that blend content from a number of disciplines to ensure that coursework is engaging, and that students learn to connect lessons from one discipline to another.

A significant portion of The Excel Center's coursework will be delivered through an online system available to students at all times. For students taking courses focused on online credit recovery, the school will use the A+nywhere Learning System. The A+nywhere credit recovery system allows students to complete course requirements to earn credits in subjects that are not related to each student's primary interests, allowing for the classroom-based instruction to focus on material that is essential to students' long-term success and career interests. Students may progress through online material at their own pace and will cover only the material that is relevant to their own personal learning plan.

Ways the Educational Model will Differ

Every site of The Excel Center explores what potential careers exist in their local community. As a component of The Excel Center's model, the South Bend site will include an industry focus that fits the community. This adaptation of the educational model will necessarily work towards that end. In South Bend, the school will be a blend of Information Advance Manufacturing and Health Care careers. As a component of its Advance Manufacturing focus, The Excel Center has established working relationships with Conexus Indiana, an initiative to capitalize on emerging opportunities in advanced manufacturing and logistics, aligning resources and expertise to make Indiana a leader in these exciting industries.

The Excel Center's curriculum is an individualized road map to student success, and serves as a customizable guide that assists in planning each student's instructional program. The Excel Center's curriculum has two overall goals: 1) teach the necessary content to graduate from with a high school diploma and 2) develop proficiency in the skills - both technical and 21st-century - required to be successful in modern careers. The objective of the curriculum is to ensure that specific skills are taught and mastered in a timely manner and in ways consistent with Indiana College and Career Readiness Standards. The school blends coursework in engaging, and interesting ways that also allow students to learn what they need. Instead of discrete grade levels, The Excel Center uses mastery to determine if a student is eligible to attend courses.

Course Scope & Sequence

An overview of The Excel Center's Course Scope and Sequence is included as **Attachment 11**.

Pupil Performance Standards

The Excel Center's academic content is aligned with the Indiana College and Career Readiness Standards and uses theses standards throughout its coursework and lesson plans. All standards were deconstructed and opportunities for integrating courses were utilized to make the content explicit and meaningful.

The Excel Center's Academic & Exit Standards are included as **Attachment 12**.

Grade Level Groupings at The Excel Center

The number of credits a student has completed (at previous schools or through The Excel Center) will determine the student's grade level. Students will be categorized by grade level to meet Indiana Department of Education reporting requirements. Students with less than ten credits will have freshman status; sophomores will have less than 20; juniors will have up to 30, and seniors will have more than 30.

Students will not be told their grade level, and this label will have little significance in assessing or accelerating student progress. Although it can be useful in conventional academic situations with more traditional student populations, a grade level categorization would have little benefit to a typical Excel Center student. The "freshman" label on an adult learner might create the a mistaken belief that it will take several years to complete the work in The Excel Center, even though the student's self-directed pace may mean that he or she could complete his or her requirements before that time. Instead of discrete grade levels, students will only be measured on the amount of credits he/she needs in order to graduate from the school.

Students routinely meet with their life coach to assess where he/she is academically and where the student needs to be in order to meet all of his/her academic and career goals as well as where the student needs to be in order to graduate.

High School Graduation Requirements

To graduate, an Excel Center student must fulfill the graduation requirements for the State of Indiana as established by the Department of Education. Students will work for a Core 40 diploma, earning credits with the following requirements:

- English / Language Arts: 8 Credits
- Mathematics: 6 Credits
- Science: 6 Credits
- Social Studies: 6 Credits
- Directed Elective: 5 Credits
- Physical Education: 2 Credits
- Health and Wellness: 1 Credit
- General Electives: 6 Credits

Students will earn credit hours by successfully demonstrating mastery over the standards established in each course. Teachers assess mastery by monitoring student work and evaluating their growth. By integrating coursework across domains, scheduled classes may allow students to earn multiple credits through the work of one class. Each class is mapped to indicate which credits towards a Core 40 diploma. Students earn credit by demonstrating satisfactory completion of a course and earn a passing grade higher than a D in that course.

Student transcripts from other schools will also be reviewed to determine if any coursework completed prior to enrolling at The Excel Center may also apply to the Core 40 diploma requirements. In addition, students who can demonstrate proficiency through ECA testing can also earn credits for courses in which they have already demonstrated knowledge. Students may also earn credit by enrolling in dual-credit programs at a local community college. In these instances, these credits are listed as transfer credits and not as credits explicitly granted by The Excel Center. Some courses that are required for the Core 40 will be available for students to take via online credit recovery courses. Additionally, other courses can be earned through dual credit programs as established by Ivy Tech Community College.

Student grade point averages are calculated based upon the grades that students earn in each course. Grade Point Averages (GPAs) are calculated on the following scale (at right) and are averaged upon the points earned for each credit. In courses that are awarded multiple credits, the student's letter grade applies the same point for each of those credits earned. For blended courses, a student earns a GPA based upon their performance for that particular domain within the course and earns credit for that portion of the classroom setting.

GPA Calculation	
Letter Grade	**Points Per Course**
A	4.0
A-	3.667
B+	3.333
B	3.0
B-	2.667
C+	2.333
C	2.0
C-	1.667
D+	1.333
D	1.0
D-	0.667
F	0 points

Student transcripts include the student's contact and demographic, the school's contact information. In addition, the transcript details the time period (in terms) during which the student was enrolled at the school, and his/her record of courses taken and credits earned. Each course includes the grade earned Grade Point equivalent for that class. Transcripts also include the student's performance on standardized testing, including GQE (for older students) and ECA, ACT and TABE scores.

The Excel Center offers elective courses that meet the educational needs of students. Most of these electives prepare the student to explore the viability of a career in an industry of a given program. Electives offered include:

Career Technical Education (CTE)

- Business Math
- Career Planning and Success Skills
- Child Development and Parenting
- Computer Applications
- Interdisciplinary Cooperative Education
- Medical Terminology
- Personal Financial Responsibility
- Preparing for College and Careers
- Professional Career Internship
- Advanced CTE, College Credit

CTE Certifications awarded in The Excel Center include:

- Logistics Readiness
- Patient Access
- EMT
- CNA
- IT Networking

Fine Arts

- Piano and Electronic Keyboarding
- Electronic Music
- College Credit

Additional Graduation Requirements

Students in The Excel Center work towards a Core 40 diploma. They earn credits and meet all the requirements to earn that diploma. However, in some cases, students are better suited to seek a General Education diploma due to their unique situation (student limitations, special education status, etc.). In these cases, The Excel Center desires that these students are still prepared to have some viable means of

contributing productively in their communities. Therefore, The Excel Center requires that students who seek a General Education diploma must also earn some form of certification that will improve their lifelong employability. This certification must be work-related.

In order to graduate successfully, students must also pass End of Course Assessments (ECAs). For many students, the limited testing windows of ECA means that students may have completed all of their credits only to wait for a significant period of time until ECA testing is again possible. For these students, The Excel Center encourages them to begin enrolling in postsecondary courses and, to meet their short-term goal of graduating, the school also structures significant time to ECA preparation work.

Student At Risk of Dropping Out

The Excel Center provides a number of supports for students at risk of dropping out or not meeting graduation requirements. The Excel Center is designed to meet the needs of students who have already dropped out of a high school. Its curricular focus is around accelerating the pace at which a student can earn a high school diploma, gain exposure to new careers (and what postsecondary education is required to enter those careers), and to become reengaged in the educational system. Students who continue to make consistent academic progress – no matter the pace – will be encouraged to continue working towards their high school diploma.

School Calendar and Schedule

The Excel Center calendar operates year-round with minimal breaks. The 2015-2016 academic calendar for the school, as well as the weekly schedule of classes is included as **Attachment 13**.

As "Time is the Enemy" highlights, for many adults in college, lengthy timeframes needed to progress through an academic program is a major detriment to their lasting success. The Excel Center's schedule is designed to reinforce educational success by accelerating the pace in which students can earn credits. The school's class schedule operates on 8-week cycles, using extended teaching times (90 minutes, although some courses merge two periods together for 3 ¼ hour blocks). This accelerated pace of schedules gives students the chance to earn credits on a faster pace than in a traditional 15-week semester. After an 8-week cycle is completed, students are then assigned into a new schedule with new coursework.

In its first year of operation, The Excel Center in South Bend will operate with 192 days of instruction. This schedule includes five eight-week sessions. Each session is structured so that, at the end, students have earned credits towards meeting their diploma requirements. As a function of this year-round calendar, The Excel Center staff - including teachers and coaches - will accrue vacation time and will be able to take paid time off.

The School Week

The Excel Center school week includes four days of fixed-time classroom instruction and one day of self-directed student learning. Scheduled fixed-length classes take place Mondays through Thursdays. Fridays are available for teachers and staff to prepare for classes, hold case conferences, staff meetings, and one-on-one tutoring sessions and meetings with students.

Monday through Thursday, the school schedule has classes from 8:00 am until 8:00pm. This extended schedule allows for adults to attend classes when their schedules allow, fitting coursework in alongside work or family concerns. A variety of activities will take place in the facility throughout each school day, including classes, one-on-one tutoring, self-directed study, and coaching activities. Resource staff will be available to assist students with particular questions related to their coursework. Schedules will be adjusted at the end of each term: The Excel Center staff will adjust classroom schedules to meet the students' credit needs and their ability to attend classes for each term. The weekly schedule – including the amount of academic time devoted to core subjects – is included in **Attachment 13**. In addition, to

further reflect the diversity of student schedules, two sample schedules for students are also included in **Attachment 13**.

Academic Instruction Time available:

	Fixed-Time Courses:		**Resource Area:**	
	Hours per day (Mon.-Thurs.)	**Hours per week**	**Hours per day**	**Hours per week**
Offered by the School	540 minutes / 9 hours	2,160 minutes / 36 hours	13.5 hours (Mon.-Fri.); 6 hours (Sat.)	4,130 minutes / 73 hours
Student Average	360 minutes / 6 hours	1,440 minutes / 24 hours	*Variable*	*Variable*

On Fridays, students participate in self-directed learning. They are able to continue on online credit recovery courses, take TABE examinations, work with a tutor and/or meet with their instructors in one-on-one meetings.

Each day the Resource Area is open from 8:00am until 8:00pm. The Resource Area is monitored by licensed instructors and has the support of unlicensed resource staff. Online credit recovery courses are students at all times, so students are continue their education at any time they have available. During the resource area's operating hours, teachers, resource staff and tutors will be accessible that students may have while working on-line. A staff rotation will be created to ensure that there is always a staff person on duty, and any questions asked to staff outside of working hours will have a response by an instructor or resource staff person the next morning. Periodically, scheduled fixed-time courses are also held on Saturdays to accommodate student needs, prepare for ECA exams, or other purposes.

Class schedules, meeting times, and locations will be adjusted every eight weeks to reflect any changes or development in student plans. Coaches will ask each of their students if their attendance schedules will likely change in the coming months, and schedulers will adjust the schedules to reflect students' needs, progress, or changes in community locations.

For parents with children, the child drop-in center will be open from 8:00am to 8:00pm in the same building so parents are close and do not have to travel to a separate location creating another potential barrier. During the daytime hours, attendance is limited to children ages 0-3, and in the evening, children up to age 12 are allowed to attend. More information on the drop-in center is included in the Supplemental Programming section.

School Culture

The environment within The Excel Center is designed to meet young adults' learning needs by encouraging them to see the relevance and importance of their education while providing a mature environment for learning and discussion. The school's format reflects the characteristics of educational environments that benefit adult learners, including open discussion, self-directed learning and personal accountability.

Many traditional adult education programs lack the flexibility that adult learners require to become successful. In Indiana, adult education programs follow a process-oriented model that requires adults to learn at the pace established by the program. These programs do not meet the needs of adults who must balance work, life and family concerns with their learning goals. Classes for adults are offered on a few nights each week (most only on Tuesdays or Thursday evenings), limiting access to resources and prohibiting highly-motivated students from progressing faster than the adult education process allows.

The Excel Center's academic environment is designed to prepare students for post-secondary education, which requires self-direction, initiative and personal discipline. The school will provide a variety of academic opportunities for growth that fit students' needs and learning styles. In order to allow students the freedom to explore these goals, students will determine the pace and content of their academic program. Students who have previously dropped out of school have the freedom not to continue their education, and the students who enroll have demonstrated a clear motivation and value of education. This distinction is critical to understanding The Excel Center's culture: each student has, at some point in his/her life, recognized the challenges of life without a high school diploma and has made the choice to return to school. The model is designed around students who have recognized the need for an education and have demonstrated a certain level of motivation to continue their education, and will provide supports to students to continue in this approach by helping overcome life barriers and set realistic goals to mark and continue their progress.

Specifically, students will develop confidence in their own abilities, receive encouragement and support from coaches, and receive advance confirmation that he or she can be successful in post-secondary environments by enrolling in dual credit courses. These supports are intended to develop each student's sense of self-efficacy in achieving his or her educational and career goals.

Developing The Excel Center Culture

Excel Center staff work with a challenging student population, so staff development often focuses on the ways in which staff can interact with students in productive ways. A critical component of The Excel Center's success is the hiring process, wherein teachers are selected in part based upon their emotional intelligence and build relationships with students. This need is even more particular with adults, who respond better in a respectful learning environment that respects what perspectives, experiences and views the student brings to the classroom.

As a part of new staff development, staff learn more about the population they will be serving in The Excel Center. In a group setting, staff watch videos of students' communication styles, and examine case studies of student barriers. Staff debrief these experiences, brainstorm ways of working with this student population, and set expectations for their work in the school in the future. Administrators from INIschools and the other Excel Center sites also assist new staff in learning how to work with this population and to share ideas and best practices on means of promoting student engagement and success. This process is repeated at the beginning of the new academic year in January, allowing staff to recalibrate and prepare for a new academic year.

iExcel New Student Orientation

Many adults who have the desire to return to school to earn their high school diploma may not realize fully the level of commitment that is required of them to earn a high school diploma. For many students – especially students who still have dozens of credits they have yet to attain – setting realistic expectations of how quickly they can progress through to their high school diploma is a critical first step. To illustrate this path, and to introduce students to the ways that The Excel Center is structured, new students go through the iExcel program to learn about the school and what their educational path will be. Students are given the opportunity to ask and answer questions about The Excel Center experience, and staff meet to discuss the new student experience and begin to answer questions students may have about the school.

The iExcel orientation introduces students to the culture of the school and its expectations. At the beginning of the student term, this two-day session introduces students to their coaches, performs initial TABE assessments, and establishes motivation and goal-setting for their time in The Excel Center. The orientation also exposes students to what post-secondary opportunities exist after earning a high school diploma.

The iExcel orientation also presents to students the role and benefits of their coach. The Excel Center coaches are responsible for keeping students engaged and motivated in the school. The relationship that a coach will create with each student is a critical factor in student success, as that relationship will provide security, confidence and encouragement for students to continue when the work becomes challenging and life barriers become difficult to manage. Coaches will work with students to identify potential solutions to students' continued challenges, whether through short-term crises (such as housing and childcare) or long-term coping skills (including student self-efficacy and self-confidence). Coaches will meet with each of their students at least biweekly to check in and identify whether there are additional supports or questions needed to keep each student engaged.

The coach will need excellent communication skills and an ability to make connections with individuals from various backgrounds, cultural groups, and ways of living. The coach will require a strong level of emotional intelligence to cope with the barriers that students face and to provide motivation and encouragement to struggling students. Additional responsibilities include: administering the intake process, assessing life experiences, determining education tracks with instructional staff, connecting students with supportive services to ensure success.

How the culture fits students with special needs

The Excel Center's curricular approach supports students with unique needs and those at risk of academic failure. For most students, their presence at The Excel Center indicates that they require an additional level of support. Students are able to engage with material that meets their needs at their level of ability, allowing students below grade level to have a variety of opportunities to catch up. The integrated curricular model permits students to build on their own work and life experiences while simultaneously learning new content. This individualized and mastery-based approach ensures that students develop mastery of concepts and techniques to connect students to future plans.

The Excel Center anticipates that some students will have a native language other than English. School staff will connect English Language Learners (ELLs) with the resources they need to learn and remain engaged in schoolwork. Where possible, some on-line content will be available for Spanish speakers, and there will be bilingual staff available to assist ELLs to access the resources of the school. The Excel Center will contract with outside providers in order to meet the educational needs of any second-language students who do not speak Spanish. Students with limited English proficiency will benefit from the school's focus on tangible, skills-based coursework. In particular, skills-based training in industry-specific certificate programs will assist ELL students with vocabulary and terminology needed to work in particular industries. Online resources are available in Spanish and other languages as well.

The Excel Center teachers and resource staff are be trained on strategies to identify students with learning disabilities and other challenges. In addition, since many adults struggle with the stigma of a learning disability and will try to hide that information, the identification process involves each student's coach to provide emotional support. Like other Excel Center students, students in special education will create individualized learning plans to accomplish their learning goals. However, these plans will include more robust analysis of resources to support their learning. Dedicated special education supports are offered until students age out of the special education program at 21. At that time, students may be able to receive additional support through Vocational Rehabilitation Services. Students with disabilities will be able to access the instructional methods that best suit their abilities, whether online, one-on-one, or within a classroom setting. Accessibility options with on-line curriculum allow students to access the same material as other students and work at their own pace. More information is provided in the Special Populations and At-Risk Students section.

A Day in the Life of a Student

Students at The Excel Center attend when their schedules allow. As a result, there is no one set experience of a typical day for a student, as each student's instructional program, community supports and resources will create a unique educational experience. Additional schedules illustrating the variety in student school days are available in **Attachment 13**. Nonetheless, a typical day for a student with a young child would look as follows:

- A 21-year-old student arrives to The Excel Center at 8:00am. Before unpacking her items, she drops off her 2-year old at The Excel Center drop-in center, recognizing that she must pick up her child at noon.
- For the next half hour, the student works independently on an online credit recovery course in Biology. At infrequent intervals, she calls over resource staff and work-study tutors to help answer her particular questions.
- At 8:45am, she enters a classroom and attends an American Studies A class with 11 other students to discuss the Federalist Papers. Students break up into small groups to discuss the word choice James Madison used and how they supported his argument.
- Except a short break, the class continues until 12:00pm. When class ends, she returns to the drop-in center to pick up her child. A relative arrives at 12:15 to take care of her child for the afternoon, and the student has lunch.
- At 12:45, the student attends a Writing Composition course, which ends at 2:15pm.
- During her break from 2:15pm to 2:30pm, the student continues work on her Biology work in online credit recovery.
- At 2:30pm, the student attends a Basic Skills Development: Math course (designed for students in need of significant math remediation). When that Lab is over at 4:00pm, the student leaves for the day.

A Day in the Life of an Instructor

- At 7:45am, a Math teacher arrives at the resource area to monitor student progress and to answer any questions students may have. In the early morning, students have few questions, so she uses her free time to review her upcoming schedule and plan out writing and project prompts for upcoming portfolio assignments.
- The teacher uses the 15-minute preparation time from 8:30 until 8:45 to prepare for an Algebra I block course. She teaches that course with a partner instructor until 12:00pm.
- The teacher takes lunch from 12:00pm until 12:45pm. He uses the final 15 minutes of his lunch break to prepare for the next course.
- At 12:45pm he begins teaching the second group of students in an Algebra I block course. This course also lasts at 4:00pm.
- On this particular day, the teacher is scheduled to monitor the Resource Area and answer student questions that evening. He works until 9:30, grading student work during the moments in which students do not require any additional assistance. The teacher's schedule is adjusted to a half-day on Friday as an acknowledgement of this additional time on duty for that evening.

Supplemental Programming

The Excel Center's calendar operates year-round with no difference in pace and structure during the summer. The school will operate at full capacity during this period and will have full participation of students and staff. Staff in The Excel Center are paid full-time, and they accrue paid time off. Therefore, the summer months are paid like any other part of The Excel Center's schedule.

Many adults who balance school with life, work, and family concerns fight the balance of insufficient time with their learning needs. As a result, The Excel Center will not provide many traditional extracurricular activities like clubs or teams, as many of these activities are not relevant to the needs of

Excel Center students. Instead, the school provides supports for students to continue their education while they balance their academic goals with the obligations of family, work, and other concerns.

Meeting Students' Non-Academic Needs

Equally important to meeting the educational needs of students, The Excel Center dedicates staff and significant resources to ensure that the non-academic needs to students are being met while they are enrolled at The Excel Center. Coaches will be the primarily liaison between school and the families of Excel Center students. Coaches will meet with students and their families to understand the family dynamics affecting student success, and parents and other family members will be invited to attend demonstrations of student materials and special team meetings that are open to other family members. Students in The Excel Center will have a higher degree of independence than traditional high school students; many students will no longer live with parents or guardians, and many students will be taking care of their own children. Where necessary, Goodwill's services will be used to help address any issues or barriers to family well-being that affect a student's ability to be successful in school, such as seeking affordable child care, connecting to students to housing resources, helping students access public transportation, referring students and their families to medical facilities, referring students to food pantries, etc.

The Excel Center Child Drop-in Center

Some Excel Center students will have to take care of their children while also trying to continue their education. To help students continue their education, The Excel Center operates a child drop-in center. This center allows for children of students to be cared for while his/her parent is involved at the school.

The primary focus of drop-in center is give students who are parents the opportunity to focus on their education knowing that their children are in a safe and secure environment. Due to licensing requirements, parents will be able to drop off their children for a maximum of four hours each day. Parents will provide all necessary care materials (including diapers, wipes, or formula) for their children, and the drop-in center will not provide any meals for participating children.

Some parents will need more robust child development opportunities for their children, but these needs are beyond the scope of what The Excel Center can currently provide. Parents are encouraged to find other childcare options that are able to take care of children for longer periods of time. Finding quality, affordable childcare is a major challenge for an Excel Center student who cares for a child. A student with this challenge will present these issues to his/her coach, and the coach will work with community partners and other infrastructure in order to meet that need for his/her students.

Special Populations and At-Risk Students

The Excel Center's unique curricular format provides ample support for special student populations. Students arrive at The Excel Center at a variety of levels, and The Excel Center's structure is designed to provide the appropriate instructional method to meet their unique needs. This structure allows students with special needs to receive appropriate support, whether they have Individualized Education Programs (IEPs), Section 504 plans, are English Language Learners or students at-risk of leaving school. Gifted students – most of which were distracted from educational success for other reasons – the relevance of an education that leads to a valuable career and dual-credit options for postsecondary education. The population of students who has dropped out of school faces challenges on a number of fronts, and an array of supports are necessary to meet students wherever they are.

Academically low-achieving students, students with disabilities, and other at-risk students will have higher rates of dropping out of school than the general population.[xxiv] Because it will serve students who have previously dropped out, The Excel Center's course program is designed to meet the needs of students who are academically behind by providing intensive academic and non-academic supports. The

Excel Center maintains high expectations for all of its students, because lowering expectations will not adequately prepare them for successful careers after graduation.

The Excel Center's unique curricular format provides ample support for special student populations, including students with identified disabilities under the Individuals with Disabilities Education Act (IDEA), students with Section 504 plans under the Americans with Disabilities Act (ADA), ELL students, intellectually gifted students, and at-risk students performing well below grade level. The experience of The Indy Excel Centers suggests that special student populations will make up a significant portion – if not a majority – of the student body. This is not surprising, as students with special circumstances (e.g., a disability or ELL status) are more likely to drop out of school.[xxv] This experience suggests that large numbers of individuals will have some form of disability, whether previously identified or not. Although The Indy Excel Centers have an official special education percentage near 10 percent, this only includes students who have not aged out of IDEA at age 22. Unofficial estimates place that number closer to 30 percent, and students with documented disabilities continue to have Section 504 plans under ADA to make any necessary accommodations. In addition, some locations have begun to enroll increasing numbers of non-native English speakers as immigrant communities discover the value and advantages of The Excel Center.

Students arrive at The Excel Center at a variety of levels, and The Excel Center's structure is designed to provide the appropriate instructional method to meet their unique needs. This structure allows students with special educational needs to receive appropriate support, whether they have and IEP, Section 504 plans, are ELL, intellectually gifted students, or are students at- risk of dropping out. The population of students who has previously dropped out of school faces challenges on a number of fronts, and an array of supports are necessary to meet these students wherever they are.

Students receiving services spend a majority of their instructional day participating in fixed-length classes alongside the general student population. The remainder of the day they may utilize supplementary services as indicated in their IEP or Section 504 plan. Based on student need, individualized or one-on-one instruction may also be provided. The instructor-to-student ratio allows for every student (regardless of special education status) to enjoy an increased level of attention from his or her instructor and coach. This allows for placement of every special education student into the least restrictive environment. All classes are inclusionary, and none are comprised solely of special education students; however, the school has the ability to provide more intense individualized services, if necessary.

Because students all have flexible calendars based upon their unique situation, it is common to adjust plans to accommodate students with identified eligible disabilities. Staff work with students to establish what academic schedules are appropriate for their unique needs and make that work. Some students are able to attend one classroom session and then spend the rest of the day in General Skills Lab where they work with other students and facilitators. Other students are eligible to participate in online directed course content, where they can work at their own pace, again with the support of facilitators as needed.

The Excel Center class schedule holds regular classes Mondays through Thursdays. This schedule allows Fridays to be used for regular staff meetings to discuss the school's special education framework and to conduct specific case conferences on students' IEPs. Instructors are responsible for attending case conferences and to work with special education team members to implement necessary accommodations and to develop instruction to meet the needs of diverse learners. In addition, teachers are to communicate attendance and behavior issues to special education staff to assist in revising the educational format of each student's IEP. Coaches will attend case conferences and write 504 plans in collaboration with special education staff. They also are required to communicate any attendance or behavior issues with special education staff. Special education staff will develop instructional interventions for students, assisting in the development of individualized communications and progress monitoring.

All Excel Center staff will be trained on strategies to manage students with behavior problems while promoting an environment of pro-social behavior and reinforcement. A General Education Intervention and Response to Intervention (RTI) team will serve as the backbone for identifying students with learning disabilities, creating a rigorous, relevant curriculum and supporting teachers in differentiating instruction for every learner. This team will consist of the Special Education Coordinator, a Lead Teacher, Instructor, and all Coaches. Staff will assess whether students need special education services through an array of supports, including increased one-on-one instruction, tutoring, and the contracting of services for services when identified on a student's IEP, including physical therapy, occupational therapy, psychological services and speech-language therapy. Initial placement testing at intake (during iExcel) will identify students' current levels of performance in reading and mathematics, and in addition, the school will request records for incoming students via Child Find to identify any students in need of special education services.

The Excel Center utilizes RTI, a framework for prevention and early intervention which involves determining whether all students are learning and progressing optimally in areas of academics, social interactions, emotional growth, and behavior, when provided with high quality instruction and intervention. The three tiers of interventions move from less supports to more intensive individual supports and accommodations. Tier I interventions provide evidence-based, differentiated instruction to meet the needs of all students. Teachers utilize flexible grouping and administer universal screening assessments to identify students who need additional support. Teachers ensure that 80-90% of all students are instructionally or behaviorally successful with universal interventions. The Excel Center staff, with the assistance of INIschools, evaluate the core curriculum and instructional practices if fewer than 80% of students are successfully mastering the course content or students who are not meeting academic and/or behavioral success despite Tier I interventions receive Tier II intervention. Teachers provide small group supplemental instruction for students requiring targeted interventions (5-10% of students), but who continue to receive core instruction. Teachers provide increasingly intensive instructions or extensions and progress monitor to assess student growth. Tier III interventions are reserved for 1-5% of students who require intense interventions. Teachers provide individual or very small group instruction to the students who also continue to receive core instruction. Teachers provide individualized instruction focused on specific skill deficits and continue to monitor progress of student growth.

<u>Indicators to Determine Placement in Excel Center's Response to Intervention (RTI) System</u>
At intake, staff will review a student's transcript to determine if a student has earned any high school credit in another school and whether a student has a documented disability on file from that school. If a student has not been previously identified as having an eligible disability but has limited skills, then the RTI process will be implemented with general accommodations and progress monitoring. To determine current skill levels, students will take the Test of Adult Basic Education (TABE) and the Scholastic Reading Inventory (SRI). TABE testing indicates a student's ability to be successful in high school content, generating a grade level equivalency for mathematics and English/Language Arts. TABE is used to determine each student's placement into mathematics and humanities courses; a student who has a TABE English score below grade 9 will be recommended for Competency English, and students' Math TABE scores below grade 7 will be referred to a remedial level course prior to attempting Algebra I.

Student progress in basic skills instruction (defined as Competency English A and B, Foundations Math I and II, and Writing Lab) will be closely monitored to determine whether students are making appropriate academic progress and represents Tier II intervention in The Excel Center. Basic Skills classes are generally small (less than ten students) and led by highly qualified instructors. During each eight-week session, students will re-take TABE to determine if their skill levels have increased. Additionally, students in basic skills instruction in English/Language Arts will be monitored using the SRI. SRI is a computer-adaptive reading assessment for Grades K-12 that provides immediate, actionable data on

students' reading levels and growth over time. SRI assesses a student's level of reading comprehension, generating a Lexile score for each student. Students with Lexile scores below 1000 will not be eligible to enroll in World Studies A (where students earn English I credit) until they have completed remediation and raised their Lexile score, indicating they are academically ready for the course.

Student success in basic skills instruction will be monitored closely to determine if students are making progress towards readiness for high school-level content. Students take TABE and SRI courses each eight weeks to determine if grade level and Lexile gains indicate sufficient progress. However, some students are likely to require additional supports if their Rate of Improvement (ROI) is less than one TABE grade level during each 8-week term. Students who do not make one grade level gain per term will be recommended for Tier III intervention during the RTI meeting taking place on the Friday after the completed term. In Tier III intervention, students will receive additional one-on-one tutoring by resource staff. One-on-one tutoring is available via resource staff every weekday, and teachers are also available on Fridays to conduct one-on-one tutoring sessions with students. One-on-one tutoring sessions will take place for at least 30 minutes each day that fixed-length courses are in session (Monday-Thursday).

Students who make consistent ROI gains are allowed to continue making academic progress towards their goals: students in Tier II and III interventions may continue within that tier as long as grade level gains (as measured on TABE and SRI) are positive. If students do not make consistent progress – as measured by stagnant TABE/SRI scores and an inability to demonstrate mastery of standards for at least two terms – a student may then be referred to Special Education testing. The Excel Center will contract with psychological services provider to conduct these tests.

Students with mild, moderate and severe disabilities

The Excel Center will comply with IDEA Child Find activities for all students who enroll, including identifying and providing appropriate special education services in accordance with applicable Indiana law and IDEA. The Excel Center will focus on identifying and serving those who qualify as students with disabilities under federal and state criteria. When a student submits an enrollment application to The Excel Center (including name, contact information, date of birth, previous school(s) attended, etc.), they will be asked to identify any previous special education services they have received. If a student indicates he/she is a previous recipient of special education services, The Excel Center's registrar and special education staff will contact the student's previous school(s) to obtain copies of the student's IEP. In addition to efforts during enrollment, students will again be asked to identify special education services received and/or needed during the iExcel orientation sessions. During orientation, students will meet with their Teacher of Record (TOR) and/or other special education staff to discuss any services that may have been received. Excel Center staff will initiate the Child Find process for all students who self-identify as needing special education services or who staff believe may have received or are in need of services.

The Excel Center's goal is to provide individualized special services that address each person's strengths and abilities, empowering them to reach their full potential. These individualized services will be identified based on the needs of each student to allow each student to better access the general education curriculum and allow them to make progress toward goals outlined in his/her IEP or Section 504 plan. These individualized services may include small group instruction, extended time for instruction or tests and a reduced school day schedule, among other options. The TOR is responsible for the implementation of each individualized service the student receives. They will communicate all accommodations and/or medications to general education staff.

The Excel Center will be focused on meeting the needs of all Excel Center students, including those with special needs, through the use of high-quality IEPs. Staff will make every effort to obtain students' previous school records within a reasonable time and review each student's records, transcripts, IEPs and Section 504 plans to identify those students requiring special education services, and their specific service

needs. When students request it or when students notice a need due to academic performance, emotional issues or other extenuating factors (on a case-by-case basis), school staff will refer students for evaluation when they have not previously been identified as needing special education services. The Excel Center will also use its RTI process to better identify students with special needs.

Life Coaches will create individualized learning plans for all students, including those with special education needs. Each student's Life Coach will help students manage their learning plans and check in with students to monitor their progress. Students with special education needs will also be supported by an IEP or 504 plan and specialized learning environments structured to meet their unique needs. The TOR is responsible for ensuring that students' IEPs and Section 504 plans are being properly implemented. Each student receives individualized academic and behavioral planning and services in the least restrictive environment. To accommodate the range of student skill levels, aptitudes and backgrounds, The Excel Center offers flexible coursework (i.e., 8-week terms, small group instruction, remediation, certification courses, etc.) and individualized attention. Our goal is to give each student a realistic and attainable path to educational success and sustainable employment.

Students with special needs will have a variety of other services available to them, including:

- **Speech & language therapy**
- **Occupational therapy**
- **Physical therapy**
- **A dedicated Teacher of Record**: The Excel Center's special education teachers will be licensed as special education providers, and will demonstrate understanding of the unique needs of students with disabilities and special needs. Meeting each student where he or she is, The Teacher of Record (TOR) will meet regularly with students to facilitate their learning and monitor progress against IEP goals and objectives. The TOR will use a student-centered approach to tailor learning/service strategies, and will be expected to employ creativity and innovation in their educational approaches. To that end, TORs will receive ongoing professional development related to best instructional practices to use when working with students with disabilities. Strategies may include one-on-one instruction, remediation techniques, self-paced lessons and computer-based tutorials. Behavior modification supports and techniques will also support building social skills and work-related skills to help remove barriers to school performance and job success. Behavioral modifications may include coping strategies, social skills, anger management, etc. All accommodations for students with disabilities are put in place to allow students better access to the general education classroom and curriculum.
- **Coaching**: Trained and compassionate professionals will be hired as Excel Center life coaches. These coaches will work with each student to address life barriers and issues that may have caused their decision to drop out of school, and to maximize their potential of being successful in their Excel Center educational program. The life coaches' goal is to keep students engaged and motivated, and constantly moving toward completion of their credits to earn their high school diploma. They work with students to identify potential short-term barriers – such as housing, child care, transportation, etc. – as well as long-standing issues, such as a lack of self-confidence. Coaches and TORs work closely as a team to facilitate learning plans, activities and services for all students, including those with an IEP or Section 504 Plan.
- **Transition Services**: As they earn their high school diploma, Excel Center students are provided the chance to learn social skills and job skills needed for the 21st century workplace. Clearly identified transitional services and activities play a vital role in the students' IEP plan. The comprehensive transition plan will include educational programming and work-related training that specifically addresses each student's needs as they prepare to become productive members of society. This intentional planning incorporates transition assessments to identify student interests and aptitudes, and to provide supports that address their post-secondary educational or

employment goals. The TOR will also work closely with students to access needed supports and assistance after graduating high school, including such services as offered by the Department of Vocational Rehabilitation Services. Vocational rehabilitation provides students with any services the student needs in order to overcome employment barriers they may face. Vocational Rehabilitation services may include internships, work skill training, college assistance, job placement or soft skills training. This department specifically assists individuals with disabilities as they seek employment. Transition services may also include college tours, internship programs, and work skill development, focusing on the individual needs of those with disabilities.

The RTI team will serve as the Section 504 Committee within The Excel Center. Students with disabilities will be discussed during the RTI team meetings that take place each Friday. As previously noted, Fridays are set aside for Excel Center staff to discuss student progress and issues, including those students with special concerns (lack of academic progress, exhibiting new/different behaviors or attitudes and/or lack of success in using the formalized RTI process). The committee will develop written Section 504 plans for each student with a disability, stating the nature of concerns, the specific modifications and the related support services that will be provided to the eligible student. These 504 plans will be monitored by coaches and will be distributed by the coach to each instructor who teaches that student. Plans are required to be reviewed annually; however, a plan can be reviewed and amended at any time if the school, TOR, student or family deems it necessary.

Licensed special education staff will write IEPs for students with special education needs and will be responsible for notifying instructors and coaches of their specialized plan. Students with disabilities will be placed in the least restrictive environment (LRE) possible and will be able to access the accommodations that best suit their abilities, whether online, one-on-one, or within a classroom setting. Consideration is always given to the LRE placements for each student. Due to the structure of The Excel Center, students with disabilities will be afforded small class sizes, preferential seating and access to digital text. Accessibility options with online curriculum allow students to access the same learning material as other students and work at their own pace. Special education staff will work with instructors to ensure that students receive appropriate services that will enable them to stay on track to graduate. Students can also access a variety of accommodations based on the needs outlined in their IEPs. In the rare cases when The Excel Center cannot serve as a student's LRE, the case conference committee will determine a plan to ensure the student's success in an alternative environment. Any determination to change a student's placement is a decision that is reached by the case conference committee. The decision is made in instances where a student has a repeated history of being unsuccessful in the current placement and is not making progress toward the goals outlined in the student's IEP. Such alternatives might include a shorter day or using online curriculum with support of a TOR. Each IEP is created with the individual student in mind, and each student plays an active role in the implementation of his/her IEP. Should the IEP prove ineffective for the student, the case conference committee will reconvene and develop an alternate plan to better provide access to the learning curriculum.

English Language Learners

ELL students are first identified during enrollment at The Excel Center. Students fill out a Home Language Survey during which they self-disclose what languages are spoken at home other than English. These students who indicate any languages other than English take the LAS Links to indicate the degree to which they need assistance in foreign languages. LAS Links tests are taken annually in the fall, with re-tests at regular intervals throughout the school year to determine the level of support students require. English Language Learners' collective data on student growth on TABE scores, credit attainment and intermediate grades will be used to determine whether the school is providing sufficient supports for English language learners. Teachers whose students include English language learners additionally employ the Sheltered Instruction Observational Protocol (SIOP). The SIOP Model* is a research-based and validated model of sheltered instruction. Professional development in the SIOP Model helps teachers

plan and deliver lessons that allow English learners to acquire academic knowledge as they develop English language proficiency. SIOP is often used in secondary school contexts where ELL and native English speakers are in the same class. SIOP instruction is characterized by two sets of complementing objectives: content and language objectives. Language objectives address what language is needed for students to know in order to engage with the academic content.

Comparison of Content and Language Objectives[xxvi]

	Content Objectives	**Language Objectives**
Overall focus	Based upon Indiana College and Career Readiness Standards for the content areas in the given subject.	Address what language skills a student needs to engage the content objectives, perform tasks, and achieve objectives.
Hint verbs and resources	Recognized by verbs related to knowledge of the content area: ***identify, analyze, rank, construct, graph, divide, solve, visualize, design***	Language resources include key vocabulary, language functions or ways students use language in the lesson, grammar or language structures, and language learning strategies: ***read, write, listen, list, tell, discuss, journal, record, persuade, debate, draft***

Teachers will plan explicitly for content adaptations for students who are learning English, building background knowledge, creating comprehensible explanations and scaffolded learning experiences, and providing opportunities for review prior to mastery assessments.

ELL students with Lexile scores below 1000 will be enrolled in Competency English courses and progress through basic English skills instruction as they gain mastery in English education. These students will access System 44, a proven foundational reading program developed by Scholastic. System 44 was selected because it is research based and aligned with the Read 180 program that is used for remedial reading with general education students to help them develop the reading skills necessary to enter into high school-level courses.

The Excel Center holds high expectations for ELL student achievement and continuously monitors ELL student progress (e.g., student work, formal and informal assessments, test results), and systematically adjusts instructional planning based on a wide variety of evidence and data. Teachers support and learn from each other in a way that recognizes the interdependency of language proficiency and content instruction, and The Excel Center provides professional learning opportunities to increase teachers' capacity to enrich language development and academic concepts and skills.

Students Performing Below Grade Level

A student who enrolls in The Excel Center having dropped out of another school most likely continues to face many of the risk factors that led to his/her leaving school. Grade level groupings have little bearing on how a student progress through The Excel Center. By definition, almost all of the students may be "below grade level," because dropping out of school may have left a student far behind his/her cohort and some students may be several years late in graduating with their cohort. No matter their age, students are expected to demonstrate mastery over the academic standards for each course in which they are enrolled. Using TABE, SRI and student transcripts, Excel Center staff will ensure that students are scheduled for courses in which they can be successful, receiving supports that align with their Tier of intervention in The Excel Center's RTI framework.

Most students will be able to make progress towards mastery within each course in which they will enroll. For them, Tier I instruction will allow students to make progress towards earning a high school diploma. However, other students will require assistance to make those goals. Students who are demonstrating proficiency of standards below 80% will be prioritized for Tier II instruction, where they will receive tutoring assistance and additional online supports

Many students will arrive at The Excel Center in need of significant remediation at levels far below high school-level work. TABE scores taken at intake in the Indy Excel Centers reveal that 70% of students test below a sixth grade skill level in math, and 45% score below a sixth grade level in reading. Similar results are anticipated in South Bend. Tier III (or basic skills) coursework in reading relies heavily on computer-integrated resources, including System 44 and Read 180. Students in Competency English courses will progress through modules in System 44 and Read 180. ***System 44*** provides students with extremely low SRI scores with foundational reading and phonics intervention. Its online platform helps students master the foundational reading skills required for success with the Common Core through explicit instruction in comprehension and writing. System 44 instruction provides personalized learning progression driven by technology. Read 180 is a comprehensive system of curriculum, instruction, assessment, and professional development proven to raise reading achievement for struggling readers. Both System 44 and ***READ 180*** leverage adaptive technology to individualize instruction for students and provide powerful data for differentiation to teachers.

Intellectually Gifted Students

Students who enter The Excel Center with high levels of academic achievement (as measured by TABE scores at intake at over grade 11) will be considered intellectually gifted. These students will be encouraged to explore educational options at the post-secondary level through dual credit/dual enrollment. To begin this process, students will take the ACT or COMPASS Placement Exam to determine if they are ready for postsecondary work. The Excel Center's postsecondary placement testing will align with Ivy Tech Community College's admission requirements

Students will have the chance to attend Ivy Tech – at no cost to the student – and take credit-bearing college courses. The Excel Center will build on Indiana's dual enrollment course offerings for high school students. In the dual enrollment arrangement, an Excel Center student is dual-enrolled as both an Excel Center and an Ivy Tech student, and completion of an Ivy Tech course grants both high school and post-secondary credit. The Excel Center will pay the tuition costs for Excel Center students to take Ivy Tech courses. Dual credit has been shown to have significant outcomes in improving postsecondary success and high school credit attainment.

Research indicates that many gifted students dropped out of school due to life issues that impeded their economic progress. Reports have shown that for gifted males, reasons for dropping out are related to economic issues and the need to find work, whereas for gifted female students, personal issues are more likely. In both cases, The Excel Center's coach is a critical support to identify what out-of-school challenges may interfere with that student's educational success.

Student Recruitment and Enrollment

At full capacity, The Excel Center site will enroll about 350 students. The Excel Center's individualized approach will work best in a small-school environment. Adult students will learn better in an intimate setting that gives each student the flexibility and freedom to learn at his or her own pace. The school is designed to promote meaningful relationships of support between staff and students, and a school size that is too large will inhibit these relationships from forming. Staff will need frequent and open communication in order to operate in the school's flexible approach; schedulers, coaches, teachers and administrative staff must be able to touch base on various topics throughout the day. The school's small size will encourage this consistent communication that would be difficult to achieve with a larger school.

The Excel Center will be assisted by Goodwill and INIschools in the development of the school's marketing plan. Excel Center and Goodwill staff will be responsible for student recruitment.

The Excel Center will be available to any adult who would like to continue his or her education, and the school's student body will likely include students of various ages. However, the school staff will actively

target young adults between 18 and 22 years of age because this age group is the most-represented within the schools (40% are 18-25), and reflects that the median age of the applicants to The Excel Center (to Indianapolis sites) is 23.

School staff will manage the student intake process at the school. Because of its uniqueness in providing educational opportunities, a number of community providers will refer students to The Excel Center. Ivy Tech will refer students with low academic skills to The Excel Center to catch up and then enroll when they have reached a baseline level of proficiency.

The Excel Center's Enrollment Policy and its application processes are included in **Attachment 14**.

Student Discipline
The Excel Center has a strong emphasis on self-discipline and encouraging students to regulate their own behavior: students must behave as they would in a professional environment.

Nevertheless, discipline issues will likely arise at The Excel Center. Unfortunately, methods of discipline found in traditional high schools are not effective with this student population, because students may simply decide to leave school if they do not agree with the school's decisions. Parental notification, in-school and out-of-school suspensions are used sparingly, because many students will simply elect not to return from school. A student who is unable to behave in a self-directed learning environment will struggle to be successful long-term in The Excel Center, in post-secondary education or in the workforce. As a result, The Excel Center takes a zero tolerance policy towards gross violations of student behavior, including fighting, threats of violence, or other significant violations of student behavior. When gross violations of student conduct occur, students will be expelled.

For many students, behavioral issues are indicative of problems that occur outside of school environments. Therefore, Excel coaches have the particular challenge of identifying potential issues that might affect student conduct. Where possible, the coach will try to connect the student to community resources or other organizations that might be able to ameliorate some of the deeper issues that can result in poor student behavior.

The Excel Center's Discipline Policy is included as **Attachment 15**.

Parents & Community

Although many dropouts would like to continue their education, they face limited options to achieve their goals. GED tests are the most common avenue for adult education, and studies have challenged the long-term benefits of earning a GED. Economists have argued that the wage benefits earned by GED recipients are largely explained by GED earners' higher initial skills.[xxvii] However, other reports have shown strong psychological and social benefits of earning a GED, especially when a GED is used to prepare students for post-secondary education. Unfortunately, most people who earn a GED struggle at the post-secondary level: although 65% of GED test takers plan on attending college, between 30 and 35 percent are able to attend. Ultimately, only five to ten percent of GED recipients are able to finish their first year of college.[xxviii]

The South Bend community has a significant need for The Excel Center. Over 11% of the city's population over 18 lacks a high school diploma and there are few good options for these individuals to become reconnected to their education goals. Within a 10-mile radius of South Bend, there are well over 40,000 adults over 18 without a high school diploma [xxix]. Due to the high need for an educational option like The Excel Center, it is very likely that the school will be able meet its enrollment projections. Dropout rates remain high across Goodwill Industries of Michiana's territory and other locations it operates will likely be able to meet enrollment projections.

It is unlikely that many parents of students will be involved in the school. Students in The Excel Center will have a higher degree of independence than traditional high school students; many students will no longer live with parents or guardians, and many students may be taking care of their own children. The school has been designed with the expectation that most students live on their own and are more likely to be responsible for their own lives.

In cases where students are still below age 18, Excel Center staff and coaches make every effort to work with parents in the same focus as traditional high schools. Coaches are often the line of communication between the school and families. Coaches communicate school expectations with parents, provide opportunities for parents to be involved with life of the school, and work with families to address any challenges or barriers that may keep younger students from continuing their education. Coaches will be the primarily liaison between school and the families of Excel Center students. Coaches will meet with students and their families to understand the family dynamics affecting student success. Where necessary, Goodwill's resources will be used to help address any issues or barriers to family well-being that affect a student's ability to be successful in school. Most often, these barriers will relate to providing care for young children of students.

Community partners will be critical to the school's success. To date, The Excel Center has garnered significant community support for the school and will continue to engage with the community. Evidence of community engagement and support are provided in **Attachment 16**.

Performance Management

The anticipated student population of The Excel Center faces significant academic and non-academic challenges. Students will likely be behind schedule in their academic progress, and The Excel Center's school-specific goals mirror the particular challenges of working with this target population. In addition to the school performance metrics to be established by the Indiana State Charter Board, these goals reflect the school's primary mission: to help students complete a high school diploma and become ready for post-secondary education.

To support student progress, The Excel Center will create a supportive environment that promotes flexible and individualized learning while adult learners manage the various demands and challenges of work and life. The table, below, outlines the academic performance goals of the school.

Academic Performance Goal	Methods of Assessment
The Excel Center will enable students who have dropped out of school or who are at high risk of dropping out to earn a high school diploma.	The Excel Center will measure the total number of diplomas earned by Excel Center students since the school's opening.
Students who have been behind academically will be able to catch up and will learn the necessary skills and content continue their education.	The Excel Center's rate of student growth will outperform other Indiana high schools as established by Indiana Department of Education's measures of improvement.
Students who graduate from The Excel Center will demonstrate the ability to succeed in post-secondary academic environments.	Upon graduation, The Excel Center will measure the average number of courses a student has completed at the post-secondary level as shown from student transcripts.

The Excel Center's performance goals reflect the mission of the school by focusing on rapid student progress, graduating from high school, and connecting students to post-secondary education. The Excel Center does not intend to establish any specific organizational goals.

The Excel Center will also use a number of indicators to measure progress and to refine instruction and organizational performance. These measurements will be relevant for individual and school-wide levels; however the school will not organize information at the cohort level. A student who has dropped out of school and then returned will be out of his/her cohort; since students will arrive and finish at various times, the cohort-level measurements will have little bearing on the performance of the school. The chart below outlines the key measurements for students at each level of measurement.

Group	Ongoing Indicators	Year-End Indicators	Term-Long Indicators
Individual Students	• Attendance • Credit Attainment • Performance Grades • TABE Scores	• Pace of Credit Attainment • Attendance • Student Growth • Net TABE increase	• Course completion • ECA Results • Post-Secondary Enrollment • Post-Secondary Persistence and Completion
Student Cohorts*	*N/A*	*N/A*	*N/A*
School-Wide	• Attendance (school-wide) • Net credit attainment • Net TABE increase	• Number of graduates • Percent of graduates enrolling in post-secondary education • Total number of credits earned	• Total number of graduates from The Excel Center • Post-secondary persistence and completion

On an ongoing basis, individual students will be monitored on a number of key indicators, including attendance, credit attainment (including intermediate student grades mid-session), and increases in TABE scores over time. Instructors are responsible reporting on intermediate metrics and logging them in the student management system. Attendance metrics are gathered daily and reported weekly, and TABE scores are recorded by remediation and special education staff. These ongoing metrics will be used by the location director, who will evaluate these metrics as a means of monitoring growth.

These indicators will be used to will help instructors re-evaluate the student's lesson plans and suggest alternative learning methods address subjects or areas of concern. Consistently low scores in certain subject areas within general student population will lead The Excel Center's staff to re-evaluate the basic structure of certain courses by readjusting the default instructional methods available to each student. Students who progressing at academic levels above the school's performance standard will be encouraged to take courses at the postsecondary level in order to both high school and postsecondary credit.

On an annual basis, The Excel Center measures the progress that students make in reaching their educational goals. In addition to higher-level attendance analysis, the site director will lead the staff in evaluating the pace that students are earning credit, noting that a consistent pace of credit attainment towards graduation indicates progress. In addition, for students who are involved primarily in remediation will be evaluated based on the net increase in TABE scores, indicating a growth in skills prior to being able to earn credits. The long-term success of individual students is related to whether students are able to graduate (as measured by credit attainment and passing end of course assessments) and whether students enroll and complete and/or persist in postsecondary education. The Excel Center's registrar will measure graduation attainment and, in by submitting requests to the National Student Clearinghouse, the school will continue to monitor the postsecondary success of students who graduate.

On an ongoing basis, school-wide data indicators will be used to monitor whether the school environment is providing sufficient academic opportunities for the people that come in to the school. School-wide

attendance metrics, credit attainment, and TABE scores are all used to ensure that the school is operating effectively and that there are not any major performance difficulties affecting the school. Annual school-wide indicators provide a report of what the community benefit has been for The Excel Center during its time. These annual indicators – the total number of graduates for the given year – provide an ongoing metric of how many individuals have achieved The Excel Center's primary goal of graduating students who have not previously succeeded. The postsecondary enrollment metrics indicate whether students have created plans for continuing their education beyond The Excel Center.

On a term-wide basis, The Excel Center will be evaluated based upon how many individuals are able to complete a high school diploma and how successful they are in postsecondary education. The longer-term view on success will permit The Excel Center and its staff to determine how graduates fare after leaving the school, and whether they are successful in the next stage of their education and/or career. Students who require significant remediation at the postsecondary level are highly unlikely to continue their education, so this metric of postsecondary completion (and persistence, for those students still in school) serves to evaluate how successful The Excel Center's educational program was at preparing students to be successful in college or the workforce.

Interim Assessments

The Excel Center will also administer regular testing to monitor academic growth. Each student's Individual Learning Plan will detail any basic skills development that should take place in order for students to perform at or above his or her grade levels. Excel Center students will also take ECAs. Based on its target demographics, students at The Excel Center may not have high initial standardized test scores, but these scores will help determine which content and coursework will be important for students to build on and engage. While test scores do provide a point-in time assessment of student attainment, The Excel Center will focus on promoting student growth. Other standardized tests will provide additional evidence of student progress. The following are the primary interim assessments The Excel Center will use to identify student learning needs and progress:

- At enrollment, each student takes the Test of Adult Basic Education (TABE). The TABE test determines a student's baseline skill level in reading and math and helps determine where the student will begin his or her coursework. This baseline skill level determines which courses the student must take to complete his or her diploma requirements. Students will use this information to create a learning plan that combines these courses and, where possible, any skills-based instruction through a local post-secondary institution.

  TABE is taken on an ongoing basis to ensure that students are making adequate progress. Students involved in remediation will take the test every 8 weeks, while students in general education courses will take the test every six months. TABE is widely used in adult education programs, and the school will be eligible to receive supplemental adult education funding from organizations that determine performance requirements by TABE scores. Level gains on TABE will be a standard assessment of progress and engagement in the school. Because students are often balancing other concerns with their education, rapid progression through The Excel Center is critical to long-term student success, so the pace of TABE score improvements will be an important indicator of rapid student progress.
- As a supplement to basic skills in English, students will also take the Scholastic Reading Inventory (SRI). SRI is a computer-adaptive reading assessment for Grades K-12 that provides immediate, actionable data on students' reading levels and growth over time. SRI assesses a student's level of reading comprehension, generating a Lexile score for each student. SRI is aligned to Indiana College and Career Readiness Standards and provides an assessment of a student's reading level from grades K-12, allowing this test to be used for students with both very high and very low skill levels.

- In addition, to become eligible for enrollment at post-secondary institutions, Excel Center students must pass the English and/or Mathematics portions of ACCUPLACER or Compass® College Placement assessment test.

To become eligible for enrollment at Ivy Tech and other post-secondary institutions, Excel Center students must pass the English and/or Mathematics portions of the COMPASS® College Placement assessment test. The Excel Center will be an approved COMPASS testing site. Students will be able to take the test as many times as required until they pass the test, and they will elect the time when they are able to take the entrance test.

Data Collection, Analysis and Information System

The collection, analysis, and sharing of data is critical to the success of The Excel Center and its students. Teachers, staff, and leaders will use Harmony or another student information system vendor as the school's student information system to collect student data and perform mandatory state reporting for the school. Harmony will be managed on a day-to-day basis by The Excel Center's registrar.

Data Entry: Data entry is the responsibility of staff members at The Excel Center. Teachers, coaches, and staff are responsible for collecting and entering student data for the school. During the iExcel intake process, a number of staff may be collecting student demographic information, recording transcripts, and organizing student data. As classes are underway, teachers will record attendance, grades and view transcripts through Harmony.

Data Management: Management of data is the responsibility of The Excel Center's registrar. The registrar is solely devoted to The Excel Center's operations. The registrar reviews the data entered by each location for quality and performs all reporting required by the Department of Education. The registrar monitors the data for completeness and will request changes made by staff at the local level in cases where data are incomplete or entered incorrectly. The registrar also submits all required state reports at the required intervals.

Data Warehouse: As a participant in the nationwide Excel Center Network, The Excel Center will receive data services to provide advanced analytics on school performance. The data warehouse used by all schools implementing The Excel Center Model equips The Excel Center with an increased capacity to analyze data and drive instruction to fulfill the school's mission. The Excel Center Network's data warehouse draws upon the data collected within The Excel Center's student information system database, presenting that data via dashboards and ad-hoc reports that provide additional insights to patterns, indicators, making it easier for teachers and the school leader to make data-informed adjustments to the school's academic program. The dashboards provide an easy-to-follow presentation of current performance,

The Excel Center will license the use of this data warehouse from INIschools. Data from Harmony will be linked to the data warehouse, allowing Excel Center staff to use the reporting interface and analytical tools that are provided to all schools that participate in the of the Excel Center Network across the United States. INIschools maintains this warehouse in a custom Structured Query Language (SQL) database that selects relevant data from The Excel Center's Harmony database. The warehouse then uses Tableau Software® to present the data in dashboards, canned and user-defined reports, a process guided by INIschools' Director of Data Services. Tableau Software is a vendor that provides web-based analytics, data visualization via online dashboards, and decision-making tools for businesses, schools, and other organizations. The data warehouse will provide "canned" reports to view key operational indicators and it will also allow The Excel Center staff to create their own reports, giving staff summary-level reports with the ability to drill down to student-level data.

The data warehouse dashboards were designed by Excel Center teachers and school personnel to meet the specific needs of The Excel Center Model. These business intelligence tools have been used to save school staff time and resources by eliminating the need for manual calculations and data walls and improve analysis of key factors that drive academic performance through cross-tab analysis across a multiple of variables (test scores, student demographics, attendance, discipline, etc.). Data analysis within the Indy Excel Centers have been used to identify which students were in danger of not passing classes, assisting teachers and support staff to reallocate resources to ensure that students passed classes.

The school director is primarily responsible for conducting analysis of student data. He/she will generate reports necessary for leaders to perform ongoing assessments of school performance, highlighting performance across key areas at both school-wide and per-class groupings in the following areas:

- Attendance trends, both between and within term;
- Credit attainments, both in aggregate and on a per-student basis;
- Identifying Students who are at risk of dropping out of school. The data warehouse automatically generates "At Risk" and "Off Track" student categories. Students who are scoring between 75-80% are labeled "At Risk" and require additional tutoring support, and students scoring below 75% of class mastery are labeled "Off Track" and require significant intervention to complete courses; and
- Reports of coaching performance, which identify the academic success for the students who fall within a particular life coach's caseload. These indicators include the total credits earned within the caseload, the average class attendance, the number of students on Academic Concerns (as identified as being either "At Risk" or "Off Track" within a given course), and the number of students who have moved off of Academic Concerns.

Support Analyzing, Interpreting and Using Performance Data

INIschools staff in Indianapolis will be available to answer questions related to school performance across the entire Excel Center Network, comparing performance across locations, and doing deep analysis into why certain schools perform better than others or suggesting ways to improve performance among special student populations. The summary results of these reports will be shared with every school in the Excel Center Network, giving school leaders insights on where high-performing best practices may be found.

INIschools will support the training and implementation of the data warehouse in The Excel Center, instructing all teachers in how the data warehouse and Tableau software can be navigated to make data-informed decisions on academic progress, identify student groups who may require alternate instruction, and evaluate the effectiveness of the current curriculum and instructional practices.

It is a key priority of The Excel Center's professional development plan to equip school staff to use and analyze data to improve instruction. Through implementing the RISE Evaluation and Development System, school instructors will use the framework related to data management as a part of the school's plan to improve educational practice. INIschools' Chief Academic Officer, in partnership with the school Director, will establish trainings during which teachers will be encouraged to use assessment data to plan their curriculum (RISE competency 1.1) and for teachers to track student data and analyze progress (1.5). Their use of data factors into their annual evaluation and their development plans to improve their instruction.

Corrective Action

Data will be used to monitor progress at the individual student, classroom and school levels. In the event that progress falls short of The Excel Center's goals, an array of strategies will take place to improve student outcomes.

- At the individual level, assessment data will reveal that student progress is not up to proper standards. In these cases, staff will meet to discuss alternate ways of providing supports for

students, including increasing the amount of one-on-one attention a student receives; altering the balance of online credit recovery and classroom instruction; working with the coach to identify any potential life barriers that may be impeding academic progress; or altering the pace at which the student is learning.

- At the classroom level, poor performance indicates that instructional staff have not been successful at monitoring and encouraging student growth. If data indicates that students are not demonstrating mastery, then the instructor is in need of additional supports to improve skills and work. Corrective actions are a part of the diagnosis as provided by RISE. In the rare instance of extremely poor performance, it may be necessary to move that teacher into another assignment and have staff work on achieving better outcomes.
- At the school level, consistently poor performance may be the result of a number of factors, including organizational culture, poor process orientation, and leadership deficiencies. Because The Excel Center also operates in other sites across Indiana, at the request of the school director of Board, the ESP has the ability to assess whether The Excel Center is operating in fidelity to The Excel Center model, and what particular tools may be needed to improve school performance. INIschools may be able to schedule intensive trainings, peer mentoring among site directors, and hands-on management for the school if performance is not successful. In cases where a school consistently falls short of expectations, the Board may deem it necessary to find other leadership to operate the school.

Section III: Implementation Plan

Human Capital

Network-Wide Staffing

Goodwill LEADS will operate three Excel Centers: one school will be located in South Bend and two additional school locations will be selected at a later date. These schools will be located within Goodwill Industries of Michiana's territory and the school locations will be selected based on community need and interest.

	Year 1	Year 2	Year 3	Year 4	Year 5
Number of elementary schools	0	0	0	0	0
Number of middle schools	0	0	0	0	0
Number of high schools	1	2	3	3	3
Total schools	1	2	3	3	3
Student enrollment	300	625	975	1,025	1,050
Management Organization Positions					
Note: INIschools staff will assist in supporting all schools included in the national Excel Center Network. Please see Attachment 8 for additional information.					
High School Staff					
School Director	1	2	3	3	3
Lead Teachers	2	4	6	6	6
Teachers	6	12	19	20	21
Resource Specialist	2	4	7	8	9
Special Education	1	2	3	3	3
Coaches	3	6	10	11	12
College Transition Coordinator	1	2	3	3	3
Career Pathways Specialist	1	2	3	3	3
Drop In Center Director	1	2	3	3	3
Drop In Center Attendants	1.5	3	4.5	4.5	4.5
Office Manager	1	2	3	3	3

Total FTEs at High Schools	**20.5**	**41**	**64.5**	**67.5**	**70.5**
Total Network FTEs	**20.5**	**41**	**64.5**	**67.5**	**70.5**

School Leadership & Staff Hiring, Management and Evaluation
Upon charter approval, Goodwill LEADS will immediately set out to identify and hire a qualified School Director The Excel Center in South Bend. This person will be hired by February 2015, and then will devote his/her work to preparing the school to open in South Bend in July 2015. INIschools, the selected ESP, will assist in recruiting and identifying a highly qualified school leader and school staff. Although INIschools will assist with school staffing, all school leadership positions will be decided by the school's Board of Directors and the selected school leader will have the final say in staff hiring with oversight from the Board. INIschools has a strong history of successfully recruiting school staff and currently recruits all teachers and staff members for the Indianapolis Metropolitan High School as well as for nine Excel Centers across Central Indiana. The talent acquisition plan is based on Targeted Selection®, a competency-based behavioral interviewing system used across the organization, including. The talent acquisition strategies approach assesses applicants' behaviors, motivations, and technical knowledge necessary to accomplish the tasks of the target position. In accordance with the requirements of IC 20-24-6-5, INIschools staff verify the licensing of all of the teaching staff that are presented as candidates.

The Excel Center will seek to develop a pipeline of qualified individuals to direct the operations of future schools. Professional growth opportunities and access to the nationwide Excel Center Network will help to foster a pipeline of qualified individuals to step into school leadership roles as Goodwill LEADS opens additional schools in Northern Indiana. As needed, Goodwill LEADS will continue to leverage the experience and expertise of INIschools to recruit and hire qualified staff as Goodwill LEADS' portfolio of schools grows.

Senior administrative staff will provide direction and guidance to the local site director to support the formation of his/her team. The site director will be responsible for managing, developing, and monitoring performance of his/her staff. Management will conduct annual performance reviews with these staff and will provide supports.

New staff are selected after an array of interviews with Goodwill LEADS school leadership, and peer interviews. Candidates attend several panel interviews, and the team of staff assess whether that candidate has the required grasp on instruction, fits the organizational culture, and has the emotional intelligence to build relationships with The Excel Center's student population. For management-level positions, Goodwill LEADS is responsible for making the final decision on hiring. For school-level positions, this decision is the responsibility for the school director.

The Excel Center will use a number of resources to source candidates, including:

- CareerBuilder/Star Diversity Fair sponsor
- Teach for America Job Fair
- Teacher Candidate Recruitment Day
- University of Southern Indiana Job Fair
- Xavier University Recruitment Fair
- National Association of School Principals
- National Association of Black School Educators
- Indiana School Personnel Job Bank (Department of Education)
- LinkedIn
- CareerBuilder database

Goodwill LEADS, Inc. will also post job announcements at the following universities: Anderson University, Ball State University, Butler University, Indiana University (Bloomington and South Bend) , Indiana University – Purdue University Indianapolis (IUPUI), Marian College, Purdue University, Notre Dame University, St. Mary's College, Bethel College, Holy Cross College, Purdue North Central and Goshen College.

All offers of employment are conditional pending a national background check. All employees are required to work in consort with The Excel Center's basic principle and in accordance with the employee handbook. Failure to abide by The Excel Center's standards of conduct will lead to disciplinary action, including termination of employment.

The Excel Center staff will participate in rigorous annual evaluations that present teachers with valuable feedback tied to personalized and meaningful professional development. The Excel Center will use the RISE Evaluation and Development System to monitor teacher performance and to provide development opportunities for teachers to improve instruction. This assessment tool evaluates teacher performance in four domains: planning, instruction, leadership, and core professionalism.

Evaluations are conducted by the School Director. The Chief Academic Officer of INIschools will assist in training directors, and educating staff on the system, so that site directors are well-equipped to monitor performance development. The Board is responsible for the evaluation of site directors. Site directors will be evaluated using the RISE evaluation tool for principals. All evaluations will be ongoing, with at least one summative evaluation during the school year.

In the event that leadership or teacher performance is unsatisfactory, a number of targeted interventions would take place to improve performance. In the case of leadership/teacher changes and turnover, staff and instructors would lead to the school covering that position until Goodwill LEADS can select a suitable candidate as a replacement. In the event of the leadership change happening at the school director-level, a director of another location may assist in leading the school until a suitable replacement can be found.

The Excel Center will include incentives in order to reward high performing teachers via merit increases. This incentive program aims to reward high-performing teachers by increasing their compensation. Teachers who are identified as "highly effective" during their RISE evaluation are eligible for a performance-based bonus. In addition, effective and highly effective teachers are eligible for merit-based raises. Ineffective teachers will not be eligible for pay increases.

Employees of The Excel Center will be employed by Goodwill LEADS. They will be at-will employees and will not use contracts. Average salaries for The Excel Center positions are listed at right. The salaries for staff at each Excel Center will be on par and competitive with the salaries of the local school corporations where each Excel Center is located.

Position	Average Salary
School Director	$91,800
Lead Teacher	$56,100
Science Instructor	$42,000
Social Studies Instructor	$42,000
English Instructor	$42,000
Math Instructor	$42,000
Resource Specialist	$35,000
Special Education Specialist	$43,000
Coaches	$33,000
College Transition Counselor	$40,000
Career Pathways Specialist	$40,000
Office Manager	$32,640
Drop In Center Director	$30,000
Drop In Center Attendant	$20,800

The following are the basic benefit programs in which full-time employees may participate:

- Comprehensive Health Plan
- Employee Life Insurance
- Comprehensive Dental/Vision Plan
- Section 125 Plan
    - Pre-tax Health & Dental/Vision Plan premiums are automatic when you enroll

- Retirement:
    - 403(b) Retirement Savings Plan
    - FICA
- Employee Assistance Program (EAP)
- Tuition Reimbursement

Professional Development
In addition to being a critical best practice for effective instruction, The Excel Center's academic philosophy is designed to provide ample supports for professional development to help teachers improve instruction and improve their delivery with The Excel Center's population. Professional development is coordinated across all Excel Centers and is designed to reinforce teacher awareness of common core standards, and to promote awareness of best practices in education. The site director is responsible for monitoring RISE evaluations, TABE and academic data and, in collaboration with INIschools, establishes a schedule in which common development may take place.

At the site level, the Site Director is responsible for developing the culture and establishing strong connections with local community career pathways. He/she is responsible for reporting what additional professional development needs to be delivered at a local site.

At the beginning of the new school year, new staff will undergo a two-week orientation where teachers learn about the population they will be serving, more information about Goodwill and The Excel Center, and to receive an overview of The Excel Center's curriculum, instructional resources, and industry sectors. This development covers many administrative needs, presents teachers with the principles of blended courses and instruction.

- **Day 1:** Learning about the Adult Student Population & Poverty Simulation
- **Days 2 and 3:** Staff Retreat and Teambuilding
- **Day 4:** Orientation of The Excel Center
- **Day 5:** Tour of Goodwill Industries and Key Areas; Training on online credit recovery
- **Day 6:** Operational introductions (IT, online testing, staff/student handbooks, transcripts)
- **Day 7:** Coaching Practices and Discipline
- **Day 8:** Curriculum Overview and Blended Courses
- **Day 9:** Contextualized Learning and Career Pathways
- **Day 10:** Tours of industry partners and Staff Pairing Work.

Fifteen days are scheduled throughout the year for dedicated, planned professional development. These days allow staff to hone their skills, build skills. These courses are designed to support and maintain performance in the school in three key areas: (1) curriculum design and planning, (2) promoting student attendance and retention; and (3) career planning and workforce preparation.

Teachers do not hold fixed-time classes on Fridays, and that day is reserved for teacher preparation and staff collaboration. There are 39 scheduled planning days in The Excel Center's 2015-2016 school calendar, and they are designed for staff to hold meetings, teachers to plan lessons and establish collaborative plans, for Special Education conferences to be held, and for students to meet one-on-one with students.

RISE will be used as the primary template for teacher evaluation. As a result of RISE's template, each teacher receives a final score that is calculated from a teacher's ratings on the first three domains (planning, instruction, and leadership). The effectiveness of this program will be evaluated by the rate of growth in these RISE final scores and in what domains are the gains being made most quickly.

Start-Up & Operations

Start-Up Plan
A Start-Up Plan for the school is included as **Attachment 17**.

Start-Up Staffing and Costs
The Budget and Financial Planning Worksheet for the school is included as **Attachment 19**. The Budget Narrative is included as **Attachment 20**. Please note that budget is anticipated to remain the same for each charter for which Goodwill LEADS is applying. Financial plans are budgeted conservatively and will be adjusted, as necessary to reflect facility costs, etc.

Transportation
The Excel Center's extended hours of operation make it difficult to coordinate large-scale transportation programs for each student, and unlike more traditional schools, each stu dent's physical attendance at The Excel Center will be based upon his or her work and family schedules, with students arriving and leaving the Center at various times.

The school will use several options for student transportation.

1) The school – and each school that opens – will be located in areas with significant need, so that The Excel Center is within walking distance of many students' homes or work locations. Additional locations for The Excel Center will be chosen, in part, based on geographic availability and demographic need.
2) The school will be located on or very near a bus line, and students may use the South Bend bus system, Transpo, to get to school. For those students who qualify for income [2] may use Transpo and not be able to afford bus passes.
3) Many students will have their own cars and will be able to transport themselves to and from school.

The Excel Center does not anticipate scheduling many extracurricular events like field trips or athletic events.

The Excel Center will provide an array of supports to homeless students and will not withdraw any critical school services to students who are homeless. These students may enroll without school records and will be given transportation support (via bus passes) like other students. Because the main means of transporting students is through the city bus system, students are able to use Transpo from any location in the city.

Safety and Security
Goodwill has developed its Safety, Loss Prevention and Security department to manage security and safety in its facilities. Each Goodwill location is regularly audited for compliance with applicable safety, including, inventory management, labor reporting/payroll, and back-office processing policies and procedures. Goodwill also has a high resolution digital security camera system in operation in many locations. Each Excel Center will install a camera system as a tool to deter theft, misappropriation, and misbehavior. Goodwill's chief financial officer and safety director work actively with the insurance agents and carriers for risk assessments, audits, training, policy reviews, additions and deletions to listed coverage, and for business development practices.

[2] Although The Excel Center does not participate in the federal lunch program, it uses Free or Reduced Lunch status as the means of determining that an individual's income qualifies the student to receive a bus pass.

Technology Specifications and Requirements
The Excel Center will equip its classroom space and resource area for students to use for self-directed online learning, TABE, and computer instruction. Laptop computers will be available for students to use in certain areas of the building. The school will also have smart boards in selected classrooms, media projectors to lead courses, and laptop computers for staff. Computers will be equipped with standard office software – including word processing, spreadsheets and presentation software (in Microsoft Office).

Core educational content will be delivered via web-based connections; this structure stores student work on Goodwill services or through vendors who use cloud-based storage of student work. This arrangement ensures that students do not need to purchase their own storage media, nor will they need to pay for any aspect of The Excel Center's technology plan. In addition, students – some of whom may not have Internet access at home – will not be required to use this technology at home, nor will they be required to purchase or obtain any equipment to use the school's online system.

Each computer and/or piece of technology will be assigned to a particular classroom to be used in that location. Students will be able to log in to any computer in The Excel Center to retrieve and access his/her information. All media equipment will be tagged and monitored by Goodwill ' IT personnel.

Goodwill's IT staff is responsible for maintaining the upkeep and operations of all technology. Goodwill support staff provide support and access across all of Goodwill's location. Goodwill provides telephone-based support and monitors upkeep of its technology platform 24 hours a day, 7 days a week.

In the event that the school's data connection is impaired or lost, Goodwill IT staff begin working to repair the connection immediately. Any equipment that fails or needs to be replaced will be done so by Goodwill. If the data connection is not working, Excel Center instructors will provide more in-paper instruction and students will be able to continue their online credit recovery program at other times. TABE and other student tests will be delivered in paper formats. Access to the Goodwill network is secured. Data is retained by Goodwill staff and secured. Goodwill also maintains a disaster recovery hot site that activates a back-up server in the event of a major failure of its technology system. All vendors of online content used by Goodwill (currently the A+nywhere Learning System, Lexia, iLearn and Reading Plus) have similar data backup policies and procedures.

Insurance Coverage
An estimate for insurance coverage that aligns with the Indiana State Charter Board's requirements is included as **Attachment 18**.

Facility Plan

With the assistance of Goodwill, the Board is actively researching and touring viable facility options to locate its first Excel Center in South Bend. All facility options must be in areas with high concentrations of dropouts, or in locations that are centrally located for large numbers of dropouts to access the school. The Board and Goodwill staff will conduct transportation feasibility assessments of potential sites, where the team determines whether bus routes or other means of transportation will allow students with limited resources to attend school regularly. In addition, each facility must be affordable for the school, including any renovation projects that must be completed prior to opening.

In setting a facilities budget, Goodwill LEADS anticipates spending an average of $10 per square foot for appropriate space. Goodwill staff are able to ensure that the chosen facility complies with state and local health and safety requirements, in addition to any other requirements determined by the State Fire Marshall and local agencies. Goodwill has managed renovations at a number of its retail facilities and manages twenty-one (21) retail stores and one (1) Outlet store, with five (5) additional retail stores in the

planning stages. Additionally, Goodwill's facilities management team is able to manage local laws, regulations, and other ordinances at each of the locations in which it has a staff presence.

An ideal Excel Center will have a minimum of 16,000 square feet, with closer to 18,000 – 20,000 square feet, preferred. The table below provides a breakdown of the typical space in each of the areas of an Excel Center.

Typical Space Requirements			
	Minimum Sq. Ft.	Quantity	Total Sq. Ft.
Offices			
Admin staff	120	10	1200
Classrooms	375	12	4500
Drop-In Center	1000	1	1000
Support Areas			
Waiting	260	1	260
Large conf. room	375	1	375
Small conf. room	192	1	192
Open mtg area	180	4	720
Computer lab	500	2	1000
Break room	540	1	540
Small break room	150	1	150
Server room	80	1	80
Janitor's closet	50	2	100
Storage	120	4	480
Multiple user restroom	200	4	800
Staff restroom	56	2	112
Drop-in Center restroom	56	1	56
Clinic with restroom	300	1	300
Dedicated space			11,865
Traffic/Common Space	35%		4,153
TOTAL			**16,018**

At the date of submission of this charter application, Goodwill LEADS and Goodwill staff have toured five (5) facilities in South Bend. Although a facility has not been selected, potential options include a property at 2421 South Michigan Street and another property at 710 North Niles Avenue. The following pages provide additional information regarding these potential facilities.

A similar process will be used for securing facilities for additional charters for which Goodwill LEADS is applying.

Option #1

Property Information

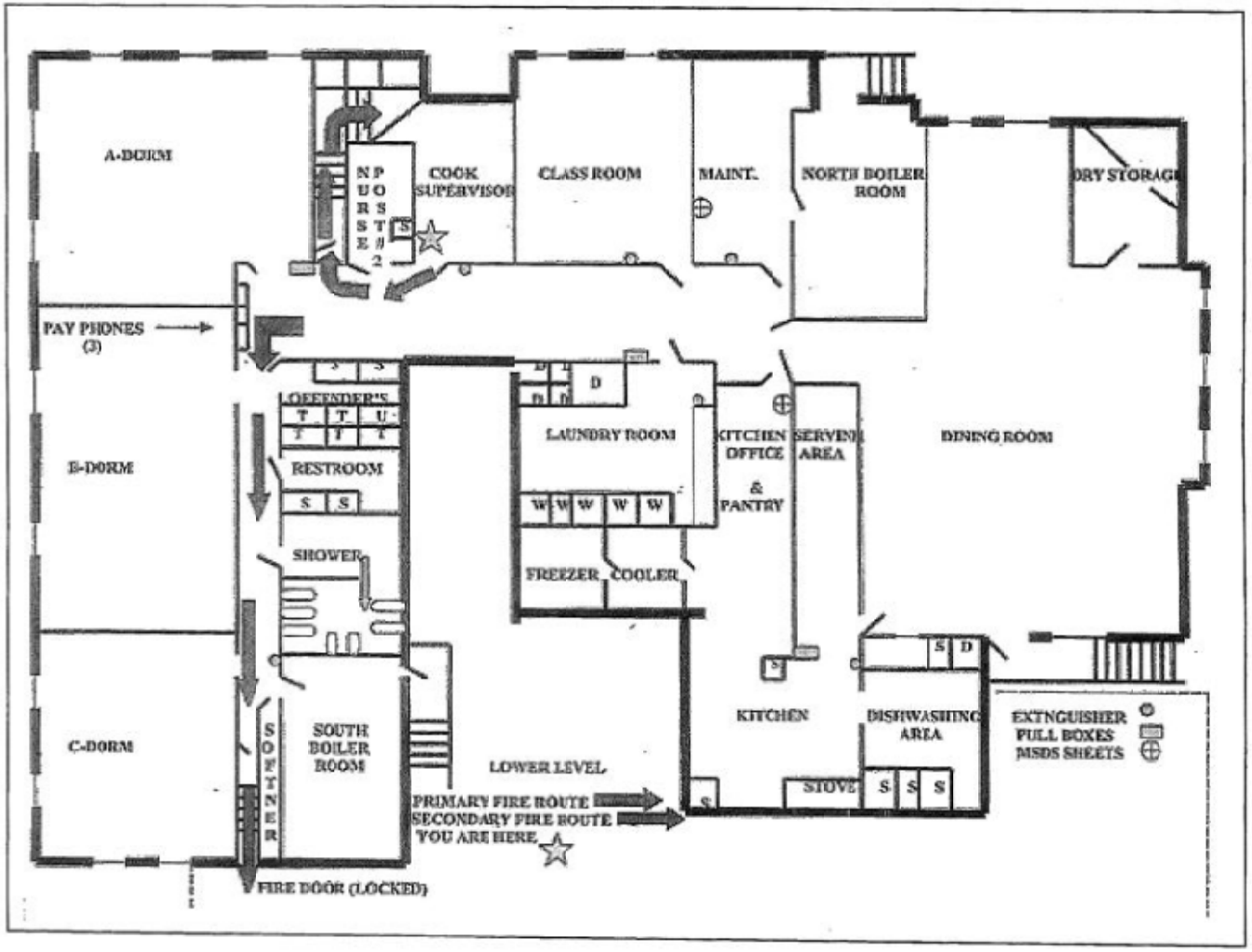


The Subject Property has a physical address of 2411 and 2421 South Michigan, Street, South Bend, Indiana. The property is located on the west side of South Michigan Street which is a one-way street running north. The property consists of 14,372 square foot two level special use (originally used as a church) building with an address of 2421 South Michigan Street. There is a beautiful stained glass window near the entrance of the facility. The building is frame construction with brick exterior and a slate tile roof on the eastern portion (former church structure) of the building. Also on the property is a large frame two story storage building and two small wood frame sheds. The building sits on 140' x 165' (.53 +/-) acre parcel and there is an additional .15+/- acre (40' x165') lot with an address of 2411 South Michigan Street that provides adequate ground area for parking to support the building's use.

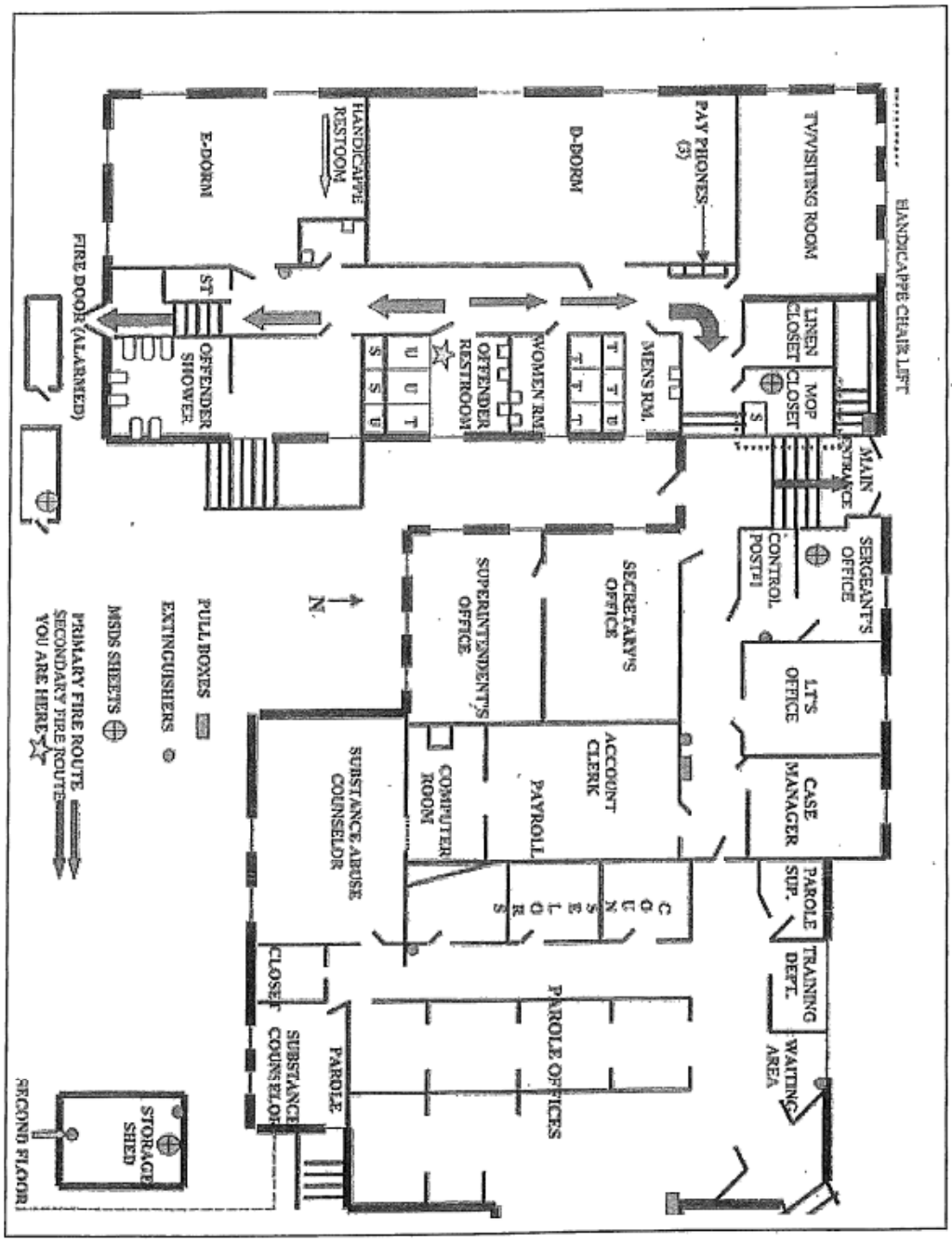
1959

The building was built in 1929 and has been renovated over the years. An addition was erected in the late 1990's. The building is heated by new boilers and hot water heat with steam heat in the western portion of the building and hot water heat on the east side of the building with the western portion of the building air conditioned.. Electric service is provided by one 600 Amp panel and one 225 Amp panel and there is an alarm system installed in the building.

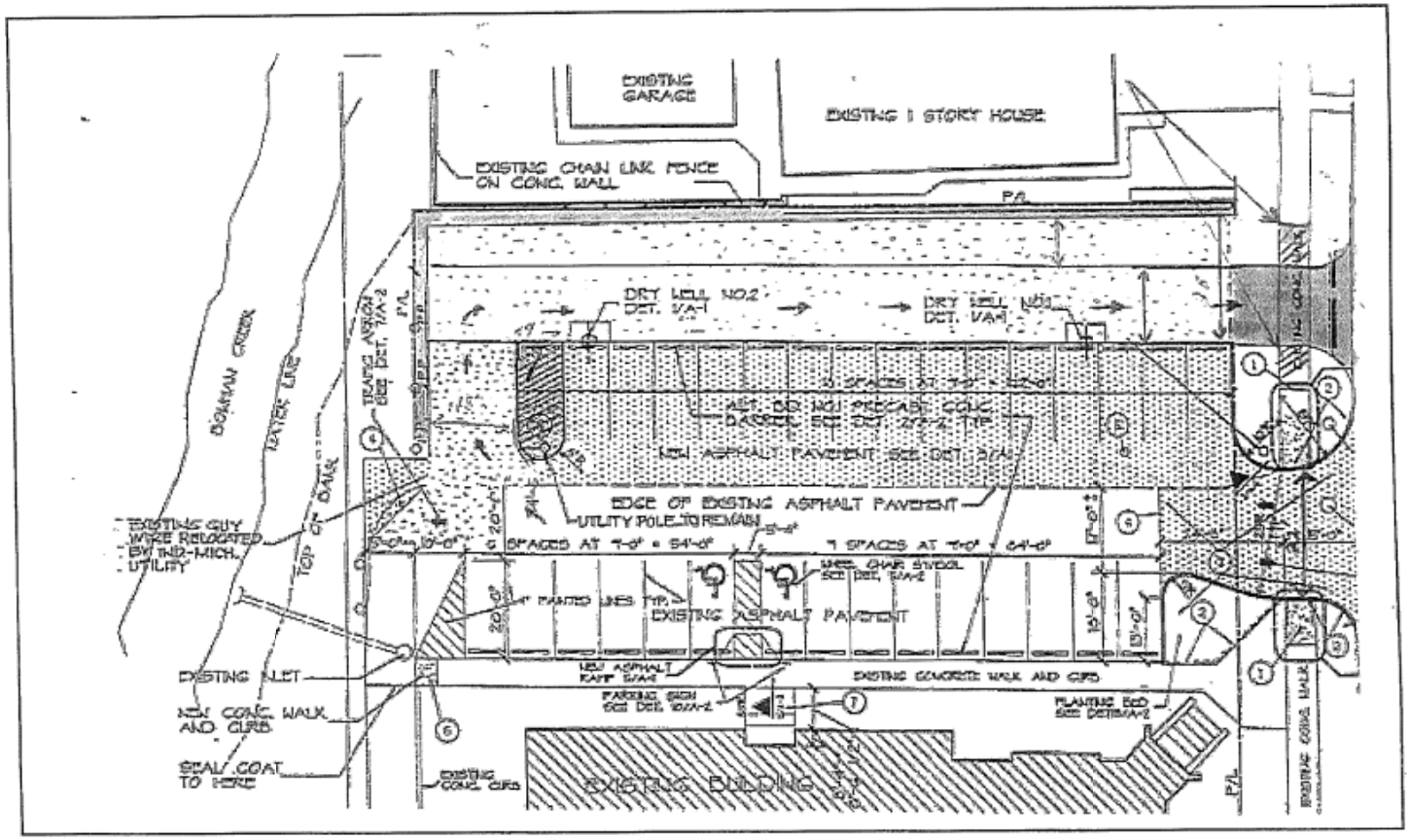
Floor Plan


A-DORM
NURSE #2
COOK SUPERVISOR
CLASS ROOM
MAINT.
NORTH BOILER ROOM
DRY STORAGE
PAY PHONES (3)
OFFENDER'S
TTU
B-DORM
RESTROOM
SHOWER
LAUNDRY ROOM
D
W W W W W
FREEZER
COOLER
KITCHEN OFFICE & PANTRY
SERVING AREA
DINING ROOM
C-DORM
SOFTNER
SOUTH BOILER ROOM
LOWER LEVEL
PRIMARY FIRE ROUTE
SECONDARY FIRE ROUTE
YOU ARE HERE
FIRE DOOR (LOCKED)
KITCHEN
DISHWASHING AREA
S D
STOVE
S S S
EXTNGUISHER
PULL BOXES
MSDS SHEETS

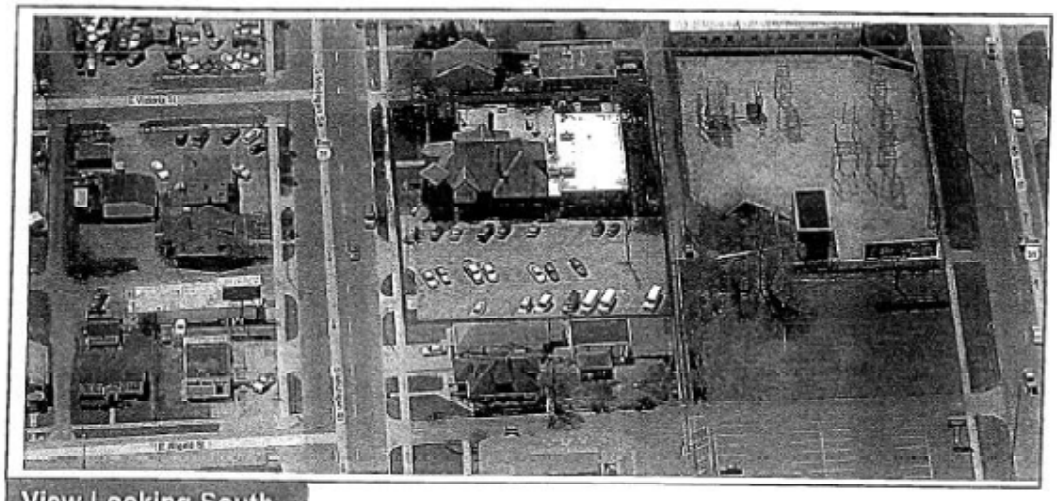
Floor Plan


HANDICAPPED CHAIR LIFT
TV/VISITING ROOM
LINEN CLOSET
MOP CLOSET
PAY PHONES (3)
D-DORM
E-DORM
HANDICAPPED RESTOOM
MENS RM.
WOMEN RM.
OFFENDER RESTROOM
OFFENDER SHOWER
ST
FIRE DOOR (ALARMED)
MAIN ENTRANCE
CONTROL POST#1
SERGEANT'S OFFICE
LT'S OFFICE
CASE MANAGER
PAROLE SUP.
TRAINING DEPT.
WAITING AREA
SECRETARY'S OFFICE
SUPERINTENDENT'S OFFICE
ACCOUNT CLERK
PAYROLL
COMPUTER ROOM
SUBSTANCE ABUSE COUNSELOR
CLOSET
PAROLE OFFICES
PAROLE
SUBSTANCE COUNSELOR
STORAGE SHED
SECOND FLOOR
N
FULL BOXES
EXTINGUISHERS
MSDS SHEETS
PRIMARY FIRE ROUTE
SECONDARY FIRE ROUTE
YOU ARE HERE

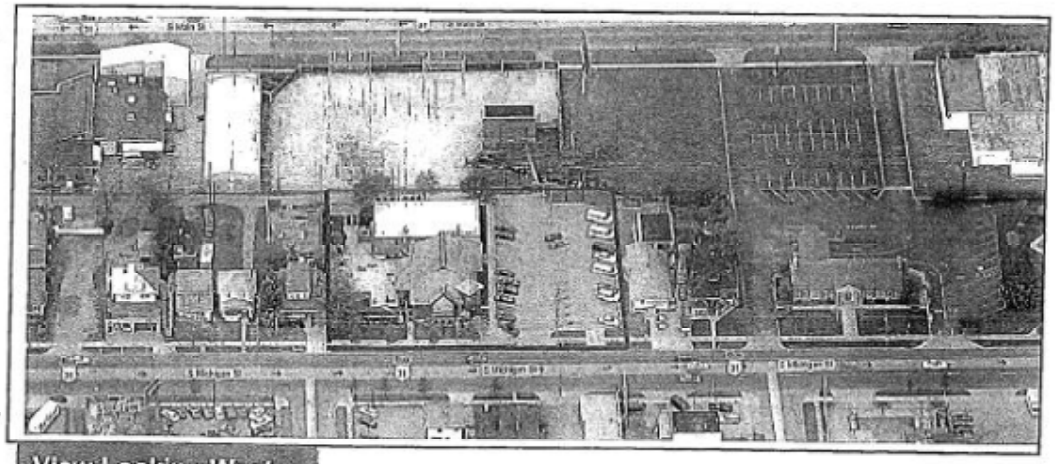
Survey for 2411 S Michigan



Aerial Photograph



View Looking South



View Looking West

Option #2

Office Building For Sale

Newmark Grubb
Cressy & Everett

710 N. Niles Avenue

South Bend, Indiana

Newer Constructed Building With Split Zoning



Snapshot

Building:	24,800 SF
Year Built:	2006
Split Zoning:	MU (Mixed Use) MF-1 (Multi-Family)
Parking:	32 On-Site Parking Spaces
Utilities:	Municipal
Power:	800 Amp
HVAC:	Gas Fired Roof Mounted Unit & Air Handler With Cooling Charger A/C
Annual Taxes:	Not-for-profit Status/TBD
Price Reduced:	$950,000 ~~($1,250,000)~~
Additional Land:	$150,000

Property Details

The property is the former MC4C2 (Children's Center) building consisting of 24,800 SF. Built in 2006, this building is a two-story frame, masonry and steel sided structure. The property features 32 on-site surface parking spaces, one 2,500 pound elevator and 2 stairwells. Gas fired roof mounted unit; air handler with cooling charger air conditioning and 800 Amp power. The building is 100 percent sprinkled.

There are 12 restrooms on the first floor, and 3 restrooms on the second floor. The property contains six large classrooms (each with restroom) and a large recreational area on the first floor, a library room, conference room and staff area. The second floor is primarily an open-area concept with cubicles and some private offices. The property has a split zoning of MU (Mixed Use) and MF-1 (Multi Family).

2 +/- Acres of additional land is also available for sale separately at $150,000.

Additional information regarding the amenities and features of this property is available upon execution of a confidentiality agreement.

4100 Edison Lakes Parkway, Suite 350
Mishawaka, Indiana
574.271.4060
574.271.4292 Fax
www.cressyandeverett.com
Independently Owned and Operated

CHRIS DAVEY, SIOR
President
574.485.1519
chrisdavey@cressyandeverett.com

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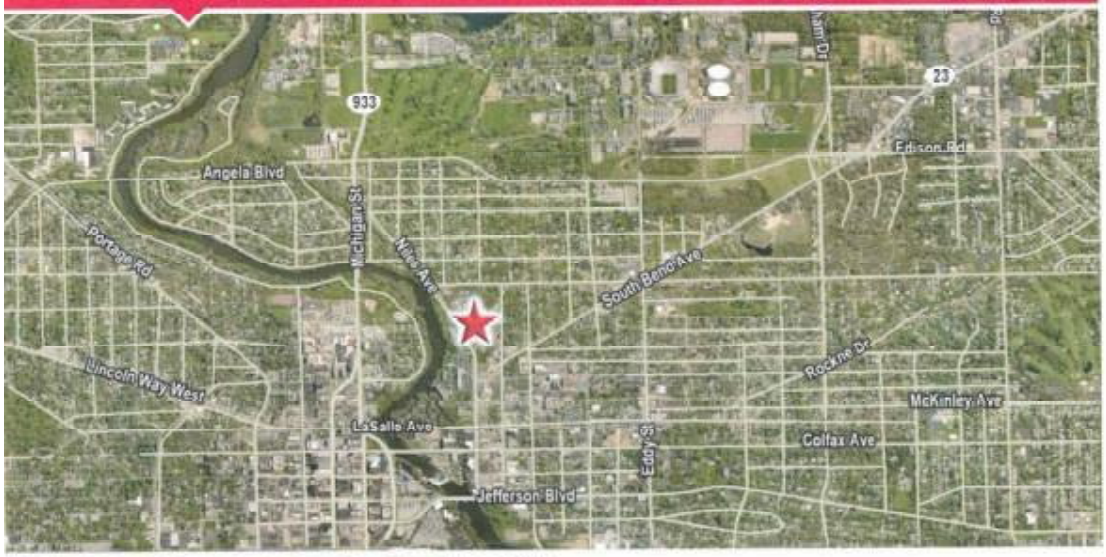
Office Building For Sale

710 N. Niles Avenue

South Bend, Indiana

Newmark Grubb
Cressy & Everett

Located In The Heart Of A Mixed-Use Community





Location

This property is part of the former Madison Center campus development which includes several office buildings, hospitals, clubhouse, medical office buildings and professional office buildings that are being offered for sale separately. The property is located on the east side of the Central Business District of South Bend in an area commonly referred to as the East Race Way and East Bank Development area which will include a cultural district, residential housing, retail, office, technology corridor and community center enhancing the diversity and landscape of this trade area. The St. Joseph River flows through the City of South Bend and has been cultivated to bring white water races and rafters and events to the Central Business District. The property is within walking distance to the East Race Way, restaurants, financial and banking centers and The Century Center that hosts many events throughout the year.

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Office Building For Sale

710 N. Niles Avenue

South Bend, Indiana

Newmark Grubb
Cressy & Everett

Generous Square-Footage | Versatile Floor Plans!









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Office Building For Sale

710 N. Niles Avenue

South Bend, Indiana

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First Floor Plan



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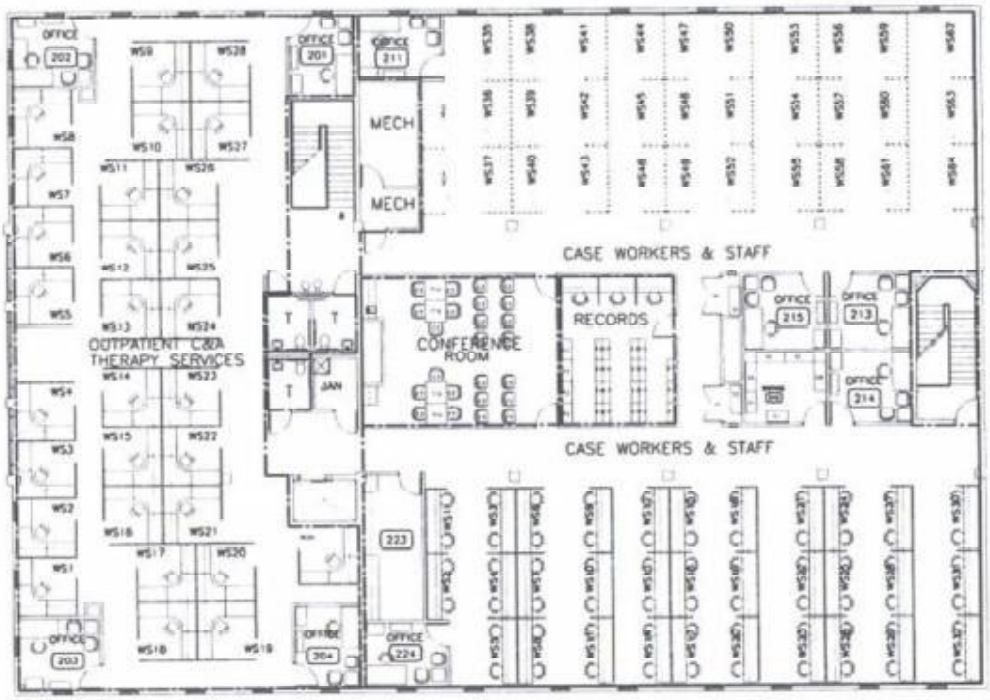
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Office Building For Sale

710 N. Niles Avenue
South Bend, Indiana

Newmark Grubb
Cressy & Everett

Second Floor Plan



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Budget & Finance

INIschools will assist The Excel Center with its school accounting and financial state reporting. INIschools follows Generally Accepted Accounting Practices and State Board of Account requirements in all of its bookkeeping for its schools. Day-to-day financial management will be provided by the Chief Financial Officer of Goodwill Industries of Michiana. Payroll is managed by Goodwill staff for all of its

employees. The State Board of Accounts conducts a bi-annual audit as part of normal state oversight. Goodwill LEADS will contract with INIschools for administrative services related to finance and accounting, state reporting, performance analysis and special education.

Section IV: Innovation

This section is not applicable to The Excel Center.

Section V: Portfolio Review & Performance Record

Please see **Attachment 21** for a Portfolio Summary, summarizing the performance of the 10 schools that are operated by GEI, Goodwill LEADS' partner in implementing The Excel Center Model.

The Indianapolis Met
The Indianapolis Met
Results: The Indianapolis Metropolitan School educates students with significant challenges and prepares them for lifelong academic growth. The Met's PL221 Grade indicated improvement of 7.2% for the year, with performance rated at 77.2%. These scores indicated that the Met would have received an "A" rating, except the school did not make Adequate Yearly Progress and therefore is capped at a "C" rating. Many students who enroll in the met come from challenging family situations and are academically behind. While the school has a marginal four-year graduation rate, its five-year graduation rate is better than other schools of similar complexity – free/reduced lunch status. The school has a five-year graduation rate of 74.0%,

Causes: The Indianapolis Met's organizational culture establishes strong relationships between staff and students. The school spends considerable effort trying to ensure relevance of its educational program, and, given enough time, the school is able to bring students who are behind in their academic progress to the point where they can continue on to postsecondary education.

Challenges: The Indianapolis Met has a challenging student population to work with: high rates of free/reduced lunch and special education – coupled with students who are on average two grade levels behind when they enroll – makes it difficult to achieve short-term success with this population. The Met focuses on long-term growth, and enables students to work to achieve their goals even if it takes five or six years to do so.

Value to Network: As the first school that GEI operates, the Indianapolis Metropolitan High School has been instrumental in shaping the operations, philosophy, and vision of all of GEI's schools. The school works with a non-traditional student population with significant educational obstacles: most students enter the Met at least two grade levels behind. The school has high levels of free and reduced lunch, and many students come from broken homes, struggle with homelessness, and have few resources. The Indianapolis Met follows the pattern of Relationships, Relevance and Rigor that remain instrumental to The Excel Center's approach. In addition, the Indianapolis Met has helped GEI learn the basic operations of operating and managing a charter school.

Perhaps most notably, The Excel Center concept was a product of realizing that many students in the Indianapolis Met high school were ill-suited to the academic environment within a high school of traditional-age students (roughly 14 to 18). These students were predominantly older and under-credited (for example, 19-year olds at a freshman level), and very few of these students were able to succeed in the Met's environment. Recognizing that, in reality, there were few viable options that met the particular needs of this older student population, Bess explored the concept of The Excel Center as a means of re-engaging older youth and adults with a high school education.

The Excel Center is the other school in GEI's portfolio.

Results: It is difficult to assess the progress for The Excel Center using the state 's accountability system. The Excel Center's PL221 Grade is based upon student cohorts, and the vast majority of students already belong to a cohort that would have graduated from high school.

Causes: The newness of the educational model for The Excel Center is a challenge to measure and assess. In addition, a school composed of students who have not been successful elsewhere has a unique set of challenges that are difficult to measure by traditional, one-size-fits-all approaches. To accurately measure the progress of The Excel Center, it should be evaluated on the merits of its approach with its target population, using relevant and strict accountability measures that take its unusual student body into account. Performance is sought to be improved by refining the instructional methods as new data is gathered about how students are progressing. Since its first year, the academic model has moved away from student-led pacing (which often was too slow to lead to results) and a stronger focus on workplace readiness. These indicators have already seen improvements in the pace of credit attainment and student growth (as measured on TABE). The Excel Center continues to see positive results. To date:

- Students, on average, earn a high school diploma within **2 years**;
- The Excel Center has produced **722 graduates**;
- Preliminary data show that **82%** of 2014 graduates received an **industry-recognized credential** before graduating; and
- **26%** of 2014 graduates received **college credit** before graduating.

Financial statements for GEI's schools are included in **Attachment 22**. Statements for Goodwill Industries of Michiana are included in **Attachment 23**.

Goodwill LEADS, Goodwill Industries of Michiana, GEI , and INIschools have not experienced a termination of contract with a charter school. No charters have been revoked, non-renewed, shortened or been conditionally approved. The Indianapolis Met received a full seven-year charter renewal from the Mayor of Indianapolis in 2010. GEI's schools have not had any performance deficiencies or violations that led to authorizer intervention. Goodwill LEADS, Goodwill Industries of Michiana, GEI , and INIschools have no prior history of litigation.

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Attachment 1: Founding Group Resumes

Within this attachment, please find resumes for Goodwill LEAD, Inc.'s Board of Directors.

- Rolla Baumgartner, Chair
- James Summers, Vice-Chair
- Joe Barkman, Secretary/Treasurer
- Ann Carol Nash
- Rob Staley
- Debie Coble

Vita

Rolla W. Baumgartner

Education:

B. M. , University of Michigan 1958
M.S. in Ed., Indiana University 1962
Ed. D., Indiana University 1966

Professional Experience

1958-59 – Teacher, Niles JHS, Niles, MI
1959-64 - Teacher, Nuner School, South Bend, IN
1964-65 - Teaching Associate, Indiana University, Bloomington, IN
1965-67 - Principal – Tyner HS, Harold Urey JHS, Tyner, IN
1967-69 - Curriculum Coordinator, U.S. Dependent Schools, Karlsruhe, Germany
1969-72 - Principal, London Central HS, London, England
1972-73 - Asst. Supt., Mediterranean Region, Naples, Italy
1973-75 – Dept. Supt. – Southern Germany Region, Stuttgart, Germany
1975-83 - Superintendent, West Point Elementary Schools, West Point, NY
1983-94 - Superintendent, Fort Benning Schools, Fort Benning, GA
1994-96 - Asst. Dean for Academic Affairs, Davenport College, South Bend, IN
1996-99- Dean, Davenport College, South Bend, IN
1999-2000 Dean, Davenport College, Kalamazoo, MI
2000-2002 – Co-Dean, Davenport University, South Bend, IN
2002 Retired

Personal:

Born - January 9, 1937
Graduate – Niles High School – 1954
Married – former Liliane Vrydaghs – June 8, 1963
Children – Mary Jones , 50, living in New York City
John, 49, living in South Bend, Indiana
Matthew, 46, living in South Bend, Indiana
Joseph, 34, living in Michigan City, IN

James M. Summers, Jr.

14677 Bridlewood Lane
Granger, IN 46530
574-247-9280
574-360-2638 (cell)
james@tsgdiversity.com

Career Summary

Executive Leader with significant experience across industries in a variety of marketing, diversity, communications, and community relation's initiatives**.** Innovative pacesetter with broad business experience and a focus on growing revenues, leveraging skills in:

Market Planning and Strategy. Proven record leading marketing activities including developing business strategy, market planning, process/procedure improvement, and message content/positioning for a broad array of new business concepts, direct marketing, social media, product innovation and website initiatives.

Marketing/Creative Services. Award winning experience as director of creative with complete responsibility for art direction, photography, copy writing and production introducing new technology and techniques.

Direct Marketing and Internet. Extensive knowledge and understanding of utilizing multiple media, including social media, webinars and online advertising for a wide range of products and services.

Diversity Consulting, Multicultural Marketing . Hands on experience aligning multicultural marketing and corporate diversity efforts for major corporations across a broad range of industries including retail, banking, insurance, healthcare, legal, aviation and education.

Business Leadership. P&L experience for $50 million services business. Managed staffs of over 70. Experienced at driving significant innovation and change, and making tough, cost cutting, process improvement decisions to eliminate activities not core to corporate strategy. Extensive background developing new business concepts and successfully driving due diligence research, forming cross-functional teams and building consensus necessary to secure funding for implementation.

Business Experience

The Summers Group, LLC, Granger, IN **2005 - Present**

The Summers Group is a business development consulting firm focused on improved profitability through leveraging diversity and inclusion. Founded in 2005 The Summers Group helps small and mid-sized for-profit and not-for-profit organizations apply sound business principles to develop and grow. Clients have included Whirlpool Corporation, Kelloggs, The Kaleidoscope Group, The Chicago Urban League, Project Impact South Bend Illinois Institute of Technology, The University of Wisconsin and The University of Pittsburgh Medical Center.

National College, South Bend, IN **2013 – Present**

National College is a private college founded in 1886 offering short term and associate degree programs, continuing education and IT certification training as well as bachelor and master of business administration degrees.

Adjunct Professor

Teach 1-3 courses per term in Marketing and Business Management including Microsoft Office, New Business Development, Social Media, Social Entrepreneurship and process improvement.

Business Program Chair

Design, develop and implement a curriculum that provides quality education and training for local businesses

The Kaleidoscope Group, LLC, Chicago, Il **2005 - 2007**

The Kaleidoscope Group is a premier full service Diversity Consulting Firm. Founded in 1993 The Kaleidoscope Group takes a holistic view of diversity helping fortune 1000 companies improve profitability strengthen their performance in the Workforce, Workplace, Supplier Base, Community and Marketplace. The Kaleidoscope Group was a Summers Group Client that requested I join staff due to the extensive and expansive support requests.

Vice President, Marketing
Responsible for all sales and marketing operations, strategy and implementation.
Coordinate and lead all strategic alliances including Supplier Diversity, Legal, Health and Mentoring.
Provide executive coaching, conduct focus groups, diversity assessments and client development.
Design and develop Community Outreach toolkit
Annual Marketing Budget $300,000

President, SynchronUs
Develop and led the Multicultural Marketing Subsidiary SynchronUs providing full service advertising and marketing support for Kaleidoscope Group clients.
Design and develop diversity and inclusion/multicultural marketing alignment process
Design and develop diversity education/direct marketing approach to multicultural marketing
Annual Budget $100,000

Whirlpool Corporation , Benton Harbor, MI **1999 – 2005**
Whirlpool Corporation is the world's leading manufacturer and marketer of major home appliances. The company manufactures in 13 countries and markets products in more than 170 countries.

Director, Service Contracts (2002 – 2005)
Complete P&L responsibilities for Whirlpool's $50 million service contract business. Converted business from a prospect marketing operation to a customer marketing operation.

- Orchestrated complete re-design of business model reversing the downward trend in 2003 profits resulting in 280% + year over year profit improvement, and 10%+ month over month growth.
- Led RFP, due-diligence and contract negotiations for multi-million dollar, multi-year outsourcing agreement.
- Directed market planning, strategy and execution including direct marketing, telemarketing, website, infomercial and other broadcast media, retail point of sale, training and incentive events.
- Directed the development of sales training materials and web-site usability that lead to doubling retail and technician sales partners. Increased store and service company sales volumes by 65%.
- Outsourced key components of service contract business, and introduced six sigma principles for process improvement. Reduced production processes from 83 to 17 and headcount from 77 to 12, eliminating activities not aligned with core competencies and strategic objectives, while improving profitability.
- Directed cross-functional teams to build consensus for dissemination and use of newly acquired consumer data across core business units.

Director, Business Innovation (2001 – 2002)
Responsible for developing and implementing the strategy for communicating the work of the innovation team, and for providing innovation consulting with major areas of the organization.

- Built promotions that culminated in 2-Day "Innovation Days" Celebration, drawing over 5,000 visitors and national media coverage, inspiring corporate pride and more than doubling employee involvement.
- Developed Innovation Days Road Shows to take the major event out to the divisions
- Created "meeting in a box" format to drive increased innovation activities throughout Whirlpool. Included news video clips, posters, banners , taped interviews, and "look who's talking" news clips, along with content and instructions for managers to promote innovation.
- Provided internal business development consultation services for 10 new business concepts. Consulting included team coaching, project planning, process development, experimental test design plus business plan and funding request proposals.

Director, Global E-Business
Director, North American Website Operations (1999 – 2001)
Provided direction and guidance in the development, maintenance, growth and expansion of all internet, intranet and extranet website operations for North America to ensure the highest levels of consumer direct marketing and relationship building. Also responsible for identifying, incubating, and validating e-business opportunities.

- Directed initial consumer website redesign incorporating seven disparate sites into one by implementing a strategy to utilize external sites while maintaining the look and feel of one consolidated system.
- Developed award winning global e-business "HomeFront" promotion testing new "permission marketing" theories. Project included in-kitchen Internet offering. Coordinated with European site development activities to ensure test result use.

Spiegel, Inc. Downers Grove, IL **1993 – 1999**
Spiegel Catalog was a $1 billion catalog business that produced 25 catalogs per year.

Director, Electronic Publishing and Internet Marketing
Electronic Publishing Manager
Complete P&L responsibility for creation and development of Spiegel catalog website, Spiegel.com. First version published in 90 days. Created complete electronic "magalog" with product, articles and entertaining/informative segments, on-line ordering (six ways to purchase) and varied levels of security, all within 12 months. Managed budget of $1.4 million annually. Staff of 30.

- Developed new department responsible for day-to-day production, training and corporate support for digital design and production. Converted catalog production from traditional keyline paste-up to all electronic.
- Produced over 10,000 pages (everything Spiegel put in print) in 14 months.
- Frugal planning enabled break even in '96, profits in '97 & '98.
- Complete responsibility for converting 600-page catalog to an interactive CD, utilizing video, audio and exciting visual effects to enhance the product and offerings.
- Developed electronic on-line help system and workflow management system. Supported over 150 workstations.
- Established strategic partnerships/beta testing with major developers, including Apple Computers; Adobe; Radius.

Hammacher Schlemmer, Chicago, IL **1987 – 1993**
Hammacher Schlemmer is a $70 million direct mail business producing 14 catalogs annually.
Managed $700,00 annual budget.

Creative Services Director
Responsible for leading the move to an electronic publishing system. Recovered 100% equipment/training cost through production cost savings. Through improved workflow, productivity increased 400% in the first year.

Creative Director
Responsible for all print and broadcast advertising. Directed and supervised all creative and production.

Additional Business Experience

Previous experience includes copywriting, advertising and production positions including:
Copy Director with Marshall Fields (1985 – 1987); **Copy Director** with Spiegel, Inc. (1983 – 1985);
Production Manager with Kranzten, Inc. (1982 – 1983) and **Advertising Manager** with Aldens, Inc. (1977 – 1982).

Speaking Engagements

Speaker for: Green Town Sustainability Conference, Catalog Age, Direct Marketing Association, Women On-line Conference, Seybold, Print Industry of Illinois, American Marketing Association, Technology Executives Club, National Postal Forum, Society For Human Resource Management, American Society for Training and Development, Financial Executives International, Renaissance Executive Forums, IDEAS Conference: "Bringing Diversity to Madison Avenue", National Alliance of Marketing Developers; American Marketing Association

Education

University of Wisconsin-Whitewater, Bachelor of Science

Professional Development

Leadership Training Center for Creative Leadership; University of Michigan, Finance for Non-Financial Managers; Six Sigma Leaders Training; Certified Innovation Mentor

Resume

Joseph T. Barkman
54400 Mystique Drive
Mishawaka, Indiana 46545

Objective-

Seeking a responsible and challenging position in a growth oriented progressive organization.

Professional Experience

Oaklawn Psychiatric Center, Goshen Indiana
CFO 12/12 to Current

- Responsible for all financial affairs of the Organization.

Jurgonski & Fredlake, South Bend, Indiana
Partner 12/09 – 12/12

- Responsible for the not for profit clients of the firm

Audit Manager – 12/02 – 12/09

- Responsible for completing audit jobs of not for profit clients

Family & Children's Center, Mishawaka, Indiana
Executive Vice President/CFO 5/87 – 12/02

- Responsible for all financial affairs of the Organization

Crowe Chizek, South Bend Indiana
Audit Staff 5/82 – 5/87

- Responsible for preparing audits of various clients

Education and Certification

Clarkson College, Potsdam, New York
BA in Accounting 9/80 – 5/82

Broome Community College, Binghamton, New York
Associates in Accounting 9/78 – 5/80

Certified Public Accountant in Indiana

Professional Memberships

American Institute of Certified Public Accountants
Indiana Society of Certified Public Accountants

ANN CAROL NASH
59725 Lee Road, South Bend, Indiana 46614
574-291-4683; 574-298-8777; ann-carol@sbcglobal.net

EDUCATION

Notre Dame Law School, Notre Dame, Indiana
Juris Doctor, 1987

Registered Mediator
IUPUI Public Policy Civil Meditation Course, January 2008.
St. Joseph County Bar Association Domestic Course, May 2008.

Elmhurst College, Elmhurst, Illinois
Bachelor of Arts, 1983 - History, Secondary Education

EXPERIENCE

Ann Carol Nash, LLC - 2008 to present, full time since 2014
Practice focus on family and municipal law, mediation.

Assistant City Attorney, City of South Bend - 1995 to 2014
Public safety, licensing, nuisance abatement, counsel for boards.

Lecturer, Professional and Continuing Legal Education Courses
Indiana Association of Cities and Towns, Indiana Municipal Lawyers Association, St. Joseph County Bar Association, Indiana Association for Community and Economic Development.

Adjunct Professor, Ivy Tech Community College 2008 - 2012, 2014
Paralegal Studies

Associate Attorney, Konopa and Murphy, P.C. - 1992 - 1995
Civil litigation.

Judicial Clerk - 1987 - 1992
Hon. Robert L. Miller, Jr., U. S. District Court
Hon. Michael E. Dodge, Cass County Circuit Court

Co-Author, Indiana Practice - 1990 to present
Family Law, Volumes 14, 15 and 15A, Second Ed. 2009

ACTIVITIES AND INTERESTS

Indiana Municipal Lawyers Association, Board and Past President; Indiana and St. Joseph County Bar Associations; Judges and Lawyers Assistance Program Volunteer; Northern Indiana Historical Society Board

Rob Staley

22357 Spicewood Drive
Goshen, IN 46528
cell (574) 596-8350
rstaley@crossingcec.com

Education

Masters in School Administration
Ball State University, June 1984 - June 1987

B.S. in Physical Education
Taylor University, December 1977 - June 1979

Administration Experience

Crossing Educational Center
CEO
June 2004 - Present

Concord High School
Assistant Principal/Vice Principal/Principal
August 1984 – June 2004
Assistant Principal: August 1984- June 1989
Vice Principal: August 1989- June 1994
Head Principal: August 1994- June 2004

Teaching Experience

Fairfield Junior/Senior High
PE Teacher/Administrator
August 1979 – June 1984
Grades 7-12 Physical Education
Vice Principal

Coaching Experience

Fairfield Junior/Senior High
Basketball, Football, Track & Field
August 1979- June 1984

References

Larry Garatoni
4100 Edison lakes Pkwy, Ste 260
Mishawaka, IN 46545
(574) 276-1940

Troy Holland
106 Remington Ct.
Wakarusa, IN 46573
574) 596-3789

Tony Magaldi
3918 Harrison Creek Ct.
Mishawaka, IN 46544
(574) 252-5462

Debie M. Coble

70340 Brittany Glen, Edwardsburg, MI 49112

Email: debie.coble@frontier.com
Mobile: 574.532.3930

Career Summary

For the past 23 years, I have progressed through the ranks at Goodwill Industries of Michiana, Inc. I graduated from the Goodwill Industries International Executive Development program in 2007. I have continued to increase responsibilities in the organization as a means to prepare for a President and CEO position. From Store Manager to President/CEO sounds unreal; however, this journey has given me a solid understanding of the entire organization and an advantage to leading this organization into the future with innovative and effective ideas that meet the needs of the community.

Experience Summary

- ✓ ***President/CEO,*** *Goodwill Industries of Michiana, Inc., South Bend, IN November 12, 2013 to present*
- ✓ ***Vice President, Workforce Development Services,*** *Goodwill Industries of Michiana, Inc., South Bend, IN 1996 to November 11, 2013*
- ✓ ***Director of Employment Services,*** *Goodwill Industries of Michiana, Inc., South Bend, IN 1994 to 1996*
- ✓ ***Case Coordinator,*** *Goodwill Industries of Michiana, Inc., South Bend, IN 1992 to 1994*
- ✓ ***Employment Specialist,*** *Goodwill Industries of Michiana, Inc., South Bend, IN 1990 to 1992*
- ✓ ***Store Manager,*** *Goodwill Industries of Michiana, Inc., South Bend, IN 1990*
- ✓ ***Financial Planner,*** *IDS Financial Services, South Bend, IN, 1989 to 1990*
- ✓ ***Assistant Customer Service Manager/Customer Service Manager,*** *Venture Department Store, Mishawaka, IN 1988 to 1991*

Education Summary

- ✓ ***University of Notre Dame,*** *Nonprofit Executive Fund Development Certificate Program*
- ✓ ***University of Notre Dame,*** *Nonprofit Executive Leadership Certificate Program*
- ✓ ***Goodwill Industries International,*** *Executive Development Program*
- ✓ **Indiana University**, South Bend, IN, **M.A**, Concentration: Public Community Services Management

Community Service

- ✓ ***Association for Fundraising Professionals***
  - *President Elect 2014*
  - *Board Member 2013 to present*
  - *Member 2011 to present*
- ✓ ***Michiana Goodwill Boosters,*** *Board Member, 2010 to 2013*
- ✓ ***Re-Entry Taskforce of St Joseph County,*** *Member of Steering Committee, 2009 to 2014*
- ✓ ***Drug Court Advisory Board,*** *Board Member, 2007 to 2014*
  - *Chairperson, 2013 to present*
  - *Vice Chairperson, 2011 to 2012*
- ✓ ***Family Justice Center,*** *Board Member, 2007 to 2010*
  - *Board Chairperson, 2009*
- ✓ ***Bridges Out of Poverty,*** *Board Member, 2006 to 2012*
- ✓ ***Disability Awareness Committee,*** *1996 to present*
  - ***Chairperson,*** *2008 to present*
- ✓ ***Gun Violence initiative Taskforce Member,*** *2014 to present*

President & CEO

Roles and Responsibilities

- ✓ *Implementation of the policies established by the Board of Directors in such a way that the intents and purposes of the Articles of Incorporation and the Bylaws are faithfully and effectively carried out.*
- ✓ *Act as a non-voting member of the Board of Directors and as a technical advisor to the Board.*
- ✓ *Keep the Board informed as to performance of the Corporation and make suggestions for policy changes*
- ✓ *Monitor Goodwill's Corporate Compliance Program and provide periodic and regular report to the Board of Directors on matters pertaining to the program*
- ✓ *Assess all subpoenas, search warrants, investigations and other legal actions and proceed in a lawful manner*
- ✓ *Formally designate the Corporate Compliance Officer (CCO)*
- ✓ *Actively manage and administer, directly or through staff, all the activities of Goodwill.*
- ✓ *Develop a responsive and functional organization and delegate responsibility and empower corresponding authority*
- ✓ *Define responsibilities of staff members with regard to programs, and communicate such responsibility to them*
- ✓ *Keep staff personnel informed on all corporate matters related to their work*
- ✓ *Keep informed about progress of programs for which the President and staff are responsible*
- ✓ *Work with the staff to develop programs and prepare the operating budget and strategic plans for presentation to the Board of Directors*
- ✓ *See the accreditation standards are maintained*
- ✓ *Provide suitable plant facilities and equipment for Goodwill's professional services and training programs*
- ✓ *Maintain and improve the corporations manufacturing facilities, retail stores, and vehicles*
- ✓ *Safeguard all monies and assets of the Corporation, being particularly attentive to fiduciary responsibilities, and assuring that a sound system of internal controls is actively managed*
- ✓ *Develop and promote a mutually beneficial relationship between Goodwill and the Indiana Vocational Rehabilitation Division and all other purchasers of Goodwill's services and institutions providing grants, to further the Workforce Development Services efforts of Goodwill*
- ✓ *Make sure a succession plan is in place for Senior Staff and key employees.*

Accomplishments

- ✓ *Recipient of the Father Jack Hickey Award in March 2012 due to work with ex-offenders*
- ✓ *Let the State of Indiana in achieving the Work Participation Rate for IMPACT clients.*
- ✓ *Assisted in exceeding $850,000 in fund raising for 2012*
- ✓ *Successful in securing 5 consecutive 3-year CARF accreditations*
- ✓ *Expanded workforce services from 3 counties to 10 counties*
- ✓ *Conducted a Community Needs Assessment to determine gaps in services in the communities where Goodwill Michiana serves*
- ✓ *Successfully created and implemented an ex-offender program, 2nd Chance @ Work*

Attachment 2: Head of School

The local school leader who will be responsible for the operations of The Excel Center in South Bend has not been selected. This person will be hired by February 2015, and then will devote his/her work to preparing the school to open in South Bend in July 2015. In subsequent years, a similar timeline and process will be followed to hire a Director for the remaining two Excel Center locations.

INIschools, the selected ESP, will assist in recruiting and identifying a highly qualified school leader and school staff. Although INIschools will assist with school staffing, all school leadership positions will be decided by the school's Board of Directors and the selected school leader will have the final say in staff hiring with oversight from the Board. INIschools has a strong history of successfully recruiting school staff and currently recruits all teachers and staff members for the Indianapolis Metropolitan High School as well as for nine (9) Excel Centers across Central Indiana. The talent acquisition plan is based on Targeted Selection®, a competency-based behavioral interviewing system used across the organization, including. The talent acquisition strategies approach assesses applicants' behaviors, motivations, and technical knowledge necessary to accomplish the tasks of the target position.

The job description of the School Director is provided below.

The Excel Center Director
Job Description

Reports to: Board of Directors

Scope Summary:
The Director will be the chief academic officer for The Excel Center. Provide hands on approach to leadership in the directing, planning, managing, and coordinating the educational goals and vision of the school. Ensures that instructors and school curriculum are applied according to the principles of the Excel Center and that school is meeting the desired outcomes. Provides support and leadership to staff of 20-25. Essential functions include: supervision and management of faculty and staff, creating and maintaining a safe and secure educational environment for 300-350 students and managing the fiscal activities of the school. The position will work with the school 's Board of Directors in establishing school goals and objectives. The position will also work closely with the leadership of Goodwill Industries of Goodwill Michiana, Inc.

Education
Bachelor's degree in relevant field required, Master's degree preferred.

Qualifications
- Current Indiana Secondary Administrator's License preferred but not required.
- 5+ years in a school-related leadership role.
- Prior experience managing groups of professionals.
- Strong communicator at a variety of levels. Demonstrates effective presentation skills.
- Solid planning and organizing skills.
- Proficiency in Microsoft Office products; ability to effectively navigate the Internet.

- Ability to gather and analyze data for informed decision making.

Essential Duties and Responsibilities include the following:

- Develops strategies, goals and objectives for the school and manages the implementation of these objectives.
- Participates in the development of overall educational strategies.
- Assists instructors in setting priorities, facilitating meetings and developing their leadership skills.
- Provides leadership in the development of new partnerships and/or methodologies in response to the changing needs concerning students, test results and/or Indiana Academic Standards.
- Represents the school, as appropriate, in community planning and policy making activities.
- Works with the leadership team to ensure appropriate building management coverage for The Excel Center's hours of operation.
- Attend all team and professional development meetings.

Attachment 3: School Administrators' Resumes

Within this attachment, please find resumes for the following individuals from Goodwill Industries of Michiana, Inc.

- Terri Burks
- Guy Fisher
- Arden Floran
- Elyse Russell

Additionally, please find the resumes for the following individuals from INIschools, LLC:

- Scott Bess
- Joe White
- Janet Rummel
- Tonya Taylor
- Dan Scott
- Kim Reier
- Tieree Smith

Lastly, a job description for the Lead Teacher of The Excel Center can be found in this attachment.

TERRI BURKS

66666 Conrad Road
Edwardsburg, MI 49112

269-470-6663
TerriBurks1@aol.com

Career Summary:

I have been with Goodwill Industries of Michiana, Inc., a $30 million not for profit company, for fourteen years, progressing from Accounting Specialist to the position of Chief Financial Officer. During my career years at Goodwill, I have moved forward with automating and streamlining processes, provided stewardship of organizational assets ensuring that Goodwill remains in accordance with legal and regulatory requirements as well as with Goodwill Industries International and the Commission on Accreditation of Rehabilitation Facilities from an accounting, finance and corporate compliance perspective. I successfully balance short-term concerns and pressures such as managing cash, liquidity and profitability, while promoting long-term vision and sustainable organizational success. I drove the achievement of becoming a low-risk auditee, have maintained unqualified audits annually, and developed an efficient department. As a duty of my position, I have also helped Goodwill continue to budget appropriately ensuring the financial health and sustainability of the organization by encouraging revenue growth and cost reductions, thereby allowing more support to go towards our mission.

Core Competencies

- Accounting & Finance Management
- Controllership & Decision Support
- Financial Analysis & Reporting
- Loss Prevention and Control
- Corporate Compliance
- Performance Measurement
- Internal Controls
- Analytical Problem Solving
- Budgeting
- Policy & Procedure
- Risk Management
- Interpersonal Skills

Professional Summary:

Goodwill Industries of Michiana, Inc **2/2000 to Present**

Chief Financial Officer (1/2012 to Present)

Manage the efficient operation of the Accounting/Finance Department with eight employees having a weekly in-house payroll of over $250,000 for nearly 700 individuals. Facilitates organizational accountability and transparency by implementing and monitoring effective reporting and internal controls, on-going monitoring of all policies and procedures ensuring conformance with generally accepted accounting, operational and administrative practices regarding corporate compliance. Safeguards all assets of the organization, monitors effectiveness of risk management and insurance plans to make sure we are adequately covered to mitigate risk, prepares and or supervises preparation of financial and non-financial information and analysis deemed necessary by the President/Chief Executive Officer and Board of Directors.

Position Summary:

- **Controller** (12/2007 – 1/2012) – Continued the job functions of Director of Finance as well as maintained the corporation's internal controls qualifying Goodwill as a low-risk auditee.
- **Director of Finance** (6/2005 – 12/2007) – Managed the Accounting/Finance Department, facilitated banking and auditor relationships, financial reporting and ensured compliance with bond covenants.
- **Information Technology Services Consultant** (1/2000 – 6/2005) – Provided accounting and software support, wrote reports using Crystal Reports, maintained accounting software, ADP/Kronos time clock software - E-Time and Casio point of sale register software – CAS-lite.
- **Accounting Specialist** (2/2000 – 11/2000) – Implemented accounting procedures, bank reconciliations, journal entries, inventories, prepaids, store audits, Indiana & Michigan sales and withholding taxes, fixed assets and end of month reporting.

RSM McGladrey, Inc. (formerly McGladery & Pullen, LLP) **3/1998 – 2/2000**
IT Consultant
Specialized in software support, implementation and training of Sage's ERP 100 (MAS90) and Crystal Reports. Assisted in project planning and installation of MAS90 on servers and workstations, upgraded/updated MAS90, ran conversions from old data to new version and trained clients on how to use MAS90 software. In addition, assisted clients with implementing third party packages such as; Kissinger's ACH Direct Deposit Software, Macabe Enhancement Software and DM2's Petroleum Software.

Creative Software Services (acquired by McGladery 03/1998) **1/1997 – 3/1998**
Position Summary:

- **IT Support** (8/1997 – 9/1998)
  Provided telephone helpdesk support of Sage's MAS90 and SCO UNIX.
- **Receptionist** (1/1997 – 8/1997)
  Directed phone calls to the appropriate parties, accounts receivable/payables, responded to basic support questions.

Education and Credentials:

- **Bachelor of Science, Accounting with honors -** Indiana Institute of Technology, Elkhart, IN
- **Associates in Microcomputer Applications** - Jordan College, Berrien County, MI
- **Sage Certified Support Specialist** – Certified to provide support on Sage's ERP 100 (MAS90)
- **Microsoft Certified Systems Engineer (MCSE)** - Completed training
- **Professional Association** – The Association of Accountants and Financial Professional in Business member

Additional Training: Sage ERP 100, Crystal Reports, Advanced Crystal Reports, Microsoft Suite, Fixed Assets, Customer Relationship Manager, Loss Prevention, Documentation Retention and Destruction, Business Etiquette, SCO OpenServer5

Affiliations:

Michiana Goodwill Boosters (2005 – Present): Treasurer until 2013, now a voting Board Member. Michiana Goodwill Boosters was formed to promote employee recognition at Goodwill Industries of Michiana, Inc.

Brown Mackie College (2010 - Present). Program Advisory Committee member

The Brian Parker Memorial Foundation (2004 - 2007): Volunteer golf outing photographer

Park Commissioner (1999 – 2001): Voting member of the Niles Township Park Board, Secretary of the Board in 2001

GUY A. FISHER

Osceola, Indiana 46561
guyafisher@gmail.com
(574) 971-7453
www.linkedin.com/in/guyafisher

SUMMARY

Management professional with unique blend of experience in academic, service, and sports industries. Problem solver with proven ability to train, organize, lead, sell and motivate others to achieve common objectives. Work ethic, intuitive interpersonal skills, leadership by example.

Process Improvement	Budget Planning	Public Speaking
Operations / Leadership	Federal Regulatory	Marketing Communications
Development	Recruiting / Sales	International Experience
Fund Raising	Facilities Management	Public Relations
Data Analysis	Lending	Strategic Planning

EXPERIENCE

Goodwill Industries of Michiana, South Bend, IN
Vice President of Mission Advancement, January 2014 – Present
Public Relations and Mission Marketing

- Responsible for development of Mission messaging as well as public image and representation for the company
- Developed media and print material for Mission campaign

Development

- Responsible for fund raising and friend raising efforts.

Advancement

- Work with President and Senior Staff on special projects and events

Bethel College, Mishawaka IN
Director of Financial Aid, *1987 – 10/2013*
Operations

- Maintained revenue generation capacity by managing $20 million annual student financial aid process:
    - Achieved zero non-conformance record for internal audits and federal program reviews government regulations and reporting requirements;
    - Grew aid program from $1.5 million to $20 million;
    - Developed and expanded internal scholarship programs.
- Increased efficiency and consistency of program operations by creating policy and procedural manuals.
- Reduced labor cost by balancing diverse simultaneous functions:
    - Increase productivity 40% by cross training team members while reducing staff FTE;
    - Increased customer service and decreased outstanding receivables.
- Increased enrollment and customer service by mentoring other departments to guide Financial Aid.
- Supported organizational mission through targeted recruitment by directing financial resources.

Marketing and Enrollment Management

- Supported recruiting efforts by presenting at speaking events.
- Saved 60% operational costs by reducing physical print material and applications:
    - Pioneered internet communications with perspective students by developing process with Sallie Mae Loan Corporation;
    - Improved customer service response time by developing interactive on-line processes.
- Increase student enrollment 31% by establishing tuition discounting practices.
- Increased student retention 9% by implementing financial aid strategies that improved academic quality and financial strength.
- Decreased account receivables over 50% and Increased diversified student body by restructuring International Student scholarships.

- Coached up to 2,300 students and families per year in financial planning strategies.

Business and Fund Development

- Increased endowed scholarships over $400,000 by securing private donors for targeted scholarship programs.
- Added $250,000 in available funds through cultivating donor relationship.
- Improved donor relations by restructuring endowed scholarship accounting process to determine appropriate earnings and repairing donor relationships.
- Generated goodwill and created additional solicitation opportunities by establishing scholarship luncheon program to connect donors with student recipients.
- Raised $700,000 in nursing scholarships by developing grant proposals for federal funded programs.

Public Relations and Promotions

- Increased funding and enrollment through community outreach and public speaking events with up to 400 attendees.
- Developed marketing and communications materials for financial aid programs.
- Led international student task force teams to Latin America, South America, and the Caribbean.
- Discovered substantial potential by exploring new market and business development opportunities in Puerto Rico.
- Increased enrollment up to 500 by developing cutting-edge accelerated degree programs.
- Increased strategic communication by served on retention, enrollment, academic, and presidential transition committees.

Men's Soccer Coach, *1989 - 2002*

- Coached team to 2000 NCCAA National Championship.
- Coordinated recruiting and scouting strategy.
- Designed and implemented individual and team training sessions.
- Coordinated game scheduling and travel logistics for up to 25 college male athletes.
- Covered 25% operating costs by fostering partnerships with private sponsors for financial support.
- Expanded international experiences for athletic teams via Task Force Program.
- Instructed at soccer camps and clinics including staff instructor at University of Notre Dame.

Barclays American Financial, South Bend IN
Branch Account Representative

Teachers Credit Union, South Bend IN
Member Services Representative

EDUCATION, AFFILIATIONS, and LICENSURE

University of Notre Dame, Notre Dame IN, *Masters Science Administration (MSA)*
Bethel College, Mishawaka IN, *B.A., Communications*
NASFAA Development Workshops
ISFAA High School Financial Aid Night Regional Coordinator
NASFAA Conference Presenter on Customer Service Best Practices
Texas Guarantee Loan Corporation College Relations Advisory Committee Charter Member
Crown Financial Workshops

ARDEN FLORAN
817 East 3rd Street
Hobart, IN 46342
(219) 942-3436

EDUCATION

MASTER OF ARTS, Sociology, April 1996
Western Michigan University, Kalamazoo, Michigan **GPA 3.8**
- Emphasis: Social Psychology, Sociology and Race Relations

BACHELOR OF ARTS, General Studies, August 1993
Indiana University, South Bend, Indiana **GPA 3.3**
- Emphasis: Psychology and Sociology

EXPERIENCE

VP of Workforce Development Services **10/13 – Present**
Goodwill Industries of Michiana, South Bend, IN
- Oversee all programming within the Workforce Development Department
- Ensure department stays within budget
- Work effectively with members of the Board to develop a strategic plan and subsequent actions
- Develop and implement new policies and procedures relevant to the Workforce Development Services Department
- Provide the leadership necessary to revise current programs and add new programs based on a thorough knowledge of service gaps in the community

Director of Workforce Development Services **9/98 – 10/13**
Goodwill Industries of Michiana, South Bend, IN
- Supervise all positions in the Workforce Development Department
- Assist in creating the departments strategic plan
- Oversee all job search and job readiness services for clients
- Oversaw the preparation of programs, staff, and services for CARF accreditation the past 12 years
- Collect, track, and analyze service data to ensure goals are being met for each program milestone
- Serve as a liaison for Goodwill Industries in promoting our employment services to the business community

CERTIFICATIONS

- CARF Program Surveyor
- Completed the Senior Leadership Program at GII
- State certified Person Centered/Individual Service Plan Facilitator
- Benefits Information Network Liaison – BIN
- Community Work Incentives Coordinator - CWIC

REFERENCES Available upon request

Elyse Russell 574-656-8263
66602 Rosewood Road, North Liberty, Indiana 46554 elyse.ray@embarqmail.com

Professional Profile

A diverse background utilizing several different skills.

- Ability to Organize Meetings
- Work on Projects Assigned by President/ CEO
- Ability to Plan Special Events
- Maintain Board and Project Records
- Oversee Office Supply Ordering & Inventory
- Oversee Receptionist Station including Fingerprinting Project

Professional Accomplishments

Assistant to President/CEO

- Maintain President/CEO schedule plus organize travel itineraries
- Handle special projects assigned by President/CEO
- Maintain meeting schedule of Board of Directors and Senior Staff
- Assist President/CEO with writing letters, memos, comparisons, etc.

Event Coordinator

- Manage Chef G's Catering who is responsible for employee daily meals as well as outside catering events.
- Plan and organize special events, i.e. Annual Golf Outing, dinners, conferences, etc.
- Oversee NRA Food Handling Certification Classes & Exams
- Partnership with local Ivy Tech to provide culinary internships

Michiana Goodwill Booster Program

- Oversee daily maintenance of 15,000+ member database
- Oversee three (3) yearly membership drives (April, July & December)
- Oversee membership renewal process
- Sit on the MGB Board of Directors

International Association of Administrative Professionals

- Served as Chapter Secretary
- Served as Chapter President Elect and then President
- Served as Indiana State Treasurer
- Served as Indiana State President

Work History

Secretary	South Bend-Mishawaka Chamber of Commerce, South Bend, IN	March 1973-June 1974
Secretary	AM General Corp, South Bend, IN	June 1974-October 1974
Secretary	Associates Leasing, Inc., South Bend, IN	December 1974-December 1975
Assistant to President/CEO	Goodwill Industries of Michiana, Inc., South Bend, IN	December 1975 to Present

Education

Diploma	LaSalle High School, South Bend, IN	June 1973
Certificate	IUSB/ES/ADMIN. Assistant Program South Bend, IN	Spring 1991
Certificates	Continuing Education Sessions at both Ivy Tech, IUSB & IAAP	Up thru to 2003

References

References are available upon request.

Scott Bess 317-524-4501
1635 West Michigan Street
Indianapolis, IN 46222

Scott Bess

Experience

2004-present Goodwill Education Initiatives

Senior Vice President and Chief Operating Officer

- Grew the Indianapolis Metropolitan High School from 75 students to 400 in eight years
- Steered the school through the charter renewal process, resulting in a full seven-year renewal from the Mayor's office
- Directed the creation of the Excel Center, a high school for adults who have dropped out of school
  - Started the school with 300 students and expanded it to 3,000 students at nine sites after three years
- Created the Indiana Network of Indiana Schools, a service organization providing infrastructure needs to traditional, private and charter schools
- Serve on various state-level committees and strategy groups for high school accountability

2002-2004 Goodwill Industries of Central Indiana

Chief Information Officer

- Dramatically improved customer service within the department.
- Developed strategic plan to facilitate Goodwill's Retail growth plans.
- Increased reliability and scalability of all Goodwill technology infrastructures.

1998-2002 The Strategy Group

Senior Partner

- Provided technology and business advice to small- and mid-sized businesses
- Created a business segment focused on schools

1987-1998 Cinergy

Technology Management

- Progressed through multiple levels of technology management, culminating with General Manager of one of Cinergy's three business units
- Led the technology portion of a major corporate re-engineering effort
- Guided the technology integration effort resulting from the merger of Public Service Indiana and Cincinnati Gas and Electric

1983-1987 Beech Grove School Corporation

Teacher and Coach

- Taught Middle School Mathematics and Computer Technology
- Developed Middle School computer curriculum
- Coached Middle School boys' basketball and High School baseball

Education

1979–1983 Purdue University

- B.S. Mathematics and Secondary Education
- Dean's List

2011 – 2012 Marian University

- Turnaround School Leadership Program
- Master's Degree (M.A. Teaching)

Boards

2012 – Present Ivy Tech Community College Central Region Board

2009 – Present EmployIndy Board of Directors

- Serve on Executive Committee

2010 – 2012 College Mentors for Kids Board of Directors

- Served on Executive Committee

1998 – Present Danville Community School Corporation Board

- Serving 4th term as a member
- School corporation consistently rated as a top-performing corporation
- Developed strategic plan for the corporation, including expansion of alternative education

Joseph J. White

3190 River Villa Way • Indianapolis, IN 46208 • (317) 495-8239 • jwhite@excelcenter.org

Profile

- Committed to being a life-long learner who maximizes every opportunity to learn and grow.
- Extremely committed to educating and working with individuals from diverse backgrounds.
- Combines attention to immediate detail with progressive outlook and long-term vision.
- Personal qualities conducive to being a servant leader who puts the well-being of staff and students first.
- Firm, yet optimistic attitude with ongoing, excellent rapport with colleagues and students.
- Able to establish and maintain positive, professional relationships.

Education

Degree Earned Earlham College Richmond, IN
Emphasis: BA- Human Development and Social Relations, Minor in Psychology

Degree Earned Earlham College Richmond, IN
Emphasis: Graduate Programs in Education: Master's in the Art of Teaching

Degree Earned Indiana Wesleyan Indianapolis, IN
Emphasis: School Leadership Licensure Program

Employment and Experience

Executive Director - November 2013- Current
The Excel Center - Indianapolis, IN

- Responsible for the effective, efficient operation of The Excel Center network which is comprised of nine independent chart schools serving an average of 310 students per site.
- Established a robust Director Evaluation system that directed compensation and bonuses structures using multiple lenses including: traditional RISE rubric evaluation, competency based leadership qualities, and school objectives.
- Coordinated internal audit to ensure integrity of best practices were exercised which provided the opportunity to reevaluate the processes and systems to ensure that the organization maximizes its limited resources.
- Supported a leadership training intensive that developed leaders in areas of technical and competency-based school leadership.
- Assisted with the management of $20m budget and the allocation of human and capital resources.
- Monitored data of more than 2,500 students and established school goals on a district-wide and local level.
- Graduated highest number of graduates in a single term (144) and school year (394) while maintaining an overall graduate waiver rate of 6%.
- Developed a strategic plan for growth that provided a clear vision for The Excel Center and created a pathway for ongoing success within and outside of the Indiana network.

School Director- January 2012- November 2013
The Excel Center (Anderson Site) - Anderson, IN

- Engaged with local staff and community to establish the first state authorized Excel Center that utilizes data to inform decisions while structuring programmatic features around supporting students and preparing them for a successful transition into the next steps of their lives.
- United and established team of leaders to organize, refine, and improve staff evaluation process which focused on growth and development in order to maximize potential of every staff member.
- Managed multi-million dollar budget prudently, which provided opportunities to effectively allocate resources directly into the classroom.
- Instrumental in grant writing process when applying for and securing state and federal resources which permitted the initiation of the planning process.
- Worked directly with Life Coaches to creatively appropriate talent in processes and procedures for tracking, monitoring, and quantifying student progress.
- As instructional leader, worked to create continuous improvement approach to all curricular, pedagogical, and instructional practices.
- Established collaborative relationships with key community stakeholders, agencies, and businesses which created strategic partnerships that benefited all parties involved.
- Able to mitigate early relationship challenges with building landlords to form a respectful, working relationship.
- In first year of operation, set strategic goals which produced top results across entire district in the areas of graduation rate, ECA results, and Alternative Accountability grade.
- As the Director of The Excel Center-Anderson, our school earned a *4-Star rating* from the IN Dept. of Education.

Lead Teacher- June 2011- January 2012

The Excel Center (Meadows Site) - Indianapolis, IN

- Worked closely with Executive Director and School Director to restructure program and realign intended outcomes.
- Directly supervised Life Coaches and effectively created a paradigm shift in their approach to coaching.
- Responsible for the evaluations of teachers by effectively utilizing the RISE teacher evaluation tool.
- Assisted in creating common assessments, curriculum maps, and lesson plans for a unique, credit-rich course designed to target multiple standards and the revised state standards.
- Worked diligently with small team to collect data to be presented at data reviews which included an analysis of attendance, retention, graduation rate, and End-of-Course assessment outcomes.
- Developed significant components of professional development trainings and on-boarding activities during expansion period of The Excel Center.

Life/Academic Advisor- June 2010- June 2011

The Excel Center (Michigan Street Site) - Indianapolis, IN

- Established strong, genuine relationships with students which helped us assist them in overcoming life's barriers while encouraging them to be successful academically, socially, and in their career fields.
- Responsible for oversight of my students' academic progress, attendance, and behavior modification if necessary.
- Assisted in the creation and implementation of several policies and procedures including: The Intake Process, Attendance Procedures, and Employee Evaluations.
- Designed curriculum used during cohort meetings and capitalized on our approach to developing the whole person.
- Wrote grant for student resources and connected students to several local resources.
- Created Life Coach Handbook for reference by future employees, and created weekly newsletters in order to distribute news and updates to students and staff.

Adjunct Professor- August 2008- May 2010

Ivy Tech Community College- Richmond, IN

- Selected to teach First Year Seminar for fall, spring, and summer semesters.
- Created unique PowerPoint presentations, assignments, and assessment materials for students.
- Provided assistance with career path choices of all adult students.
- Participated in seminars and outreach activities directed toward improving the community.

Secondary Teacher- November 2009 – April 2010

Richmond High School- Richmond, IN

- Lead instruction of 10th and 11th grade World History as well as 12th grade Economics.
- Able to plan and implement engaging, thought provoking activities that required critical thinking and encouraged real world connections.
- Worked cooperatively with co-teachers of the department, inclusion teachers, and my supervisor during team teaching periods.
- Shared and implemented ideas from other teachers as well as my supervisor, mentor teacher, and the department.
- Used strategic methods of teaching to encourage and cultivate better reading skills and reading comprehension.

Interim Dean of Students- August 2008- May 2009

Galileo Charter School - Richmond, IN

- Assumed all Dean of Student responsibilities including: Restitution monitoring, organizing and leading after-school program activities, Liaison for the Home/School Connection Committee.
- Performed teacher duties such as: executing lessons, administering assessment tests, and individual tutoring.
- Appointed to spear head the organization of the 5th and 6th grade boys basketball team and operations.
- Attended school improvement, parent and in-service meetings, restitution training, interviews, and teacher development programs which were directed toward the enhancement of children's lives and education.
- Assisted Chief Academic Officer and Administrative staff in any capacity needed.

Activities and Honors

- As the Director of The Excel Center-Anderson, our school earned a 4-Star rating from the Indiana Department of Education.
- America Reads- Studied with children to improve literacy and overall academic ability.
- Performed one-on-one tutoring with academically challenged high school and middle school student.
- Served at Carousel House Wheel Chair Basketball Tournament.
- African American Male Summit Speaker —chosen to educate African American male students from local high schools about education and available opportunities within the community.
- Selected to speak to prospective candidates of MAT program events.
- Selected by Mayors Office to speak at Martin Luther King event hosted by The City of Anderson.
- Selected to speak at scholarship giveaway where dozens of children were honored.

Janet M. Rummel
7034 Locust Lake Road
Spencer, IN 47460
765.481.8798
jrummel@me.com

EDUCATION

Doctor of Philosophy, Curriculum and Instruction — Doctoral Candidate
Degree Expected December 2014
Purdue University, West Lafayette, IN
Specialization: Curriculum Studies
Advisor: Nadine E. Dolby

Master of Science in Education — 2006
Indiana University, Bloomington, IN
Program: Educational Leadership
Certification: Indiana Building Level Administrators License

Teacher Certification — 1998
Indiana University Purdue University, Indianapolis, IN
Certification: Indiana State Teachers License
Biology, Grades 5-12
Chemistry, Grades 5-12
Mathematics, Grades 5-12

Bachelor of Arts — 1989
DePauw University, Greencastle, IN
Double Major: Biology & Political Science

RESEARCH INTERESTS

Standards-Based Curriculum and Assessment
Alternative Teacher Certification Programs
Critical Multiculturalism
Urban Education

PROFESSIONAL EXPERIENCE

Chief Academic Officer, Goodwill Education Initiatives and INIschools, Indianapolis, IN
January 2014 – Present

- Coordinate all academic services for Goodwill Education Initiatives schools, including Indianapolis Metropolitan High School and 9 Excel Center locations
- Manage Office of the Registrar and Data Quality Specialist for Goodwill Education Initiatives
- Lead English Language Development program for Goodwill Education Initiatives
- Ensure the implementation of high-quality standards-based curriculum, instruction, and assessments
- Provide full scope of academic services on a contract basis to schools nationwide

Director of Curriculum, INIschools, Indianapolis, IN
July 2013 – December 2013

- Conduct curriculum audits and needs analyses
- Develop standards-based curriculum and lead schools in curriculum development
- Develop standards-based assessments and lead schools in assessment development
- Consult in all areas of teacher evaluation and mentoring
- Conduct data-based decision making and train schools in data-based decision making
- Train teachers, administrators, and coaches in high-impact instructional strategies in all curricular areas

Master Teacher, Indianapolis Metropolitan High School, Indianapolis, IN
July 2012 – June 2013

- Leader in the implementation of the TAP teacher evaluation rubric
- Design and deliver weekly professional development in instructional best practice
- Lead data analysis meetings with teachers to create data driven instructional goals
- Ensure alignment of instruction and assessment with standards-based curricula

Vice President, Common Core Services, Center for College and Career Readiness, Oakbrook Terrace, IL
November 2011 – July 2012

- National speaker and professional development coordinator specializing in the alignment of curriculum, instruction, and assessment to college and career readiness outcomes
- Assisted school districts and state departments of education in the transition to and implementation of the Common Core State Standards
- Created Common Core State Standards implementation plans for schools nationally through the use of a customized needs analysis protocol
- Developed Common Core State Standards professional development sessions in partnership with educational service centers and the Indiana Department of Education
- Designed materials, resources, and professional development deployed internationally that promote alignment between curriculum, instruction, and assessment

Assessment Specialist, Indiana Department of Education, Indianapolis, IN
December 2010 – November 2011

- Created state assessments (ISTEP+, ECA, Acuity) in mathematics and science, ensuring alignment to state standards with respect to content and level of rigor
- Co-creator of the Indiana Common Core State Standards Transition Plan; Indiana Common Core State Standards Leadership Team
- Reviewed PARCC assessment resources and provide comment for the State of Indiana
- Co-developer of three online graduate level courses on Common Core State Standards for K-6 Mathematics, in partnership with the American College of Education
- Staff contact for ISTEP+ Online; assist schools and districts as they transition to ISTEP+ Online
- Developed Common Core State Standards professional development sessions in partnership with educational service centers and the Curriculum Institute
- ECA/GQE waiver contact person assisting schools, parents, and students in determining waiver eligibility and process

Senior Consultant, Curriculum Improvement Institute, Oakbrook Terrace, IL
May 2002 – June 2012

- Lead facilitator, Indiana Department of Education Curriculum Mapping Initiative, July 2010
- Co-facilitator, IDOE Curriculum Mapping Workshops, Indiana Educational Service Centers, Fall 2010; created presentation and participant materials
- Presenter at national and regional conferences: Assessment Design; Formative Assessment; Curriculum-Based Assessment; Fair Grading Practices; Standards-Based Grading; Curriculum Mapping; Common Core State Standards; Student Co-constructed Learning Via Learning Management Systems

Worked with over 15,500 educators to date; provide professional development workshops in instruction planning, curriculum mapping, curriculum development, assessment design, and standards-based grading for educators nationwide

Internal Training and Content Specialist, Collaborative Learning, Inc., Oakbrook Terrace, IL
September 2009 - December 2011

Educated employees regarding curriculum alignment, high-quality instruction, assessment, and standards based grading; trained employees on all aspects of Curriculum Improvement Studio software
Worked with product development team to define and create content for Instruction Planner, Curriculum Mapper, and StandardsScore products
Created and delivered professional development sessions regarding curriculum and instruction improvement, assessment design, and standards-based grading

Graduate Coordinator, EDCI 285 Multiculturalism and Education, Department of Curriculum and Instruction, Purdue University, West Lafayette, IN
August 2008 - Present

Coordinate graduate teaching assistants and curricular materials
Created and maintain website of multicultural education materials for instructors and students

Teaching Assistant, Department of Curriculum and Instruction, Purdue University, West Lafayette, IN
January 2008 - May 2009

Taught undergraduate *Multiculturalism and Education* course, EDCI 285

Student Teacher University Supervisor , School of Education, Purdue University, West Lafayette, IN
January 2008 - Present

Evaluate and document experiences of secondary mathematics student teachers
Meet with student teachers and their cooperating teachers to discuss pedagogy, resolve issues and provide assist in career search

Multidisciplinary Program Instructional Facilitator , Zionsville Community High School, Zionsville, IN
July 2007 - June 2008

Coordinated and administered an interdisciplinary, student co-constructed learning environment
Led teachers from a variety of disciplines in providing credit-bearing coursework to students via online learning opportunities
Ensured that AP coursework delivered online met College Board requirements
Worked with IUPUI to provide dual-credit coursework
Led students in deconstructing state standards to facilitate student understanding of course requirements and assessment opportunities
Designed and facilitated juried defense for student research presentations
Monitored and assisted students and teachers to ensure a rigorous standards-based curriculum
Designed web-based interactive learning experiences via Angel and Blackboard systems; integrated mathematics and science into student research projects
Maintained budget and coordinated supply orders
Met with architects and district administrators to plan and design new million-dollar facility

Elementary Science/Technology Program Developer and Teacher , Pleasant View Elementary School, Zionsville, IN
August 2003 - June 2007

Designed and implemented science and technology curriculum for first through fourth grade students
Budgeted science fees and coordinated purchasing of materials for all elementary schools in the district
Designed and led professional development for elementary teachers of science
Obtained grants to secure hands-on materials for students

Science Department Chair, Zionsville Middle School, Zionsville, IN
August 2000-May 2003

Organized and led department meetings, aligned curriculum with state standards, developed common assessments

Inventoried science textbooks and laboratory materials, budgeted science fees, coordinated textbook orders and laboratory materials and consumables

Middle School Science and Mathematics Teacher , Zionsville Middle School, Zionsville, IN
August 1996 - June 2003

PRESENTATIONS

2014 National Council of Teachers of Mathematics Regional Conference, "Assessing the Standards for Mathematical Practice"

2013 Indiana Association for School Principals, "IDOE Guidance Regarding HEA 1427 Relating to the Common Core State Standards"

2012 Common Core Institute National Conference on College and Career Readiness and Common Core State Standards, "Instructional Practice in a CCSS Classroom: 6-12 Mathematics" and "Instructional Practice in a CCSS Classroom: K-5 Mathematics"

2011 The National Conference on Common Core Standards & Children of Hope, "Understanding the Standards for Mathematical Practice" and "Assessing the Common Core State Standards"

2011 Indiana School Counselor Association Conference, "Indiana Plan for the Transition to the Common Core State Standards"

2011 AdvancEd Indiana Fall Conference, "Curriculum Mapping on the Road to the Common Core State Standards"

2011 Indiana Middle Level Educators Association Conference, Indiana School Counselors Association, Indiana Educational Service Centers, "Indiana Transition Plan for the Implementation of the Common Core State Standards"

2011 National Staff Development Council, Learning Forward, "Implementing a State-Level Curriculum Mapping Initiative"

2011 Curriculum Institute Annual Conference, "Life in Transition: Moving to the Common Core State Standards;" "National Test: What Does it Mean for Us?"

2010-11 Indiana Educational Service Centers, "Indiana Curriculum Mapping Initiative"

2010 Curriculum Improvement Institute Annual Conference, "Making Grades Have Meaning: Assessment Design and Analysis"

2009 Curriculum Improvement Conference, "Curriculum-Based Assessment: Matching Teaching to Assessment"

2008 Indiana Association for the Gifted/Indiana Department of Education Annual Conference, "Meeting SB 408 Requirements Through a Student Co-Constructed Multidisciplinary Curriculum"

2007 Heidi Hayes Jacobs Curriculum Mapping Conference, "Leading With A Common Vision: The Essentials for Planning Your Curriculum Mapping Initiative," and "Using Curriculum Mapping to Build a Standards-Based System of Instruction and Assessment"

2007 Association for Supervision & Curriculum Development Annual Conference, "Working with the 95th Percentile: Mapping the Curriculum for Results"

2005 Hoosier Association for Science Teachers (HASTI), "Meeting the Standards: Designing and Implementing an Elementary Science/Technology 'Specials' Class"

2004 Indiana Computer Educators (ICE) Conference, "Creating District-Wide Technology Education Standards"

AWARDS/GRANTS

$13,500 Purdue Research Foundation Doctoral Research Grant - Documenting the Experiences of an Alternatively Certified Teacher
$1500 Zionsville Education Foundation Imagine Grant– Attend Association for Supervision and Curriculum Development Annual Conference
$800 Zionsville Education Foundation Grant– Grow Lab
$1200 Zionsville Education Foundation Grant– Hands-On Science for Elementary Student
$500 Zionsville Education Foundation Grant– Summer Math Remediation Material
$500 D.J. Angus Scientech Foundation Grant
$100,000 Indiana Department of Education Grant– Co-Author – Laptop Computers and Problem Based Learning Training
Superintendent's Someone Special Award
D.J. Angus Scientech Science Fair Coaching Award - $500
Scholarship – Sam Rhine Genetics Workshop
IUPUI Outstanding Student Teacher Award

RELATED EXPERIENCE

RAISE Reading Apprenticeship Facilitator, WestEd
July 2013 – Present
- Lead professional development sessions in secondary disciplinary literacy
- Support 10 schools in their implementation of Reading Apprenticeship disciplinary literacy strategies

Technology Academy Director/Instructor, Zionsville Community Schools, Zionsville, IN
June 1998 - June 2008
- Designed course offerings, scheduled all technology professional development for teachers and staff, managed stipends
- Planned and led professional development sessions for teachers regarding technology integration, curriculum mapping software, grade book software, Angel online learning management software, high-quality instructional design utilizing Angel and one-to-one initiative

Curriculum Mapping Facilitator,Zionsville Community Schools, Zionsville, IN
2003 - 2008
- Led professional development sessions during the school year and summer on curriculum mapping and related software
- Leader of Zionsville Community School Corporation's curriculum mapping initiative
- Ensured that all corporation curriculum maps were aligned with Indiana Academic Standards and College Board AP requirements

Certified Mentor Teacher
April 2005 - May 2008
- Completed state certification April 2005
- Experienced as a mentor to beginning secondary science teachers, assisting in portfolio development

Indiana State Teachers Association
2002 - 2008
- District Council Representative
- Governance Committee
- Leadership Subcommittee

Zionsville Educators Association
1996 - 2008
- Bargaining Team Member
- Executive Council Member

PROFESSIONAL ASSOCIATIONS

National Council of Supervisors of Mathematics
Association for Supervision and Curriculum Development
American Educational Research Association
National Council of Teachers of Mathematics
National Science Teachers Association
National Education Association
Indiana State Teachers Association
Hoosier Association of Science Teachers
Rethinking Schools
Indiana Computer Educators

REFERENCES

Michael J. Rush
Executive Director, Center for College and Career Readiness
1S660 Midwest Road
Suite 310
Oakbrook Terrace, IL 60181
(317)590-6665
miker@clihome.com

Dr. Schauna Findlay
Educational Consultant
Former Chief Academic Officer, Goodwill Education Initiatives
1842 Bridgewater Drive
Avon, IN 46123
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Schauna.findlay@gmail.com

Ermalene Faulkner
Chief Academic Officer
Muncie Community Schools
2501 North Oakwood Avenue
Muncie, IN 47304
(765)747-5203
efaulkner@muncie.k12.in.us

Dr. Scott Robison
Superintendent
Zionsville Community Schools
900 Mulberry Street
Zionsville, IN 46033
(317)873-8003
srobison@zcs.k12.in.us

Peggy Buchanan
Former Director of Curriculum
Zionsville Community Schools
(765)482-3092
(317)695-6571

Tonya Taylor

4211 First Flight Circle
Zionsville, IN 46077 USA
Phone: 317.809.4907
Alt. Phone: 317.809.1309
E-mail: tonyajtaylor21@gmail.com

Objective

Experienced educator seeking to leverage extensive background in special education, administration, and teaching in a challenging position. Extremely motivated and eager to contribute to the overall mission of a corporation.

Education

2013-2014	Indiana University	Bloomington, Indiana Director of Special Education License
2007-2011	I.U.P.U.I.	Indianapolis, Indiana Administrative Certification/Principal License
2002-2005	I.U.P.U.I. Master of Arts	Indianapolis, Indiana Special Education; Mild/Intense Certification
1995-2000	Univ. of Southern Indiana Bachelor of Science	Evansville, Indiana Elementary K-6

Education Experience

06/12-Present Director of Special Education — INISchools
Goodwill Education Initiatives — Indianapolis, IN

Interact, collaborate, and support all school directors, special education site coordinators, and teachers of record of GEI schools and schools receiving special education services through INISchools; Oversee the Special Education Central Office and supervise its staff; E nsure that all Goodwill Education Initiatives' schools and special education staff are implementing all special education procedures and programs to develop and deliver high quality services to students; Monitor compliance for all schools; Direct and advise school directors and staff with specific legal procedures, regulations, legislation and programs that will guide all staff to mold the educational experiences of a diverse group of special needs students to develop and implement supportive , prescriptive, and realistic Individual Education Plans (IEP's) or supportive and modified accommodations for those who qualify under ADA and are above the age of 22

06/12-06/05 Special Education Department Chair — Zionsville West Middle School
Zionsville Community Schools — Zionsville, Indiana

Teacher of Record for students with mild and intense support needs, created over 250 Individual Education Plans and Functional Behavior Plans in compliance with state and national policies and procedures, analyze data to report on annual goals, collaborated with staff on implementation of the RTI (Response to Intervention) model, implemented 1:1 net book program, work closely with ESL student integration program, create and facilitate professional development activities for teachers, participated in Universal Design For Learning Technology grant implementation at district level, used Co-Teaching model, work extensively with staff and parents, supervise a team of 4 special education teachers and 11 paraprofessionals

Education Experience Cont.

08/00-06/05	Classroom Teacher	Stout Field Elementary	MSD of Wayne Township Indianapolis, Indiana

Experience teaching grades four through six in a Title One environment, developed and participated in a co-teaching model for intermediate grades, participated in the implementation of Reading First Grant, Awarded Universal Design for Learning Grant, specialized teaching in language arts, writing, and social studies, taught full inclusion classrooms at each intermediate grade, worked extensively with technology to improve student achievement

01/00-05/00	Student Teacher	Highland Elementary	Evansville-Vanderburgh Corp. Evansville, Indiana

Taught grade three and full day Kindergarten, developed and implemented a writers workshop, attended C.L.A.S.S. professional development, excelled in classroom management strategies, created multiple thematic units, planned and developed units with grade level team, created student portfolio's, worked with ESL and special education learners and managed a support staff of paraprofessionals

Daniel Justin Scott

Business Address
1635 West Michigan St.
Indianapolis, IN 46222

Contact Information
dscott@goodwilleducation.com
(317) 524-3835

OBJECTIVE: To continue to expand myself and knowledge while working to bring an innovative and reform minded approach to the industry in which I work.

EXPERIENCE:

Director of Data Services **May 2012 – Current**
Goodwill Education Initiatives (GEI)

- Work with GEI schools (Indianapolis Metropolitan High School and the Excel Center for Adult Learners) to actively track and evaluate all aspects of the schools' student achievement and processes
    - Provide analysis and support across all aspects of the school
    - Monitor the school's progress towards the state's accountability model(s)
    - Analyze school data to identify trends and weaknesses and provide data driven recommendations for improving inefficiencies
- Provide GEI *network* schools with data analysis and support
    - Provide analysis and support across all aspects of the school
    - Monitor the school's progress towards the state's accountability model(s)
    - Review the school's performance across key indicators to ensure that the school is meeting the criteria and standards that GEI has set for all network schools
- Provide GEI *service* schools with data analysis and support
    - Provide analysis and support across all aspects of the school
    - Monitor the school's progress towards the state's accountability model(s)
    - Analyze school data to identify trends and weaknesses and provide data driven recommendations for improving inefficiencies
- Leverage data across all schools in the GEI family to identify innovative ways to improve school success
- Fill additional roles and responsibilities as needed

Accountability Specialist/Data Analyst **Jan 2009 – May 2012**
Indiana Department of Education (DOE)

- Designed and implemented Indiana's new state accountability model
    - Worked with various educational groups, organizations and interest groups to develop the comprehensive accountability model
    - Collaborated on Indiana's No Child Left Behind flexibility waiver
- Provided support for major policies including Indiana's school choice (voucher) program

Daniel Justin Scott

- Assisted in the creation and implementation of Indiana 's charter school board
- Responsible for providing data analysis for all DOE programs
  - Provided full analysis of the current state of each program
  - Identified ways to improve upon the current program structures to become more efficient and higher achieving
- Tasked with various other responsibilities such as research innovative programs in other states and identified ways to lower the achievement gap

Voter File Coordinator **Jan 2006 – Jan 2009**
Indiana Republican State Committee

- Work directly with candidates and various political campaigns to assess the political landscape and develop a strategic plan
  - Leveraged marketing research and analysis to attain political goals
  - Developed and maintained relations with elected officials, candidates, various community groups, state departments and interest groups
- Coordinated with representatives across all of Indiana's 92 counties to align efforts and research to best meet department objectives
- Served on the Indiana Statewide Voter Registration System (SVRS) Steering Committee
  - Served on the committee with the Indiana Election Division, Secretary of State Todd Rokita, Quest, Virchow Krause and County Clerks from around the state of Indiana
- Provided additional political, campaign and strategic support as needed

EDUCATION:

Butler University **2002-2006**
Bachelor's Degrees in Political Science and History

St. Louis University **2000-2002**
Dual enrollment through St. Mary's High School
Located in St. Louis, Missouri

Institute for Study Abroad **Spring 2005**
Flinders University
Located in Adelaide, Australia

Kimberly Reier

7950 Pine Lake Road
Indianapolis, Indiana 46268
(219) 613-5894 kim.reier@gmail.com

Work Experience

Goodwill Education Initiatives, Indiana Network of Independent Schools (INIschools) **Indianapolis, IN**
Director of Network Development & Advancement **June 2014 – Present**

- Work with leadership teams to develop and implement plans related to growing and expanding The Excel Center Network, including franchising the school model
- Develop a diverse network of national stakeholders interested in growing The Excel Center Network and/or franchising the school model
- Oversee and manage the development of The Excel Center Network resources
- Represent GEI, as appropriate, in planning expansion to new sites
- Oversee and manage development efforts including but not limited to developing charter school applications for clients and GEI-operated schools, responding to requests for proposals, and developing grant applications for new initiatives or available funding
- Oversee the resolution of client concerns and facilitate the delivery and coordination of network services
- Conduct ongoing assessment of school needs and opportunities and offer ideas and insights to improve network schools' issues and challenges
- Enhance INIschools' reputation by accepting ownership for facilitating and accomplishing new and different requests related to overall school improvement
- Oversee and manage all aspects of school plans with continuous communication with all stakeholders
- Coordinate and balance partner school portfolio by appropriately prioritizing and managing workload

Goodwill Education Initiatives, Indiana Network of Independent Schools (INIschools) **Indianapolis, IN**
Lead Services Manager **September 2013 – June 2014**

- Assist with school start-up and account management of network charter schools
- Oversee and coordinate all aspects of services provided to clients and proactively offer ideas and insights to improve clients' issues and challenges
- Work closely with partner schools' leadership teams and INIschools staff to develop school improvement plans, coordinate services and track implementation of plans
- Assist in proposing and securing new partnerships
- Lead communication efforts with stakeholders, including launching and managing social media efforts (@INIschools)
- Serve as a client relationship management function of INIschools
- Serve as a project management function of INIschools

Goodwill Education Initiatives, **Indianapolis, IN**
Transitional Lead Admissions & Outreach Coordinator **March 2013 – September 2013**

- Oversee the successful transition to an online-based student enrollment system from a paper-based student enrollment system, affecting nearly 3,000 students across 9 school sites

Indianapolis Mayor's Office, Office of Education Innovation **Indianapolis, IN**
Performance Analyst **March 2012 – March 2013**

- Foster partnerships with community and national organizations
- Create and manage metrics related to school performance and evaluate 22 schools against those metrics
- Maintain communication with school leaders and school boards to conduct quarterly compliance meetings with each Mayor-sponsored charter schools
- Collect, interpret, analyze and maintain performance data to identify trends, strengths, and shortcomings
- Coordinate the necessary parties within the Mayor's office, Mayor-sponsored charter schools, and external parties to assess the academic needs of more than 200 schools
- Produce annual performance reports for each Mayor-sponsored charter school
- Recommend charter school applicants to the Mayor based on the evaluation of applications against pre-established criteria in areas of academic performance
- Remain abreast of all legislative issues affecting K-12 education and provide testimony on behalf of the Mayor's Office, as needed

Indiana Department of Education, Division of Accountability **Indianapolis, IN**
Accountability and Data Specialist **May 2010 – March 2012**

- Assisted with the development of Indiana's statewide school accountability system, maintained communication and relationships with senior leadership and external stakeholders to collaboratively develop new policies and reforms
- Coordinated communication efforts with school and district administrators related to school accountability through oral and written communications, including creating and making presentations
- Analyzed and evaluated programs across the Department, identify trends and issues, and work with senior leadership and appropriate parties to improve the overall efficacy of those programs, as needed
- Made and implemented policy recommendations for improving existing state and federal school accountability systems
- Provided guidance to school and district leadership across the state regarding accountability systems and measures using various methods of communication
- Oversaw program evaluation activities and the implementation of 3 new programs related to data management and quality
- Provided assistance in managing the Department's collaborative role with the Indiana Workforce Intelligence System (IWIS)

Indiana Department of Education, Division of Student Learning **Indianapolis, IN**
Program Specialist **February 2007 – May 2010**

- Designed and implemented Indiana's Alternative Education accountability system
- Developed monitoring systems for 4 state and federal programs
- Conducted annual statewide evaluations 2 state and federal programs
- Aided in securing over $5 million in federal grant funds through written comprehensive grant proposals

Presentations and Publications

- Barrett, K., Clement, K., & Gosa, K. (2011). *Revising Collections to Reduce Burden & Increase Data Quality.* Presented at the 2011 P-20W Best Practices Conference, Arlington, VA.
- Clement, K., Patton, M., & Roewe, B. (2010). *Changing Cultures from Annual Reports to Real-Time Tools.* Presented at the 2010 SLDS P-20 Best Practices Conference, Washington, DC.
- Bickell, M., Clement, K., Houde, D., & Howard, L. (2010). *Leading Your Statewide Longitudinal Grant through Political Transitions.* Presented at the 2010 SLDS P-20 Best Practices Conference, Washington, DC.
- Clement, K., Chamberlin, M., & Foxx, S. (2009) *2007-2008 survey of students in alternative education programs*. Analysis conducted for the Indiana Department of Education (http://www.doe.in.gov/alted/pdf/07-08_Student_Survey_Analysis.pdf)
- Chamberlin, M. & Clement, K. (2008). *Accountability for confirming success: Indiana's profile project.* Presented at the 2008 Superintendent's Summer Institute, Portland, OR.
- Chamberlin, M. & Clement, K. (2007). *2005-2006 statewide evaluation of supplemental educational services in Indiana*. Evaluation conducted for the Indiana Department of Education (http://mustang.doe.in.gov/dg/ses/docs/2007-07-18-Resource_Guide.pdf)

Education

Butler University — Indianapolis, IN
B. A., Political Science; Minors: Peace Studies & French

Additional Information

Indiana Workforce Intelligence System, Advisory Board member — January 2012 – Present
University of Phoenix – College of Education, Advisory Board member — April 2013 – Present

TIEREE C. SMITH

11243 Pine Mountain Place · Cumberland, IN 46229
Office: 317-524-4004 · Mobile: 317-490-9731 · tieree.smith@goodwilleducation.org

EDUCATION

Certificate, Project Management, anticipated, January 2012
Indiana University Purdue University Indianapolis; Indianapolis, IN

Masters of Science, Student Affairs and Higher Education, May 2006
Indiana State University, Terre Haute, IN

Bachelor of Arts, Speech Communication, May 2003
University of Minnesota Morris; Morris, MN

PROFESSIONAL EXPERIENCE

Goodwill Education Initiatives, Indianapolis, IN, July 2008 to present

Director of College and Career Readiness, July 2010 to present

- Responsible for the leadership, direction, supervision, and evaluation of academic advising, career advising, college advising, and character development courses instruction
- Supervise, train, and evaluate all college and career personnel at Indianapolis Metropolitan High School and The Excel Centers
- Assists the Director of Special Education with transition plans for students with an IEP
- Leads the development of certification programs and dual enrollment opportunities
- Coordinate alumni initiatives and provide continual support to graduates
- Analyze and compile postsecondary retention data
- Administer college related assessments
- Conduct, gather and coordinate the development of research and performance measures for credential completion, educational attainment and efforts that bridge educational systems for career path employment.
- Strengthen the links between a career pathways system to align job training and education programs to jobs that are in demand or likely to grow in the immediate future in Indianapolis
- Attend and participate in meetings of key stakeholders in education and training, workforce and economic development to develop and strengthen information and resources related to the creation of career pathways
- Plan, develop, and administer policies and procedures, operational activities, and student services programs which will enhance student's character development and successful transition into their solid postsecondary plan
- Leads transcript evaluation and graduation audits

Director of College Transition Services, July 2008 to July 2010

- Hired as the first director of college transition services of Indianapolis Metropolitan High School
- Assisted the class of 2009 with securing $1.5 million in national and local scholarships
- Established Indianapolis Metropolitan High School as an ACT Test Center and COMPASS testing center to decrease transportation barriers
- Maintained 95% college acceptance rate
- Administer Goodwill Foundation scholarships to graduating seniors

Director of Multicultural Programs and Services, July 2006 to July 2008
Nebraska Wesleyan University (NWU), Office of Multicultural Programs and Services, Lincoln, NE

- Appointed as Nebraska Wesleyan's first director of multicultural programs and services
- Established the Mosaic Scholarship for U.S. ethnic minorities within four months of hire
- Implemented retention strategies for students of color and other marginalized groups
- Advised students of color on academic, financial, career, and personal issues
- Developed and updated the framework for NWU's first student of color prospective student webpage
- Mediated and facilitated conflict resolution plans for faculty, staff, and students
- Annually compiled data on the graduation rate of students of color
- Developed, assessed, and facilitated the curriculum for the annual 5-day Chicago Urban Cultural Immersion Trip
- Supervised eight office assistants and two undergraduate interns
- Trained paraprofessionals and coordinated the efforts of faculty Resource Persons for People of Color, Personal Harassment Resources Persons, Sexual Assault Resource Persons, Sexual Harassment Resource Persons, and Sexual Orientation Resource Persons

Assistant Director of Student Activities and Residential Life Graduate Assistant, July 2004 to July 2006
Rose Hulman Institute of Technology (RHIT), Office of Student Activities, Terre Haute, IN

- Taught a first-year college and life skills course
- Developed and facilitated training sessions for student leaders
- Hired and trained graduate assistants and paraprofessionals in residential life
- Assisted with co-curricular programs for residential assistants and sophomore advisors
- Co-advised the Student Activities Board and the Panhellenic Council
- Advised the National Society of Black Engineers (NSBE)
- Coordinated, developed, assessed, and evaluated comprehensive campus programs including new student orientation and the Greek Leadership Awards Banquet

Senior Admissions Counselor and Chicago Regional Representative, September 2003 to June 2004
Northern Michigan University (NMU), Office of Admissions, Marquette, MI

- Planned and implemented market cultivation strategies to include high school visits, college fairs, off campus workshops, guidance counselor regional luncheons, as well as transporting of students of color from the Chicago area to NMU
- Reviewed and executed decision on admissions applications at onsite admissions programs
- Increased admissions applications from Cook County by 68.6% and admits by 57.1% within four months of hire date
- Increased enrollment of minority students from Cook County by 14%

Admissions Counselor, July 2001 to September 2003
University of Minnesota, Morris (UMM), Office of Admissions, Morris, MN

- Targeted recruitment counselor responsible for a recruitment territory which included all states except North Dakota, South Dakota, and parts of Wisconsin and Minnesota.
- Exclusively reviewed and executed decisions on the Presidential Outstanding Minority Scholarship
- Assisted with the creation of the University's first student of color view book
- Assisted in recruiting matriculated freshman students of color to the Gateway summer transition program

- Supervised and trained 15 telecounselors and an undergraduate assist for minority recruitment
- Restored the office's relationship with education talent search agencies in Fresno, CA; New Orleans, LA; St. Paul, MN; and Chicago, IL to maintain the University's student of color enrollment numbers

OTHER RELEVANT EXPERIENCE

- Instructor, "Healing After the Fall," Youth Rehabilitation Treatment Center, Geneva, NE, July 2006 to November 2006.
- **Practicum Student,** Indiana State University, Office of Sponsored Program, Terre Haute, IN, August 2005 to December 2005.
- **Practicum Student,** Ivy Tech Community College, Career Services, Terre Haute, IN, May 2005 to August 2005.
- **Practicum Student,** Indiana State University, Educational Talent Search, Terre Haute, IN, August 2004 to December 2004.
- **Office Assistant,** University of Minnesota, Morris, Office of Student Counseling, Morris, MN, August 1998 to May 2001.

INVITED PRESENTATION

- "Minimizing Debt," College and Career Fair, Emmaus Christian Church, Indianapolis, IN, October, 2010
- "No Struggle, No Progress," Juneteenth Celebration, The Way United Methodist Church, Indianapolis, IN, June, 2009.
- "Peace Corps to Immersion Experiences," Peace Conference, First United Methodist Church, Lincoln, NE, April 2008.
- "Affirmative Action: Peace, Restorative Justice, and Forgiveness," Peace Conference, St. Paul United Methodist Church, Lincoln, NE, April, 2008.
- "Living a Legacy," Lincoln Southeast High School, Lincoln, NE, March, 2008.
- "Faith, Academics, and the Pursuit of Excellence," United Methodist Church Summer Youth Conference, Lincoln, NE, June, 2007.
- "Pursue Your Passion: Despite How Ludicrous It May Seem," African American Honors Reception, Lincoln Public Schools and the National Association for the Advancement of Colored People, Lincoln, NE, May, 2007.
- "White Privilege," Race Relations, Department of Sociology, NWU, Lincoln, NE, April, 2007.
- "Pursuing the Ph.D.: Considerations for Applying to Doctoral Programs, American Student Educators International/National Association for Student Personnel Administrators Joint Meeting, Orlando, FL, April, 2007.
- "Sexual Assault," Peer Assistant In-service, NWU, Lincoln, NE, March, 2007.
- "Men as Rape Victims," Phi Kappa Tau In-service, NWU, Lincoln, NE, January, 2007.
- "Sensitivity Training: Minorities in Music," Department of Music Convocation, NWU, Lincoln, NE, November, 2006.
- "African-American Students' Persistence at Predominately White Universities," Indiana State University, Terre Haute, IN, March, 2006.
- "Reconstructing the Discussion of White Privilege," American Student Educators International (ACPA), Indianapolis, IN, March, 2006.
- "Building Bridges," Indiana State University, Leadership Group Meeting, Terre Haute, IN, December, 2005.
- "CAS Standards: A Systems Analysis of the Upward Bound Program at Indiana State University," Indiana

State University, Terre Haute, IN, July 2005.

- "Walking With Purpose," Hyde Park Career academy, Black History Alive, Chicago, IL, February, 2004.
- "Understanding Yourself: Self-Esteem," Westinghouse Career Academy, Nursing Department, Chicago, IL, March, 2004.
- "Building A Community of Promise," Wheaton Area Middle/High School, Wheaton, MN, September, 2001.
- "Transcript Analysis of School Shootings: Prototyping Through Key Events," UMM, Morris, MN, May, 2001.

DISTINCTIONS

Recipient, Joseph B. Whitehead Educator of Distinction Award, Coca-Cola Scholars Foundation, May 2010

Recipient, Outstanding Leader, Never Bound Again (NBA) Camp Conference, Mt. Zion Apostolic Church, August 2009

Recipient, Multi-Racial Network Professional of the Year, American College Personnel Association, Atlanta, GA, 2008

Member, Pi Lambda Theta, International Honor Society and Professional Association in Education, 2006 2008

Honoree, Transformative Community Leader, Leadership Lincoln, Lincoln Journal Star, October, 2007

Honoree, National Dean's List, 2004 - 2006

Semi-finalist, Curtis H. Larson Award, UMM, Morris, MN, 2001

Recipient, Mary Martell Award for Community Service, UMM, Morris, MN, 2000

ADDITIONAL INVOLVEMENT

- *Member*, National Career Pathways Network, September 2011 to present
- *Member*, Indiana School Counselor Association, August 2010 to present
- *Board Member*, Carol Associations, Inc, August 2010 to August 2011
- *Member*, Indiana Association for College Admissions Counseling, July 2008 to present
- *Events Planner*, CYYAM, Mt. Zion Apostolic Church, December 2008 to December 2010
- *Member*, Task Force on Wolf Fund Allocation Policy, President's Council on Cultural Diversity, NWU, Lincoln, NE, 2008
- *Member*, Higher Learning Commission Self-Assessment Committee, North Central Accreditation Association, NWU, 2008
- *Facilitator*, Winterfest 2012 Strategic Planning Conference, NWU, January, 2008
- *Reputation Analysis Invitee*, Expanding Inclusion in Higher Education/Referendum and Ballot Initiatives, Howard Samuels Center and the Ford Foundation, New York, NY, April, 2008
- *Site Manager/Precinct Leader*, Presidential Democratic Caucasus, Lincoln, NE, 2008
- *Chair*, Nebraskans United for Affirmative Action, Lincoln, NE, 2008
- *Youth Chapter and College Chapter Advisor*, NAACP, Lincoln, NE, 2007 to 2008
- *Chair*, Freedom Fund Banquet, NAACP, Lincoln, NE, 2007 to 2008
- *Steering Committee*, Renaming of Capitol Parkway to Rosa Parks Way, NAACP, Lincoln, NE, 2007
- *Co-founder and Chair*, Peace Meal, Lincoln, NE, 2006 to 2008
- *Member*, President's Inauguration Planning Committee, NWU, Lincoln, NE, 2006 to 2007
- *Fundraising Coordinator*, Standing Committee for New Professionals and Graduate Students, American College Personnel Association, 2006 to 2007
- *Youth Director*, Bethlehem Temple, Terre Haute, IN, August 2004 to November 2006

The Excel Center Lead Teacher
Job Description

Reports to: Director of The Excel Center

Scope Summary:
The Lead Teacher is responsible for coordinating the student engagement and support functions within the school. He/she will provide hands-on leadership and academic guidance to coaches, teachers and administrative support staff at the Excel Center. He/she will work effectively across the organization to make certain that students are supported in a way that ensures success with both academic and personal goals. Essential functions include: supervision and management of staff, identification of internal and external academically supportive resources, and marketing of the school to the outside community.

Qualifications
- Bachelor's degree in relevant field required.
- Current Indiana Teaching License required.
- Current Indiana Secondary Administrator's License preferred but not required.
- 3-5 years experience managing groups of professionals in a service organization.
- Prior experience in academic settings highly preferred.
- Strong communicator at a variety of levels.
- Demonstrates effective presentation skills.
- Solid planning and organizing skills.
- Proficiency in Microsoft Office products.
- Ability to effectively navigate the Internet.
- Ability to analyze data for informed decision making

Essential Duties and Responsibilities include the following:
- Participates in the development of overall educational strategies for the Excel Center.
- Develops strategies, goals and objectives for staff.
- Teaches at least one core class
- Provides work scheduling support and follow up to meet the needs of the students.
- Assists staff in setting priorities, facilitating meetings and developing the staff's leadership skills.
- Identifies, establishes, and maintains relationships with supportive community resources.
- Works effectively across the organization to link ancillary academic services to students.
- Works with the Director to ensure appropriate building management coverage for the Excel Center's hours of operation.
- Works with Harmony to provide effective scheduling for students.
- Works with management team on overall administration, planning and coordinating.
- Evaluates instructors using rise rubric.
- Attend all team and professional development meetings.

Attachment 4: Founding Group Resumes

Within this attachment, please find the following governance documents

- Evidence Goodwill LEADS has applied for federal tax-exempt status from the IRS;
- Copy of the Articles of Incorporation;
- Copy of the Board Bylaws; and
- Board minutes.

Shipment Receipt: Page #1 of 1

THIS IS NOT A SHIPPING LABEL. PLEASE SAVE FOR YOUR RECORDS.

SHIP DATE:
Tues, Aug 5, 2014

EXPECTED DELIVERY DATE:
WED, AUG 6, 2014 10:30 AM

SHIP FROM:
Goodwill Industries of Michiana
1905 Western Ave
South Bend, IN 46619
(574) 472-7330

SHIP TO:
Internal Revenue Service
Attn: Extracting Stop 312
201 W RIVERCENTER BLVD
COVINGTON KY 41011-1424
Business

SHIPPED THROUGH:
The UPS Store #5592
SOUTH BEND IN 46628-6192
(574) 271-8555

SHIPMENT INFORMATION:
UPS Next Day Air Com
0.70 lbs actual wt
1.00 lbs billable wt
Carrier Letter

Tracking Number: 1z00527X0156536026
Shipment ID: MM320ANFOOKFM
Ship Ref 1: - -
Ship Ref 2: - -

DESCRIPTION OF GOODS:
documents

SHIPMENT CHARGES:

Next Day Air Com	$35.15
Service Options	$0.00
Fuel Surcharge	$3.69
CMS Processing Fee	$0.20
Total	$39.04

COMPLETE ONLINE TRACKING: Enter this address in your web browser to track: http://ship.ups.com/packing; enter Shipment ID #)
QUESTIONS? Contact SHIPPED THROUGH above.

CUSTOMER ACKNOWLEDGEMENT: I acknowledge and accept Terms & Conditions in force for tendering shipments through this location and on its website, content and values provided for this shipment to be accurate in all respects.

Signature:

ShipmentID: MM320ANFOOKFM

Powered by iShip(r)
08/05/2014 12 27 PM Pacific Time N

The UPS Store

SEE NOTICE CONCERNING applicable UPS terms, and notice of limitation of liability. Where allowed by law, shipper authorizes UPS to act as forwarding agent for export control and customs purposes. If exported from the US, shipper certifies that the commodities, technology or software were exported from the US in accordance with the Export Administration Regulations. Diversion contrary to law is prohibited. 8/05 2:01:4

The UPS Store - #5592
5903 Portage Road
Suite C
South Bend, IN 46628
(574) 271-8555

08/05/14 03:30 PM

We are the one stop for all your shipping, postal and business needs.

Join our email club for special offers & discounts!

001 001005 (001) TO $ 39.04
NDA
Tracking# 1Z00527X0156536026

SubTotal $ 39.04
Total $ 39.04

ACCOUNT NUMBER * VISA $ 39.04
Appr Code: (S) Sale ***********7661

Receipt ID 837752023490768888080 001 Items
CSH: Mary Ellen Tran: 3458 Reg: 001

Check out our website for special deals
www.theupsstorelocal.com/5592

Whatever your business and personal needs, we are here to serve you.

We're here to help.

Join our FREE email ...

GOODWILL INDUSTRIES OF MICHIANA, INC.

PH.(574) 472-7300
P.O. BOX 3846
SOUTH BEND, INDIANA 46619

Let's Go to Work

Our mission:
Provide jobs, training and placement services for people with barriers to employment.

Check No. 109051

Date	Invoice Number	Comment	Amount	Discount Amount	Net Amount
8/5/2014	8/5/14	To file the goodwill LEADS 1023 Report	850.00	0.00	850.00

Check# 109056 8/5/2014

Form 1023 Checklist

(Revised June 2006)

Application for Recognition of Exemption under Section 501(c)(3) of the Internal Revenue Code

Note. Retain a copy of the completed Form 1023 in your permanent records. Refer to the General Instructions regarding Public Inspection of approved applications.

Check each box to finish your application (Form 1023). Send this completed Checklist with your filled-in application. If you have not answered all the items below, your application may be returned to you as incomplete.

☒ Assemble the application and materials in this order:

- Form 1023 Checklist
- Form 2848, Power of Attorney and Declaration of Representative (if filing)
- Form 8821, Tax Information Authorization (if filing)
- Expedite request (if requesting)
- Application (Form 1023 and Schedules A through H, as required)
- Articles of organization
- Amendments to articles of organization in chronological order
- Bylaws or other rules of operation and amendments
- Documentation of nondiscriminatory policy for schools, as required by Schedule B
- Form 5768, Election/Revocation of Election by an Eligible Section 501(c)(3) Organization To Make Expenditures To Influence Legislation (if filing)
- All other attachments, including explanations, financial data, and printed materials or publications. Label each page with name and EIN.

☒ User fee payment placed in envelope on top of checklist. DO NOT STAPLE or otherwise attach your check or money order to your application. Instead, just place it in the envelope.

☒ Employer Identification Number (EIN)

☒ Completed Parts I through XI of the application, including any requested information and any required Schedules A through H.

- You must provide specific details about your past, present, and planned activities.
- Generalizations or failure to answer questions in the Form 1023 application will prevent us from recognizing you as tax exempt.
- Describe your purposes and proposed activities in specific easily understood terms.
- Financial information should correspond with proposed activities.

☒ Schedules. Submit only those schedules that apply to you and check either "Yes" or "No" below.

Schedule A	Yes ___ No X	Schedule E	Yes ___ No X
Schedule B	Yes X No ___	Schedule F	Yes ___ No X
Schedule C	Yes ___ No X	Schedule G	Yes ___ No X
Schedule D	Yes ___ No X	Schedule H	Yes ___ No X

☒ An exact copy of your complete articles of organization (creating document). Absence of the proper purpose and dissolution clauses is the number one reason for delays in the issuance of determination letters.

- Location of Purpose Clause from Part III, line 1 (Page, Article and Paragraph Number) Pg 1 Art 2 P2
- Location of Dissolution Clause from Part III, line 2b or 2c (Page, Article and Paragraph Number) or by operation of state law Pg 11 Art X, P1

☒ Signature of an officer, director, trustee, or other official who is authorized to sign the application.

- Signature at Part XI of Form 1023.

☒ Your name on the application must be the same as your legal name as it appears in your articles of organization.

Send completed Form 1023, user fee payment, and all other required information, to:

Internal Revenue Service
P.O. Box 192
Covington, KY 41012-0192

If you are using express mail or a delivery service, send Form 1023, user fee payment, and attachments to:

Internal Revenue Service
201 West Rivercenter Blvd.
Attn: Extracting Stop 312
Covington, KY 41011

Form **1023**
(Rev. December 2013)
Department of the Treasury
Internal Revenue Service

Application for Recognition of Exemption (99)
Under Section 501(c)(3) of the Internal Revenue Code

(Use with the June 2006 revision of the Instructions for Form 1023 and the current Notice 1382)

OMB No. 1545-0056

Note: If exempt status is approved, this application will be open for public inspection.

Use the instructions to complete this application and for a definition of all ***bold*** *items.* For additional help, call IRS Exempt Organizations Customer Account Services toll-free at 1-877-829-5500. Visit our website at **www.irs.gov** for forms and publications. If the required information and documents are not submitted with payment of the appropriate user fee, the application may be returned to you.

Attach additional sheets to this application if you need more space to answer fully. Put your name and EIN on each sheet and identify each answer by Part and line number. Complete Parts I - XI of Form 1023 and submit only those Schedules (A through H) that apply to you.

Part I **Identification of Applicant**

1 Full name of organization (exactly as it appears in your **organizing document**)
Goodwill LEADS, Inc.

2 c/o Name (if applicable)
N/A

3 **Mailing address** (Number and street) (see instructions)
1805 Western Ave., PO Box 3846

Room/Suite

4 Employer Identification Number (EIN)
47-1473842

City or town, state or country, and ZIP + 4
South Bend, IN 46619

5 Month the annual accounting period ends (01-12)
06

6 Primary contact (officer, director, trustee, or **authorized representative**)
a Name: **Debie M. Coble**

b Phone: **574-472-7330**

c Fax: (optional) **574-472-7332**

7 Are you represented by an authorized representative, such as an attorney or accountant? If "Yes," provide the authorized representative's name, and the name and address of the authorized representative's firm. Include a completed Form 2848, *Power of Attorney and Declaration of Representative*, with your application if you would like us to communicate with your representative. ☐ Yes ☑ No

8 Was a person who is not one of your officers, directors, trustees, employees, or an authorized representative listed in line 7, paid, or promised payment, to help plan, manage, or advise you about the structure or activities of your organization, or about your financial or tax matters? If "Yes," provide the person's name, the name and address of the person's firm, the amounts paid or promised to be paid, and describe that person's role. ☐ Yes ☑ No

9a Organization's website: **To be developed**

b Organization's email: (optional) **dcoble@goodwill-ni.org**

10 Certain organizations are not required to file an information return (Form 990 or Form 990-EZ). If you are granted tax-exemption, are you claiming to be excused from filing Form 990 or Form 990-EZ? If "Yes," explain. See the instructions for a description of organizations not required to file Form 990 or Form 990-EZ. ☐ Yes ☑ No

11 Date incorporated if a corporation, or formed, if other than a corporation. (MM/DD/YYYY) 8 / 4 / 2014

12 Were you formed under the laws of a **foreign country?** If "Yes," state the country. ☐ Yes ☑ No

Part XI User Fee Information

You must include a user fee payment with this application. It will not be processed without your paid user fee. If your average annual gross receipts have exceeded or will exceed $10,000 annually over a 4-year period, you must submit payment of $850. If your gross receipts have not exceeded or will not exceed $10,000 annually over a 4-year period, the required user fee payment is $400. See instructions for Part XI, for a definition of **gross receipts** over a 4-year period. Your check or money order must be made payable to the United States Treasury. *User fees are subject to change. Check our website at www.irs.gov and type "User Fee" in the keyword box, or call Customer Account Services at 1-877-829-5500 for current information.*

1	Have your annual gross receipts averaged or are they expected to average not more than $10,000? If "Yes," check the box on line 2 and enclose a user fee payment of $400 (Subject to change—see above). If "No," check the box on line 3 and enclose a user fee payment of $850 (Subject to change—see above).	☐ Yes ☑ No
2	Check the box if you have enclosed the reduced user fee payment of $400 (Subject to change).	☐
3	Check the box if you have enclosed the user fee payment of $850 (Subject to change).	☑

I declare under the penalties of perjury that I am authorized to sign this application on behalf of the above organization and that I have examined this application, including the accompanying schedules and attachments, and to the best of my knowledge it is true, correct, and complete.

Please Sign Here ▶ Debie M Coble

(Signature of Officer, Director, Trustee, or other authorized official)

Debie M. Coble (Type or print name of signer)

08/05/2014 (Date)

President/CEO/Incorporator (Type or print title or authority of signer)

Reminder: Send the completed Form 1023 Checklist with your filled-in-application.

IRS DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
CINCINNATI OH 45999-0023

Date of this notice: 07-31-2014

Employer Identification Number:
47-1473842

Form: SS-4

Number of this notice: CP 575 A

GOODWILL LEADS
% DEBIE COBLE
1805 W WESTERN AVE
SOUTH BEND, IN 46619

For assistance you may call us at:
1-800-829-4933

IF YOU WRITE, ATTACH THE
STUB AT THE END OF THIS NOTICE.

WE ASSIGNED YOU AN EMPLOYER IDENTIFICATION NUMBER

Thank you for applying for an Employer Identification Number (EIN). We assigned you EIN 47-1473842. This EIN will identify you, your business accounts, tax returns, and documents, even if you have no employees. Please keep this notice in your permanent records.

When filing tax documents, payments, and related correspondence, it is very important that you use your EIN and complete name and address exactly as shown above. Any variation may cause a delay in processing, result in incorrect information in your account, or even cause you to be assigned more than one EIN. If the information is not correct as shown above, please make the correction using the attached tear off stub and return it to us.

Based on the information received from you or your representative, you must file the following form(s) by the date(s) shown.

Form 940	01/31/2016
Form 944	01/31/2016
Form 1120	09/15/2015

If you have questions about the form(s) or the due date(s) shown, you can call us at the phone number or write to us at the address shown at the top of this notice. If you need help in determining your annual accounting period (tax year), see Publication 538, *Accounting Periods and Methods* .

We assigned you a tax classification based on information obtained from you or your representative. It is not a legal determination of your tax classification, and is not binding on the IRS. If you want a legal determination of your tax classification, you may request a private letter ruling from the IRS under the guidelines in Revenue Procedure 2004-1, 2004-1 I.R.B. 1 (or superseding Revenue Procedure for the year at issue). Note: Certain tax classification elections can be requested by filing Form 8832, *Entity Classification Election* . See Form 8832 and its instructions for additional information.

IMPORTANT INFORMATION FOR S CORPORATION ELECTION :

If you intend to elect to file your return as a small business corporation, an election to file a Form 1120-S must be made within certain timeframes and the corporation must meet certain tests. All of this information is included in the instructions for Form 2553, *Election by a Small Business Corporation* .

(IRS USE ONLY) 575A 07-31-2014 GOOD B 9999999999 SS-4

If you are required to deposit for employment taxes (Forms 941, 943, 940, 944, 945, CT-1, or 1042), excise taxes (Form 720), or income taxes (Form 1120), you will receive a Welcome Package shortly, which includes instructions for making your deposits electronically through the Electronic Federal Tax Payment System (EFTPS). A Personal Identification Number (PIN) for EFTPS will also be sent to you under separate cover. Please activate the PIN once you receive it, even if you have requested the services of a tax professional or representative. For more information about EFTPS, refer to Publication 966, *Electronic Choices to Pay All Your Federal Taxes* . If you need to make a deposit immediately, you will need to make arrangements with your Financial Institution to complete a wire transfer.

The IRS is committed to helping all taxpayers comply with their tax filing obligations. If you need help completing your returns or meeting your tax obligations, Authorized e-file Providers, such as Reporting Agents (payroll service providers) are available to assist you. Visit the IRS Web site at www.irs.gov for a list of companies that offer IRS e-file for business products and services. The list provides addresses, telephone numbers, and links to their Web sites.

To obtain tax forms and publications, including those referenced in this notice, visit our Web site at www.irs.gov. If you do not have access to the Internet, call 1-800-829-3676 (TTY/TDD 1-800-829-4059) or visit your local IRS office.

IMPORTANT REMINDERS :

* Keep a copy of this notice in your permanent records. **This notice is issued only one time and the IRS will not be able to generate a duplicate copy for you.** You may give a copy of this document to anyone asking for proof of your EIN.

* Use this EIN and your name exactly as they appear at the top of this notice on all your federal tax forms.

* Refer to this EIN on your tax-related correspondence and documents.

If you have questions about your EIN, you can call us at the phone number or write to us at the address shown at the top of this notice. If you write, please tear off the stub at the bottom of this notice and send it along with your letter. If you do not need to write us, do not complete and return the stub.

Your name control associated with this EIN is GOOD. You will need to provide this information, along with your EIN, if you file your returns electronically.

Thank you for your cooperation.

(IRS USE ONLY) 575A 07-31-2014 GOOD B 9999999999 SS-4

Keep this part for your records. CP 575 A (Rev. 7-2007)

Return this part with any correspondence
so we may identify your account. Please
correct any errors in your name or address.

CP 575 A

9999999999

Your Telephone Number
( ) -
_____

Best Time to Call
_____

DATE OF THIS NOTICE: 07-31-2014
EMPLOYER IDENTIFICATION NUMBER: 47-1473842
FORM: SS-4 NOBOD

INTERNAL REVENUE SERVICE
CINCINNATI OH 45999-0023

GOODWILL LEADS
% DEBIE COBLE
1805 W WESTERN AVE
SOUTH BEND, IN 46619

ARTICLES OF INCORPORATION

OF

GOODWILL LEADS, INC.

The undersigned incorporator, desiring to form a corporation (the "Corporation") pursuant to the provisions of the Indiana Nonprofit Corporation Act of 1991, as amended (the "Act"), executes the following Articles of Incorporation:

ARTICLE I

Name

Name. The name of the Corporation is Goodwill LEADS, Inc.

ARTICLE II

Purposes and Powers

Type of Corporation. The Corporation is a public benefit corporation.

Purposes. The Corporation shall be organized and operated exclusively to conduct, support, encourage, and assist such charitable, educational, scientific, and other programs and projects as are described in Sections 170(c)(2)(B), 501(c)(3), 2055(a)(2), and 2522(a)(2) of the Internal Revenue Code of 1986, as amended, or corresponding provisions of any subsequent federal tax laws (the "Code"). The Corporation is formed for the purpose of assisting and engaging in all activities which serve educational or charitable purposes which are permitted by the Act, and which are permitted to be carried on by an organization exempt from Federal taxation under the provisions of the Code. The primary purposes for which the Corporation is organized are limited as follows:

Educational and Charitable Purposes.

To provide educational opportunities designed to enable young people to prepare for productive adult lives; and

To develop, own and operate one or more charter schools, as that term is defined in Indiana Code Sections 20-5.5-1-1, et. seq.

Limitations on Powers. Notwithstanding any other provision of these Articles of Incorporation, neither the Board of Directors nor the Corporation shall have the power or authority to do any act that will prevent the Corporation from being an organization described in Sections 170(c)(2)(B), 501(c)(3), 2055(a)(2), and 2522(a)(2) of the Code.

Powers. Subject to the foregoing statement and subject to and in furtherance of the purposes for which it is organized, the Corporation shall possess all of the rights, privileges, and powers conferred by the Act or by other law and, in addition, the following rights, privileges, and powers:

Section 1. To continue as a corporation under its corporate name perpetually.

Section 2. To sue, be sued, complain, and defend in the Corporation's corporate name.

Section 3. To have a corporate seal or facsimile of a corporate seal, which may be altered at will, to use by impressing or affixing or in any other manner reproducing it. However, the use or impression of a corporate seal is not required and does not affect the validity of any instrument.

Section 4. To make or amend bylaws not inconsistent with the Corporation's Articles of Incorporation or with Indiana law for managing the affairs of the Corporation.

Section 5. To purchase, receive, take by gift, devise, or bequest, lease, or otherwise acquire, and own, hold, improve, use, and otherwise deal with, real or personal property, or any legal or equitable interest in property, wherever located.

Section 6. To sell, convey, mortgage, pledge, lease, exchange and otherwise dispose of all or any part of the Corporation's property.

Section 7. To purchase, receive, subscribe for, or otherwise acquire, own, hold, vote, use, sell, mortgage, lend, pledge, or otherwise dispose of, and deal in and with, shares or other interests in, or obligations of any entity.

Section 8. To make contracts and guaranties, incur liabilities, borrow money, issue notes, bonds, and other obligations and secure any of the Corporation's obligations by mortgage or pledge of any of the Corporation's property, franchises, or income.

Section 9. To lend money, invest and reinvest the Corporation's funds, and receive and hold real and personal property as security for repayment, except as provided under applicable law.

Section 10. To be a promoter, a partner, a member, an associate or a manager of any partnership, joint venture, trust, or other entity.

Section 11. To conduct the Corporation's activities, locate offices, and exercise the powers granted to it inside or outside Indiana.

Section 12. To elect directors, elect and appoint officers, and appoint employees and agents of the Corporation, define the duties and fix the compensation of directors, officers, employees, and agents.

Section 13. To make donations not inconsistent with law for the public welfare or for charitable, religious, scientific, or educational purposes and for other purposes that further the corporate interest.

Section 14. To have and exercise powers of a trustee as permitted by law, including those set forth in Indiana Code Section 30-4-3-3 as it may be amended from time to time.

Section 15. To purchase and maintain insurance on behalf of any individual who:

(a) is or was a director, an officer, an employee, or an agent of the Corporation; or

(b) is or was serving at the request of the Corporation as a director, an officer, an employee, or an agent of another entity

against any liability asserted against or incurred by the individual in that capacity or arising from the individual's status as a director, an officer, an employee, or an agent, whether or not the Corporation would have power to indemnify the individual against the same liability under applicable law.

Section 16. To do all things necessary or convenient, not inconsistent with law, to further the activities and affairs of the Corporation.

Section 17. To cease its activities and to dissolve and surrender its corporate franchise.

Section 18. To indemnify any person against liability and expenses, and to advance the expenses incurred by such person, in connection with the defense of any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, investigative, or otherwise, and whether formal or informal, to the fullest extent permitted by applicable law, or, if not permitted, then to any extent not prohibited by such law.

Limitations Upon Powers. No part of the net earnings of the Corporation shall inure to the benefit of any member, Director or Officer of the Corporation or to any private individual, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered by a member, Director, Officer or employee and to pay principal and interest at a reasonable rate not exceeding current market rates on funds loaned or advanced by a member, Director or Officer to the Corporation. Except as otherwise permitted by Section 501(h) of the Code, no substantial part of the activities of the Corporation shall consist of attempting to propose, support, oppose, advocate the adoption or rejection of, or otherwise influence legislation by propaganda or otherwise, and the Corporation shall not participate in or intervene in (including the publication or distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of these Articles, the Corporation shall not conduct or carry on any activities not permitted to be conducted or carried on by an organization exempt from Federal taxation under Section 501(c)(3) of the Code

ARTICLE III

Period of Existence

The period during which the Corporation shall continue is perpetual.

ARTICLE IV

Registered Office and Registered Agent

Registered Office. The street address of the registered office of the Corporation is:

1805 Western Ave

South Bend, IN 46619

Registered Agent. The name of the registered agent of the Corporation is Debie M. Coble. The undersigned Incorporators represent that the registered agent named in these Articles of Incorporation has consented to the appointment of registered agent for the Corporation.

ARTICLE V

Members

Membership. The Corporation shall not have members.

ARTICLE VI

Incorporator

Name and Address of Incorporators. The name and address of the incorporators are as follows:

Debie M. Coble, President/CEO of Goodwill Industries of Michiana, Inc.

Anthony Allison, Chairman of Goodwill Industries of Central Indiana, Inc.

1805 Western Ave.

South Bend, IN 46619

ARTICLE VII

Provisions for Regulation of Business and Conduct of Affairs of the Corporation

Management of Corporation. The affairs of the Corporation shall be managed and controlled by the Board of Directors of the Corporation. The exact number of directors of the Corporation shall be specified in or fixed in accordance with the Code of Bylaws of the Corporation (the "Bylaws") at a number no smaller than five (5).

Initial Board of Directors. The names and addresses of the members of the initial Board of Directors of the Corporation, who shall serve for terms as specified in or fixed in accordance with the Bylaws, are as follows:

	Name	Address
1.	James Summers	12980 State Road 23, Suite F Granger, Indiana 46560
2.	Rob Staley	717 S. Michigan Street South Bend, Indiana 46614
3.	Anne- Carol Nash	59725 Lee Road South Bend, Indiana 46614
4.	Joe Barkman	330 Lakeview Drive Goshen, Indiana 46528
5.	Rolla Baumgartner	1610 Eastview Drive Niles, Michigan 49120
6.	Debbie M. Coble	1805 Western Avenue South Bend, Indiana 46619

Election of Directors. The directors of the Corporation, other than the members of the initial Board of Directors, shall be elected in the manner and for terms as specified in or fixed in accordance with the Bylaws.

Director Liability. No director of the Corporation shall be liable for any of its obligations.

ByLaws. The Board of Directors of the Corporation shall have the power to make, alter, amend or repeal the ByLaws of the Corporation as provided therein.

Limitation on Powers of the Board of Directors. Notwithstanding any contrary provisions in these Articles, neither the members nor the Board of Directors shall have the power

or authority to take or authorize any action which shall deprive the Corporation of its status as an exempt organization under the provisions of Section 501(c)(3) of the Code.

Amendment of Articles of Incorporation. The Corporation reserves the right to amend, alter, change or repeal any provisions contained in the Articles of Incorporation or in any amendment hereto, in any manner now or hereafter prescribed or permitted by the Act or any amendment thereto; provided, however, that such power of amendment shall not authorize any amendment which would have the effect of disqualifying the Corporation as an exempt organization under the provisions of Section 501(c)(3) of the Code.

ARTICLE VIII

Restrictions Applicable if the Corporation Is Or Becomes A Private Foundation

Restrictions. Notwithstanding anything contained in the Articles of Incorporation to the contrary, in the event and if for any reason the Corporation should fail to qualify as a "public charity" and is classified as a "private foundation" as that term is defined in Section 509(a) of the Code, then and in such event and in order to comply with Section 508(e) of the Code, and for so long as the Corporation may be deemed to be a "private foundation," the powers and activities of the Corporation in accomplishing the foregoing purposes shall be specifically subject to the following requirements, restrictions and limitations:

Self Dealing. The Corporation shall not engage in any act of self-dealing as defined in Section 4941(d) of the Code;

Mandatory Distributions. The Corporation shall distribute its income for each taxable year at such time and in such manner as not to become subject to the tax on undistributed income imposed by Section 4942 of the Code;

Excess Business Holdings. The Corporation shall not retain any excess business holdings as defined in Section 4943(c) of the Code;

Jeopardizing Investments. The Corporation shall not make any investments in such manner as to subject it to tax under Section 4944 of the Code; and

Taxable Expenditures. The Corporation shall not make any taxable expenditures as defined in Section 4945(d) of the Code.

ARTICLE IX

Indemnification

of Indemnity. The Corporation shall indemnify every person who is or was a director or officer of the Corporation (each of which, together with such person's heirs, estate, executors, administrators and personal representatives, is hereinafter referred to as an "Indemnitee") against all liability to the fullest extent permitted by Indiana Code 23-17-16; provided, that such person is determined in the manner specified by Indiana Code 23-17-16 to have met the standard of conduct specified in Indiana Code 23-17-16. The Corporation shall, to the fullest extent permitted by Indiana Code 23-17-16, pay for or reimburse the reasonable expenses incurred by every Indemnitee who is a party to a proceeding in advance of final disposition of the proceeding, in the manner specified by Indiana Code 23-17-16. The foregoing indemnification and advance of expenses for each Indemnitee shall apply to service in the Indemnitee's official capacity with the Corporation, and to service at the Corporation's request, while also acting in an official capacity with the Corporation, as a director, officer, partner, member, manager, trustee, employee, or agent of another foreign or domestic corporation, partnership, limited liability company, joint venture, trust, employee benefit plan, or other enterprise, whether for profit or not.

Binding Nature. The provisions of this Article shall be binding upon any successor to the Corporation so that each Indemnitee shall be in the same position with respect to any resulting, surviving, or succeeding entity as the Indemnitee would have been had the separate legal existence of the Corporation continued; provided, that unless expressly provided or agreed otherwise, this sentence shall be applicable only to an Indemnitee acting in an official capacity or in another capacity described in Section 9.01 prior to termination of the separate legal existence of the Corporation. The foregoing provisions shall be deemed to create a contract right for the benefit of every Indemnitee if (a) any act or omission complained of in a proceeding against the Indemnitee, (b) any portion of a proceeding, or (c) any determination or assessment of liability, occurs while this Article is in effect.

Interpretation. All references in this Article to Indiana Code 23-17-16 shall be deemed to include any amendment or successor thereto. When a word or phrase used in this paragraph is defined in Indiana Code 23-17-16, such word or phrase shall have the same meaning in this Article that it has in Indiana Code 23-17-16. Nothing contained in this Article shall limit or preclude the exercise of any right relating to indemnification or advance of expenses to any Indemnitee or the ability of the Corporation to otherwise indemnify or advance expenses to any Indemnitee.

Severability. If any word, clause, or sentence of the foregoing provisions regarding indemnification or advancement of expenses shall be held invalid as contrary to law or public policy, it shall be severable and the provisions remaining shall not be otherwise affected. If any court holds any word, clause, or sentence of this paragraph invalid, the court is authorized and empowered to rewrite these provisions to achieve their purpose to the extent possible.

ARTICLE X

Dissolution

Dissolution. In the event of dissolution of the Corporation, assets remaining after payment and discharge of its obligations shall be transferred and conveyed, subject to any contractual or legal requirement, by the Board of Directors as follows:

(1) any remaining assets shall be distributed first to satisfy outstanding payroll obligations for employees of the Corporation, then to creditors of the Corporation, then any outstanding debt to the common school fund; and

(2) any remaining funds originally received from the Indiana Department of Education or any Indiana public school corporation shall be returned to the Indiana Department of Education or to the Indiana public school corporation from which the funds originated, to be used for exclusively public purposes not more than thirty (30) days after dissolution; and

(3) all other assets shall be distributed to the United States, the State of Indiana, the municipality in which the registered office of the Corporation is located, or any instrumentality or subdivision thereof, or to any nonprofit corporation, trust, foundation or other organization that is organized for nonprofit educational purposes and which, at the time of transfer, is exempt from Federal income taxation under Section 501(c)(3) of the Code, as may be selected by the Board of Directors; provided, however, that any transfer to a governmental entity shall be used for exclusively public purposes.

Any such assets not so transferred by the Board of Directors shall be disposed of by the Circuit Court of the County in which the registered office of the Corporation is located, exclusively for

such tax-exempt purposes or to such tax-exempt organizations as the Court shall determine. No member (other than a member that is exempt from Federal income taxation under Section 501(c)(3)), Director or Officer of the Corporation, or any private individual, shall be entitled to share in the distribution of any of the assets of the Corporation on dissolution of the Corporation.

ARTICLE XI

Definitions

Definitions. Any reference made herein to a Section of the "Code" shall include that Section of the Internal Revenue Code of 1986, as well as (1) any subsequent amendments thereto; (2) the corresponding provisions in any recodification of the Internal Revenue Code; and (3) the Treasury Regulations promulgated under such Section.

IN WITNESS WHEREOF, the undersigned Incorporators and Registered Agent hereby verifies and affirms, subject to penalties of perjury, that the representations contained herein are true, this 1st day of August, 2014.

Debie M. Coble, Incorporator

Anthony Allison, Incorporator

State of Indiana
Office of the Secretary of State

CERTIFICATE OF INCORPORATION

of

GOODWILL LEADS INC.

I, Connie Lawson, Secretary of State of Indiana, hereby certify that Articles of Incorporation of the above Non-Profit Domestic Corporation has been presented to me at my office, accompanied by the fees prescribed by law and that the documentation presented conforms to law as prescribed by the provisions of the Indiana Nonprofit Corporation Act of 1991.

NOW, THEREFORE, with this document I certify that said transaction will become effective Monday, August 04, 2014.

In Witness Whereof, I have caused to be affixed my signature and the seal of the State of Indiana, at the City of Indianapolis, August 04, 2014

Connie Lawson

CONNIE LAWSON,
SECRETARY OF STATE

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RECEIVED 08/04/2014 08:17 AM
RECEIVED 08/01/2014 05:03 PM

APPROVED AND FILED
CONNIE LAWSON
INDIANA SECRETARY OF STATE
8/4/2014 9:08 AM

ARTICLES OF INCORPORATION

Formed pursuant to the provisions of the Indiana Nonprofit Corporation Act of 1991.

ARTICLE I - NAME AND PRINCIPAL OFFICE

GOODWILL LEADS INC.

1805 WESTERN AVE, SOUTH BEND, IN 46619

ARTICLE II - REGISTERED OFFICE AND AGENT

DEBIE M COBLE
1805 WESTERN AVE, SOUTH BEND, IN 46619

The Signator represents that the registered agent named in the application has consented to the appointment of registered agent.

ARTICLE III – INCORPORATORS

ANTHONY ALLISON
330 E JEFFERSON BLVD, SOUTH BEND, IN 46624
Signature: ANTHONY ALLISON

DEBIE M COBLE
1805 WESTERN AVE, SOUTH BEND, IN 46619
Signature: DEBIE M COBLE

ARTICLE IV – GENERAL INFORMATION

Effective Date: 8/4/2014
Type of Corporation: Mutual Benefit Corporation (all others)
Does the corporation have members?: No

The purposes/nature of business

NOT FOR PROFIT TO SERVE ADULTS WHO ARE SEEKING TO OBTAIN THEIR HIGH SCHOOL DIPLOMA. CHARTER SCHOOLS WILL BE HOUSED UNDER THIS ORGANIZATION.

Distribution of assets on dissolution or final liquidation

DISSOLUTION. IN THE EVENT OF DISSOLUTION OF THE CORPORATION, ASSETS REMAINING AFTER PAYMENT AND DISCHARGE OF ITS OBLIGATIONS SHALL BE TRANSFERRED AND CONVEYED, SUBJECT TO ANY CONTRACTUAL OR LEGAL REQUIREMENT, BY THE BOARD OF DIRECTORS AS FOLLOWS:
(1) ANY REMAINING ASSETS SHALL BE DISTRIBUTED FIRST TO SATISFY OUTSTANDING PAYROLL OBLIGATIONS FOR EMPLOYEES OF THE CORPORATION, THEN TO CREDITORS OF THE CORPORATION, THEN ANY OUTSTANDING DEBT TO THE COMMON SCHOOL FUND; AND
(2) ANY REMAINING FUNDS ORIGINALLY RECEIVED FROM THE INDIANA DEPARTMENT OF EDUCATION OR ANY INDIANA PUBLIC SCHOOL CORPORATION SHALL BE RETURNED TO THE INDIANA DEPARTMENT OF EDUCATION OR TO THE INDIANA PUBLIC SCHOOL CORPORATION FROM WHICH THE FUNDS ORIGINATED, TO BE USED FOR EXCLUSIVELY PUBLIC PURPOSES NOT MORE THAN THIRTY (30) DAYS AFTER DISSOLUTION; AND
(3) ALL OTHER ASSETS SHALL BE DISTRIBUTED TO THE UNITED STATES, THE STATE OF INDIANA, THE MUNICIPALITY IN WHICH THE REGISTERED OFFICE OF THE CORPORATION IS LOCATED, OR ANY INSTRUMENTALITY OR SUBDIVISION THEREOF, OR TO ANY NONPROFIT CORPORATION, TRUST, FOUNDATION OR OTHER ORGANIZATION THAT IS ORGANIZED FOR NONPROFIT EDUCATIONAL PURPOSES AND WHICH, AT THE TIME OF TRANSFER, IS EXEMPT FROM FEDERAL INCOME TAXATION UNDER SECTION 501(C)(3) OF THE CODE, AS MAY BE SELECTED BY THE BOARD OF DIRECTORS; PROVIDED, HOWEVER, THAT ANY TRANSFER TO A GOVERNMENTAL ENTITY SHALL BE USED FOR EXCLUSIVELY PUBLIC PURPOSES.
ANY SUCH ASSETS NOT SO TRANSFERRED BY THE BOARD OF DIRECTORS SHALL BE DISPOSED OF BY THE CIRCUIT COURT OF THE COUNTY IN WHICH THE REGISTERED OFFICE OF THE CORPORATION IS LOCATED, EXCLUSIVELY FOR SUCH TAX EXEMPT PURPOSES OR TO SUCH TAX EXEMPT ORGANIZATIONS AS THE COURT SHALL DETERMINE. NO MEMBER (OTHER THAN A MEMBER THAT IS EXEMPT FROM FEDERAL INCOME TAXATION UNDER SECTION 501(C)(3)), DIRECTOR OR OFFICER OF THE CORPORATION, OR ANY PRIVATE INDIVIDUAL, SHALL BE ENTITLED TO SHARE IN THE DISTRIBUTION OF ANY OF THE ASSETS OF THE CORPORATION ON DISSOLUTION OF THE CORPORATION.

BYLAWS

OF

GOODWILL LEADS, INC.

Adopted _____, 2014

ARTICLE I

Identification

Name. The name of the Corporation is Goodwill LEADS, Inc. (the "Corporation").

Mission Statement. The Corporation shall develop and operate one or more charter schools to enable young people to prepare for productive adult lives. Each school shall be a "charter school," as that term is defined in Indiana Code 20-24, and shall be run in accordance with a charter entered into by the Corporation and Indiana Charter School Board, established under Indiana Code 20-24-2.1, (hereinafter, the "Charter"). The schools will strengthen communities by helping students achieve their fullest potential by educating "one student at a time" and providing schools that (i) foster students' individual interests; (ii) engage them with teachers, parents and mentors to create learning plans that focus on those interests; and (iii) combine school-based study with outside experience.

Non-Discrimination. The Corporation shall admit students of any race, color, gender, national and ethnic origin, religion or ancestry and without regard to disability to all the rights, privileges, programs and activities generally accorded or made available at its charter schools. The Corporation shall not discriminate on the basis of disability, race, color, gender, national and ethnic origin, religion or ancestry in the administration of its educational policies, admissions, policies, scholarships and loan programs, and athletic or other school administered programs.

Non-Sectarian. The Corporation shall be non-sectarian and non-religious in its curriculum, programs, admission policies, employment practices, governance and all other operations.

ARTICLE II

Membership

The Corporation shall have no members.

ARTICLE III

Board of Directors

Functions. The business, property and affairs of the Corporation shall be managed, controlled, and conducted by, and under the supervision of, the Board of Directors, subject to the provisions of the Articles of Incorporation and these Bylaws.

Number and Qualification. There shall be five (5) voting Directors of the Corporation, which number may from time to time be increased or decreased by resolution adopted by not less than a majority of the Board of Directors, subject to the limitation that the Board shall never be reduced to less than five (5) nor increased to more than eleven (11) Directors. Except as otherwise provided in these Bylaws, all members of the Board of Directors shall have and be subject to the same and equal qualifications, rights, privileges, duties, limitations and restrictions; provided, however, the President of the Corporation shall be an ex-officio member of the Board of Directors but shall not vote, and shall not be counted as a Director for purposes of quorums, majority voting, and similar issues. All Directors shall consent to appropriate background searches as required by the Charter. No Director shall take office until the Corporation fully complies with the provisions of Charter.

Election. One-half of the authorized number of directors (rounded down to the nearest whole number) plus one (the "Appointed Directors") shall be appointed by Goodwill. The remaining directors of the Board of Directors shall be elected by the Board of Directors at the annual meeting provided in this Article III of this Byl aws (the "Elected Directors").

Term. The Elected Directors shall be divided into three classes as nearly equal in number as possible. The terms of Elected Directors in the first group expire at the first annual meeting of the Directors after their election, the terms of the second group expire at the second annual meeting of the Directors after their election, and the terms of the third group expire at the

third annual meeting of the Directors after their election. At each annual meeting of the Directors held thereafter, Directors shall be chosen for a term of three (3) years to succeed those whose term expires. Incumbent Directors shall be eligible for re-election or re-appointment.

Vacancies. Any vacancy among the Elected Directors caused by death, resignation, removal or otherwise may be filled by the remaining Board of Directors, or if the Directors remaining in office constitute fewer than a quorum, by the affirmative vote of a majority of the Directors remaining in office. Any vacancy among the Appointed Directors shall be filled by Goodwill. A Director elected to fill a vacancy shall hold office until the expiration of the term of the Director causing the vacancy and until a successor shall be elected and qualified.

Resignation. Any Director may resign at any time by giving written notice of such resignation to the Board of Directors, the Chairman, President or Secretary of the Corporation, and if an Appointed Director, to Goodwill. A resignation is effective upon delivery unless the notice specifies a later effective date. The acceptance of a resignation shall not be necessary to make it effective.

Removal. Any Director may be removed, with or without cause, in accordance with the provisions of the Indiana Nonprofit Corporation Act of 1991, as amended (the "Act").

Meetings. The Board of Directors shall meet at least quarterly. All meetings shall occur either at the registered office of the Corporation in the State of Indiana, or at such other place within the State of Indiana as may be designated by the Board of Directors and specified in the respective notices or waivers of notice thereof. The annual meeting shall be for the purpose of organization, election of directors and officers and consideration of any other business that may properly be brought before the meeting and shall be held within six (6) months after the close of the fiscal year of the Corporation as designated by the Board of Directors and specified in the respective notices or waivers of notice thereof. If the annual meeting is not held as above provided, the election of officers may be held at any subsequent meeting of the Board of Directors specifically called in the manner set forth herein. The Board of Directors may provide by resolution the time and place within the State of Indiana, for the holding of additional regular meetings of the Board without other notice than such resolution. Special meetings of the

Board of Directors may be called by the Chairman, and shall be called by order thereof upon the written request of at least two Directors, which request shall set forth the business to be conducted at such meeting.

Notice of Meetings. Notice of all meetings of the Board of Directors, except as herein otherwise provided, shall be given by mailing the same (whether by post or by electronic mail), by telephoning, or delivering personally the same at least two (2) days before the meeting to the usual business or residence address of the Director as shown upon the records of the Corporation. Notice of any meeting of the Board of Directors may be waived in a document filed with the Secretary by any Director if the waiver sets forth in reasonable detail the purpose or purposes for which the meeting is called and the time and place of the meeting. Attendance at any meeting of the Board of Directors shall constitute a waiver of notice of that meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. In addition, notice of any Board meeting shall be posted in a conspicuous place at the principal office of the Corporation or at the Board's meeting place at least 48 hours (excluding Saturday, Sunday, and legal holidays) prior to the meeting. Notice of any meeting shall at all times conform with the requirements of Indiana's "Open Door Law," Indiana Code 5-14-1.5.

Quorum. A majority of directors in office immediately before a meeting begins shall constitute a quorum for the transaction of any business properly to come before the Board of Directors. The act of a majority of the directors present at a meeting at which a quorum is present shall the act of the Board of Directors.

Committees. The Board of Directors, by resolution adopted by a majority of the Board, may designate one or more committees, each of which shall consist of two or more Directors, which committees, to the extent provided in said resolution, shall have and exercise the authority of the Board of Directors in the management of the Corporation. Other committees not having and exercising the authority of the Board of Directors in the management of the Corporation may be designated by a resolution adopted by a majority of the Directors present at the meeting at which a quorum is present. The designation of any such committee and the delegation thereof of authority shall not operate to relieve the Board of Directors, or any

individual Director, of any responsibility imposed by law. All committee meetings shall be run in accordance with the requirements of Indiana's "Open Door Law," Indiana Code 5-14-1.5.

No Actions Without Meeting. All actions required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof must be taken at a meeting of the Board of Directors held in accordance with the requirements of Indiana's "Open Door Law," Indiana Code 5-14-1.5.

Meeting by Electronic Communication. To the extent that the Board has adopted a policy in accordance with Indiana Code 5-14-1.5-3.6, one or more of the members of the Board or of any committee designated by the Board may participate in a meeting by or through the use of any means of communication by which all persons participating may simultaneously communicate with each other during the meeting held in accordance with the requirements of participation through electronic communication of the Indiana's "Open Door Law," Indiana Code 5-14-1.5-3.6. Participation in a meeting using these means constitutes presence in person at the meeting. Meetings at which one or more individuals participate by electronic communication shall be treated in all respects as a meeting at which such individuals are physically present for purposes of complying with the requirements of Indiana's "Open Door Law," Indiana Code 5-14-1.5.

ARTICLE III

Officers

Officers and Agents. The officers of the Corporation shall consist of a Chairperson, a Vice-Chairperson, a President, a Secretary, and such other officers as the Board of Directors may, by resolution, designate from time to time (individually, the "Officer" and collectively, the "Officers"). Any two (2) or more offices may be held by the same person. The Board of Directors may, by resolution, create, appoint and define the duties and fix the compensation of such Officers and agents as, in its discretion, is deemed necessary, convenient or expedient for carrying out the purposes for which the Corporation is formed; provided, however, that Officers and agents shall be compensated, if at all, only for actual services performed on behalf of the Corporation.

Election, Term of Office and Qualification. All Officers shall be chosen annually by the Board of Directors at the annual meeting of the Board of Directors. Each Officer shall hold office (unless the officer resigns, is removed, or dies) until the next annual meeting of the Board of Directors or until a successor is chosen and qualified.

Vacancies. In the event an office of the Corporation becomes vacant by death, resignation, retirement, disqualification or any other cause, the Board of Directors shall elect a person to fill such vacancy, and the person so elected shall hold office and serve until the next annual meeting of the Board of Directors or until a successor is elected and qualified, or until the Officer's death, resignation or removal.

Chairperson. The Chairperson, if present, shall preside at all meetings of the Board of Directors, shall appoint the chairperson and members of all standing and temporary committees, subject to the review of the Board of Directors, and shall do and perform such other duties as this Bylaws provides or as may be assigned by the Board of Directors.

Vice-Chairperson. The Vice-Chairperson shall preside at all meetings of the Board of Directors if the Chairperson is not present and shall do and perform such other duties as this Bylaws provides or as may be assigned by the Board of Directors.

President. The President shall be the chief executive officer of the Corporation; shall have and exercise general charge and supervision of the affairs of the Corporation; and shall do and perform such other duties as this Bylaws provides or as may be assigned by the Board of Directors. The president shall be an ex-officio member of the Board of Directors, but shall not have a vote.

Secretary. The Secretary shall have the custody and care of the corporate records and the minutes book of the Corporation. The Secretary shall attend all the meetings of the Board of Directors of the Corporation, and shall keep, or cause to be kept in a book provided for the purpose, a true and complete record of the proceedings of such meetings, and shall perform a like duty for all standing committees of the Board of Directors when required. The Secretary shall attend to the giving and serving of all notices of the Corporation, shall file and take care of all papers and documents belonging to the Corporation, shall authenticate records of the

Corporation as necessary, and shall perform such other duties as may be required by the Bylaws or as may be prescribed by the Board of Directors. The Secretary shall prepare and maintain all the materials necessary to comply with the provisions of Indiana's "Open Door Law," Indiana Code 5-14-1.5.

Treasurer. The Treasurer shall prepare and maintain correct and complete records of account showing accurately the financial condition of the Corporation. All notes, securities, and other assets coming into the possession of the Corporation shall be received, accounted for, and placed in safekeeping as the Treasurer may from time to time prescribe. The Treasurer shall furnish, whenever requested by the Board of Directors or the President, a statement of the financial condition of the Corporation and shall perform the duties usual to such position and such other duties as the Board of Directors or President may prescribe.

Assistant Officers. The Board of Directors may from time to time designate assistant officers who shall exercise and perform such powers and duties as the officers whom they are elected to assist shall specify and delegate to them, and such other powers and duties as may be prescribed by the Bylaws, the Board of Directors.

Removal. Any officer may be removed from office, with or without cause, by the Board of Directors.

Resignations. Any officer may resign at any time by delivering notice to the Board of Directors, the President or the Secretary. A resignation is effective upon delivery unless the notice specifies a later effective date.

ARTICLE IV

Loans to Officers and Directors

The Corporation shall not lend money to or guarantee the obligations of any officer or Director of the Corporation.

ARTICLE V

Financial Affairs

Contracts. The Board of Directors may authorize any officer or agent to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to a specific instance; and unless so authorized by the Board of Directors, no officer, agent or employee shall have any power or authority to bind the Corporation by any contract or engagement, or to pledge its credit or render it liable pecuniary for any purpose or to any amount. The Board is specifically authorized to enter into (and from time to time amend) one or more "Charter School Agreements" with the Indiana Charter School Board or any other qualified sponsor.

Checks, etc. The Board shall by resolution designate officers, agents or employees of the Corporation who may, in the name of the Corporation, execute drafts, checks and orders for the payment of money in its behalf; provided, however, that any expenditure in excess of Twenty-Five Thousand Dollars ($25,000.00) that is outside the ordinary course of operation shall comply with the Charter.

Investments. The Corporation shall have the right to retain all or any part of any securities or property acquired by it in whatever manner, and to invest and reinvest any funds held by it, according to the judgment of the Board of Directors.

Audited Financial Statements. The Corporation shall maintain financial statements prepared in accordance with the unified accounting system prescribed by the State Board of Education and State Board of Accounts and shall engage an independent certified public accountant to audit such financial statements.

ARTICLE VI

Fiscal Year

The fiscal year of the Corporation shall begin on the first day of July of each year and end on the last day of June of each year.

ARTICLE VII

Prohibited Activities

Notwithstanding any other provision of this Bylaws no member, Director, officer, employee or agent of this Corporation shall take any action or carry on any activity by or on behalf of the Corporation not permitted to be taken or carried on by an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or any successor provision or provisions thereto.

ARTICLE VIII

Amendments

The power to make, alter, amend, or repeal the Bylaws is vested in the Board of Directors of the Corporation.

Goodwill Industries of Michiana, Inc.

Goodwill LEADS Meeting AGENDA

August 5, 2014 - 8:30 a.m.

- ***REVIEW OF PRINCIPLES OF ETHICAL CONDUCT/CONFLICT OF INTEREST***
- ***REVIEW OF GOODWILL LEADS BOARD & OFFICERS***
- ***DISCUSSION OF GOODWILL LEADS BY-LAWS***
- ***DISCUSSION OF LICENSE AGREEMENT & FILING OF 1023***
- ***DISCUSSION OF EXCEL CENTER APPLICATION***
- ***DISCUSSION OF UPCOMING GOODWILL BOARD LEADS MEETINGS***

Excel Center
Goodwill "LEADS" Charter School
(Learn, Educate, Advance & Develop Students)

Goodwill Industries of Michiana, Inc.
Goodwill LEADS Meeting Minutes
August 5, 2014 - 8:30 a.m.

The first meeting of the Excel Center Goodwill "LEADS" Board of Directors was held on Tuesday, August 5, 2014 via a telephone conference call starting at 8:30 a.m. Those present were:

Rolla Baumgartner	Ann Carol Nash
Debie Coble	Kim Riemer
Guy Fisher	Elyse Russell
Arden Floran	Rob Staley

Principles of Ethical Conduct/Conflict of Interest

Rob Staley of The Crossings started the conversation by indicating he may have a conflict of interest as The Crossings does partner with Excel Center in other parts of the state. Currently there isn't exchange of money but they do partner with the Anderson, Kokomo, Lafayette and Indianapolis Excel Centers. Currently there hasn't been an exchange of dollars, but there has been discussion about the exchange of monies in the future for sending students to the Excel Centers in those areas. Kim Riemer (Indianapolis Goodwill Education Initiatives, Inc.) did not feel that there was a conflict in interest because of no exchange of dollars.

Rob Staley further mentioned that he has recently talked to Scott Bess (Indianapolis Goodwill Education Initiatives, Inc.) about partnering on this further.

Debie Coble suggested that since the South Bend Charter School is slated to open in August of 2015 it will be a while before we need to be concerned about Rob's conflict of interest, so he could serve on this board and assist with startup process. As we get further into the actual school operating year, this topic could be discussed again and if felt necessary Rob could resign from the board.

Ann Carol Nash also added that conflict of interest is affected when a person participates in a specific situation/action without disclosing that there would be the conflict. But since this has been disclosed up front we are okay. Also, Rob, when necessary, could indicate the inability to vote if the situation/action proved to be a conflict for him.

Ann Carol Nash also mentioned that she reviewed this document and sent Debie Coble some suggested changes. Debie Coble indicated that she would incorporate the new changes and send the revised document out to the board members for final review and signature.

The motion was made to accept the Goodwill LEADS' Principles of Ethical Conduct/Conflict of Interest (with the recommended changes). This motion was so moved, seconded and approved unanimously.

GOODWILL LEADS BOARD OF DIRECTORS AND OFFICERS

It was noted that the following will serve on the Goodwill LEADS Board of Directors:

Rolla W. Baumgartner
Joseph Thomas Barkman
Ann Carol Nash
Rob Staley
James M. Summers, Jr.

It was also noted that the following will serve as Officers of the Board:

Rolla W. Baumgartner	Chairman
James M. Summers, Jr.	Vice Chairman
Joseph Thomas Barkman	Secretary/Treasurer

The motion was made to approve the above members of the Goodwill LEADS Board of Directors and the recommended slate of Goodwill LEADS Officers of the Board as noted above. This motion was moved, second and approved unanimously. It was noted that as the Goodwill LEADS Center grows we will add more board members.

GOODWILL LEADS BY-LAWS

Debie Coble did inform those attending the teleconference that as soon as she receives the Bylaws that are being prepared by Anne Fischesser of Faegre Baker Daniels, she will send them out to the board members as soon as possible for their review. It was noted that these By-Laws will be approved at our next meeting.

LICENSING AND SERVICES AGREEMENT

Debie Coble did inform the members that we do have a final agreement between Goodwill Education Initiatives, Inc. and us. Debie also mentioned that she will be filing the 1023 Form today.

EXCEL CENTER APPLICATION

Debie Coble mentioned that the Excel Center Application is just about complete. Once it is submitted, then it will be sent out to the board members for their review. The motion was then made to approve the submission of Excel Center Application for our Goodwill LEADS Charter School. This motion was so moved, second and approved unanimously. It was noted that we are applying for three charters with the first one being in South Bend.

UPCOMING MEETINGS

It was noted that the Public Meeting for this charter will be held sometime in September of this year.

It was agreed that the Goodwill LEAD board meetings will be held every other month. It was also decided to hold meetings during the lunch hour on the fourth Thursday of the month. Meetings will start at Noon (12:00 p.m.) and will last no longer than 90 minutes. The meetings will take place here at Goodwill Industries of Michiana, Inc. (1805 Western Avenue, South Bend, Indiana) in our Thomas Buck Board Room. Lunch will also be provided.

Future meetings were set for:

Thursday, August 21, 2014 – Noon
(This is a third Thursday exception to fit schedules)

Thursday, September 25, 2014 – Noon

Thursday, October 23, 2014 - Noon

MISCELLANEOUS ITEMS

Debie Coble asked Rob Staley for his Board Information Form and Resume so that they could be included with the application. He agreed to email both to her today.

ADJOURNMENT

There being nothing further to discuss, the meeting adjourned at 8:57 a.m.

Elyse Russell
Assistant to the President & CEO
Goodwill Industries of Michiana, Inc.

Attachment 5: Statement of Assurances

INDIANA CHARTER SCHOOL BOARD: CHARTER SCHOOL APPLICANT
Statement of Assurances

The charter school agrees to comply with all of the following provisions: *(Read and check)*

☑ 1. A resolution or motion has been adopted by the charter school applicant's governing body that authorizes the submission of this application, including all understanding and assurances contained herein, directing and authorizing the applicant's designated representative to act in connection with the application and to provide such additional information as required.

☑ 2. Recipients operate (or will operate if not yet open) a charter school in compliance with all federal and state laws, including Indiana Charter Schools Law as described in all relevant sections of IC § 20-24.

☑ 3. Recipients will, for the life of the charter, participate in all data reporting and evaluation activities as required by the Indiana Charter School Board (ICSB) and the Indiana Department of Education. See in particular IC § 20-20-8-3 and relevant sections of IC § 20-24.

☑ 4. Recipients will comply with all relevant federal laws including, but not limited to, the *Age Discrimination in Employment Act* of 1975, Title VI of the *Civil Rights Act* of 1964, Title IX of the *Education Amendments of 1972*, section 504 of the *Rehabilitation Act* of 1973, Part B of the *Individuals with Disabilities Education Act*, and section 427 of the *General Education Provision Act*.

☑ 5. Recipients will comply with all provisions of the Non regulatory Guidance—Public Charter Schools Program of the U.S. Department of Education, which includes the use of a lottery for enrollment if the charter school is oversubscribed, as well as with applicable Indiana law. See also relevant sections of IC § 20-24.

☑ 6. Recipients shall ensure that a student's records, and, if applicable, a student's individualized education program as defined at 20 U.S.C. § 1401(14) of the *Individuals with Disabilities Education Act*, will follow the student, in accordance with applicable federal and state law.

☑ 7. Recipients will comply with all provisions of the *No Child Left Behind Act*, including but not limited to, provisions on school prayer, the Boy Scouts of America Equal Access Act, the Armed Forces Recruiter Access to Students and Student Recruiting Information, the Unsafe School Choice Option, the Family Educational Rights and Privacy Act (FERPA) and assessments.

☑ 8. Recipients will operate with the organizer serving in the capacity of fiscal agent for the charter school and in compliance with generally accepted accounting principles.

☑ 9. Recipients will at all times maintain all necessary and appropriate insurance coverage.

☑ 10. Recipients will indemnify and hold harmless the ICSB, the Indiana Department of Education, the State of Indiana, all school corporations providing funds to the charter school (if applicable), and their officers, directors, agents and employees, and any successors and assigns from any and all liability, cause of action, or other injury or damage in any way relating to the charter school or its operation.

☑ 11. Recipients understand that the ICSB may revoke the charter if the ICSB deems that the recipient is not fulfilling the academic goals and/or fiscal management responsibilities outlined in the charter.	
Signature from Authorized Representative of the Charter School Applicant	
I, the undersigned, am an authorized representative of the charter school applicant and do hereby certify that the information submitted in this application is accurate and true to the best of my knowledge and belief. In addition, I do hereby certify to the assurances contained above.	
PRINT NAME & TITLE Debie M. Coble President & CEO	**DATE**
SIGN NAME Debie M Coble	8/1/2014

Attachment 6: Board Member Information Sheets

Within this attachment, please find signed Board Member Information Sheets for Goodwill LEAD, Inc.'s Board of Directors.

- Rolla Baumgartner, Chair
- James Summers, Vice-Chair
- Joe Barkman, Secretary/Treasurer
- Ann Carol Nash
- Rob Staley
- Debie Coble

CHARTER SCHOOL BOARD MEMBER INFORMATION

(To be completed individually by each proposed board member for the charter holder)

Serving on a public charter school board is a position of public trust and fiduciary responsibility. As a board member of a public school, you are responsible for ensuring the quality of the school program, competent stewardship of public funds, and the school's fulfillment of its public obligations and all terms of its charter.

As part of the application for a new charter school, the Indiana Charter School Board requests that each prospective board member respond individually to this questionnaire. Where narrative responses are required, brief responses are sufficient.

The purpose of this questionnaire is twofold: 1) to give application reviewers a clearer introduction to the founding group behind each school proposal in advance of the applicant interview, in order to be better prepared for the interview; and 2) to encourage board members to reflect individually as well as collectively on their common mission, purposes, and obligations at the earliest stage of school development.

Background

1. Name of charter school on whose Board of Directors you intend to serve:
   Excel Center

2. Your full name: **Rolla W. Baumgartner**

3. Brief educational and employment history. (No narrative response is required if resume is attached.)
   Resume is attached.

4. Describe any of your previous experiences that are relevant to serving on the charter school's board (including other board experience, or any experience overseeing start-up or entrepreneurial ventures). If you have not had previous experience of this nature, explain why you have the capability to be an effective board member.
   1)As a superintendent of schools I worked for boards for nineteen years.
   2)I served as president of the Columbus Symphony Board for three years and president of the Niles District Library Board for six years.
   3)I have served on the board of Goodwill Industries of Michiana, the Family and Children's Center, the Literacy Board of Columbus, GA, the Youth Symphony Board of Columbus, and the Leadership South Bend/Mishawaka board.

5. Do you understand the obligations of a charter school's Board of Directors to comply with Indiana's Public Access laws, including the Open Door Law for Board meetings?
   (Yes) Don't Know/ Unsure

Disclosures

1. Indicate whether you or your spouse knows the other prospective board members for the proposed school. If so, please indicate the precise nature of your relationship.
   (I / we do not know any such trustees.) Yes

2. Indicate whether you or your spouse knows anyone who is doing, or plans to do, business with the charter school (whether as an individual or as a director, officer, employee or agent of an entity). If so, indicate and

describe the precise nature of your relationship and the nature of the business that such person or entity is transacting or will be transacting with the school.

I / we do not know any such persons. Yes

3. Indicate if you, your spouse or other immediate family members anticipate conducting, or are conducting, any business with the school. If so, indicate the precise nature of the business that is being or will be conducted.

I / we do not anticipate conducting any such business. Yes

4. If the school intends to contract with an Education Service Provider or management organization, indicate whether you or your spouse knows any employees, officers, owners, directors or agents of that provider. If the answer is in the affirmative, please describe any such relationship.

Not applicable because the school does not intend to contract with an education service provider or school management organization.

I / we do not know any such persons. Yes

5. If the school contracts with an education service provider, please indicate whether you, your spouse or other immediate family members have a direct or indirect ownership, employment, contractual or management interest in the provider. For any interest indicated, provide a detailed description.

N/A. I / we have no such interest. Yes

6. If the school plans to contract with an Education Service Provider, indicate if you, your spouse or other immediate family member anticipate conducting, or are conducting, any business with the provider. If so, indicate the precise nature of the business that is being or will be conducted.

N/A. I / we or my family do not anticipate conducting any such business. Yes

7. Indicate whether you, your spouse or other immediate family members are a director, officer, employee, partner or member of, or are otherwise associated with, any organization that is partnering with the charter school. To the extent you have provided this information in response to prior items, you may so indicate.

Does not apply to me, my spouse or family. Yes

8. Indicate any potential ethical or legal conflicts of interests that would, or are likely to, exist should you serve on the school's board. None. Yes

Certification

I, Rolla W. Baumgartner, certify to the best of my knowledge and ability that the information I am providing to the Indiana Charter School Board as a prospective board member for Excel Center Charter School is true and correct in every respect.

Rolla W Baumgartner
Signature

19 July 2014
Date

CHARTER SCHOOL BOARD MEMBER INFORMATION

(To be completed individually by each proposed board member for the charter holder)

Serving on a public charter school board is a position of public trust and fiduciary responsibility. As a board member of a public school, you are responsible for ensuring the quality of the school program, competent stewardship of public funds, and the school's fulfillment of its public obligations and all terms of its charter.

As part of the application for a new charter school, the Indiana Charter School Board requests that each prospective board member respond individually to this questionnaire. Where narrative responses are required, brief responses are sufficient.

The purpose of this questionnaire is twofold: 1) to give application reviewers a clearer introduction to the founding group behind each school proposal in advance of the applicant interview, in order to be better prepared for the interview; and 2) to encourage board members to reflect individually as well as collectively on their common mission, purposes, and obligations at the earliest stage of school development.

Background

1. Name of charter school on whose Board of Directors you intend to serve:
   The Excel Center

2. Your full name: James M Summers Jr

3. Brief educational and employment history. (No narrative response is required if resume is attached.)
   ☑ Resume is attached.

4. Describe any of your previous experiences that are relevant to serving on the charter school's board (including other board experience, or any experience overseeing start-up or entrepreneurial ventures). If you have not had previous experience of this nature, explain why you have the capability to be an effective board member.
   Board Member and Secretary for The South Bend Career Academy, President of the South Bend Diversity Utilization Board, WNIT Board Member.

5. Do you understand the obligations of a charter school's Board of Directors to comply with Indiana's Public Access laws, including the Open Door Law for Board meetings?
   ☑ Yes ☐ Don't Know/ Unsure

Disclosures

1. Indicate whether you or your spouse knows the other prospective board members for the proposed school. If so, please indicate the precise nature of your relationship.
   ☐ I / we do not know any such trustees. ☑ Yes I know Rob Staley. We served together on the South Bend Career Academy Board

2. Indicate whether you or your spouse knows anyone who is doing, or plans to do, business with the charter school (whether as an individual or as a director, officer, employee or agent of an entity). If so, indicate and describe the precise nature of your relationship and the nature of the business that such person or entity is transacting or will be transacting with the school.
   ☑ I / we do not know any such persons. ☐ Yes

3. Indicate if you, your spouse or other immediate family members anticipate conducting, or are conducting, any business with the school. If so, indicate the precise nature of the business that is being or will be conducted.
☑ I / we do not anticipate conducting any such business. ☐ Yes

4. If the school intends to contract with an Education Service Provider or management organization, indicate whether you or your spouse knows any employees, officers, owners, directors or agents of that provider. If the answer is in the affirmative, please describe any such relationship.
☐ Not applicable because the school does not intend to contract with an education service provider or school management organization.
☑ I / we do not know any such persons. ☐ Yes

5. If the school contracts with an education service provider, please indicate whether you, your spouse or other immediate family members have a direct or indirect ownership, employment, contractual or management interest in the provider. For any interest indicated, provide a detailed description.
☐ N/A. ☑ I / we have no such interest. ☐ Yes

6. If the school plans to contract with an Education Service Provider, indicate if you, your spouse or other immediate family member anticipate conducting, or are conducting, any business with the provider. If so, indicate the precise nature of the business that is being or will be conducted.
☐ N/A. ☐ I / we or my family do not anticipate conducting any such business. ☐ Yes

7. Indicate whether you, your spouse or other immediate family members are a director, officer, employee, partner or member of, or are otherwise associated with, any organization that is partnering with the charter school. To the extent you have provided this information in response to prior items, you may so indicate.
☑ Does not apply to me, my spouse or family. ☐ Yes

8. Indicate any potential ethical or legal conflicts of interests that would, or are likely to, exist should you serve on the school's board. ☑ None. ☐ Yes

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Certification

I, James Summers, certify to the best of my knowledge and ability that the information I am providing to the Indiana Charter School Board as a prospective board member for The Excel Center Charter School is true and correct in every respect.

James D. Summers Jr.
Signature

8/4/14
Date

CHARTER SCHOOL BOARD MEMBER INFORMATION

(To be completed individually by each proposed board member for the charter holder)

Serving on a public charter school board is a position of public trust and fiduciary responsibility. As a board member of a public school, you are responsible for ensuring the quality of the school program, competent stewardship of public funds, and the school's fulfillment of its public obligations and all terms of its charter.

As part of the application for a new charter school, the Indiana Charter School Board requests that each prospective board member respond individually to this questionnaire. Where narrative responses are required, brief responses are sufficient.

The purpose of this questionnaire is twofold: 1) to give application reviewers a clearer introduction to the founding group behind each school proposal in advance of the applicant interview, in order to be better prepared for the interview; and 2) to encourage board members to reflect individually as well as collectively on their common mission, purposes, and obligations at the earliest stage of school development.

Background

1. Name of charter school on whose Board of Directors you intend to serve:
   Excel Center LEADS Charter School

2. Your full name: Joseph Thomas Barkman

3. Brief educational and employment history. (No narrative response is required if resume is attached.)
   X Resume is attached.

4. Describe any of your previous experiences that are relevant to serving on the charter school's board (including other board experience, or any experience overseeing start-up or entrepreneurial ventures). If you have not had previous experience of this nature, explain why you have the capability to be an effective board member.
   Have served on various not for profit boards, as an auditor have some experience with start up organizations.

5. Do you understand the obligations of a charter school's Board of Directors to comply with Indiana's Public Access laws, including the Open Door Law for Board meetings?
   ☐ Yes X Don't Know/ Unsure

Disclosures

1. Indicate whether you or your spouse knows the other prospective board members for the proposed school. If so, please indicate the precise nature of your relationship.
   X I / we do not know any such trustees. ☐ Yes

2. Indicate whether you or your spouse knows anyone who is doing, or plans to do, business with the charter school (whether as an individual or as a director, officer, employee or agent of an entity). If so, indicate and describe the precise nature of your relationship and the nature of the business that such person or entity is transacting or will be transacting with the school.
   X I / we do not know any such persons. ☐ Yes

3. Indicate if you, your spouse or other immediate family members anticipate conducting, or are conducting, any business with the school. If so, indicate the precise nature of the business that is being or will be conducted.
   X I / we do not anticipate conducting any such business. ☐ Yes

4. If the school intends to contract with an Education Service Provider or management organization, indicate whether you or your spouse knows any employees, officers, owners, directors or agents of that provider. If the answer is in the affirmative, please describe any such relationship.
   ☐ Not applicable because the school does not intend to contract with an education service provider or school management organization.
   X I / we do not know any such persons. ☐ Yes

5. If the school contracts with an education service provider, please indicate whether you, your spouse or other immediate family members have a direct or indirect ownership, employment, contractual or management interest in the provider. For any interest indicated, provide a detailed description.
   ☐ N/A. X I / we have no such interest. ☐ Yes

6. If the school plans to contract with an Education Service Provider, indicate if you, your spouse or other immediate family member anticipate conducting, or are conducting, any business with the provider. If so, indicate the precise nature of the business that is being or will be conducted.
   ☐ N/A. X I / we or my family do not anticipate conducting any such business. ☐ Yes

7. Indicate whether you, your spouse or other immediate family members are a director, officer, employee, partner or member of, or are otherwise associated with, any organization that is partnering with the charter school. To the extent you have provided this information in response to prior items, you may so indicate.
   X Does not apply to me, my spouse or family. ☐ Yes

8. Indicate any potential ethical or legal conflicts of interests that would, or are likely to, exist should you serve on the school's board. X None. ☐ Yes

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Certification

I, JOSEPH T. BARNARD, certify to the best of my knowledge and ability that the information I am providing to the Indiana Charter School Board as a prospective board member for Charter School is true and correct in every respect.

Signature

8/4/14
Date

Joseph T. Barkman, age 54, is a CPA licensed in the State of Indiana. Born and raised in Johnson City New York, graduated from Broome Community College in Binghamton New York with an Associates in Accounting and Clarkson College in Potsdam New York with a BA in Accounting. Started my professional career with Crowe Chizek in Elkhart, Indiana from 1982 – 1987 achieving Audit manager status in April 1987, then to Family & Children's Center, Inc. from 1987 – 2002 as the Executive Vice President/CFO, then to Jurgonski & Fredlake CPAS from 2002 – 2012 as an Audit Manager achieving Partner status in 2010. – Currently CFO of Oaklawn Psychiatric Center in Goshen, Indiana.

I am a member of the American Institute of Certified Public Accountants and the Indiana Society of Certified Public Accountants.

CHARTER SCHOOL BOARD MEMBER INFORMATION

(To be completed individually by each proposed board member for the charter holder)

Serving on a public charter school board is a position of public trust and fiduciary responsibility. As a board member of a public school, you are responsible for ensuring the quality of the school program, competent stewardship of public funds, and the school's fulfillment of its public obligations and all terms of its charter.

As part of the application for a new charter school, the Indiana Charter School Board requests that each prospective board member respond individually to this questionnaire. Where narrative responses are required, brief responses are sufficient.

The purpose of this questionnaire is twofold: 1) to give application reviewers a clearer introduction to the founding group behind each school proposal in advance of the applicant interview, in order to be better prepared for the interview; and 2) to encourage board members to reflect individually as well as collectively on their common mission, purposes, and obligations at the earliest stage of school development.

Background

1. Name of charter school on whose Board of Directors you intend to serve:
   New school in St. Joseph County

2. Your full name: Ann Carol Nash

3. Brief educational and employment history. (No narrative response is required if resume is attached.)
   x Resume is attached.

4. Describe any of your previous experiences that are relevant to serving on the charter school's board (including other board experience, or any experience overseeing start-up or entrepreneurial ventures). If you have not had previous experience of this nature, explain why you have the capability to be an effective board member.
   I have served on the boards of the Samaritan Counseling Center, the Prince of Peace Church of the Brethren, the Indiana Association of Municipal Lawyers and the Northern Indiana Historical Society. I have an undergraduate degree in History with a certification in secondary education, including student teaching, and have taught at all levels from preschool to community college. I am on the Humanities Committee of the Northern Indiana Historical Society and concentrate on educational programs and working with schools. I previously served on the Marketing Committee. I was an Assistant City Attorney for the City of South Bend and coordinated classes on local government. I served as counsel to several public boards, including Century Center and the Board of Zoning Appeals.

5. Do you understand the obligations of a charter school's Board of Directors to comply with Indiana's Public Access laws, including the Open Door Law for Board meetings?
   x Yes ☐ Don't Know/ Unsure I handled requests for public records and advised the boards I served on open door law issues.

Disclosures

1. Indicate whether you or your spouse knows the other prospective board members for the proposed school. If so, please indicate the precise nature of your relationship.
   x I / we do not know any such trustees. ☐ Yes I do not know who the others are.

2. Indicate whether you or your spouse knows anyone who is doing, or plans to do, business with the charter school (whether as an individual or as a director, officer, employee or agent of an entity). If so, indicate and describe the precise nature of your relationship and the nature of the business that such person or entity is transacting or will be transacting with the school.
   x I / we do not know any such persons. ☐ Yes

3. Indicate if you, your spouse or other immediate family members anticipate conducting, or are conducting, any business with the school. If so, indicate the precise nature of the business that is being or will be conducted.
   x I / we do not anticipate conducting any such business. ☐ Yes

4. If the school intends to contract with an Education Service Provider or management organization, indicate whether you or your spouse knows any employees, officers, owners, directors or agents of that provider. If the answer is in the affirmative, please describe any such relationship.
   ☐ Not applicable because the school does not intend to contract with an education service provider or school management organization.
   x I / we do not know any such persons. ☐ Yes

5. If the school contracts with an education service provider, please indicate whether you, your spouse or other immediate family members have a direct or indirect ownership, employment, contractual or management interest in the provider. For any interest indicated, provide a detailed description.
   ☐ N/A. x I / we have no such interest. ☐ Yes

6. If the school plans to contract with an Education Service Provider, indicate if you, your spouse or other immediate family member anticipate conducting, or are conducting, any business with the provider. If so, indicate the precise nature of the business that is being or will be conducted.
   ☐ N/A. x I / we or my family do not anticipate conducting any such business. ☐ Yes

7. Indicate whether you, your spouse or other immediate family members are a director, officer, employee, partner or member of, or are otherwise associated with, any organization that is partnering with the charter school. To the extent you have provided this information in response to prior items, you may so indicate.
   x Does not apply to me, my spouse or family. ☐ Yes

8. Indicate any potential ethical or legal conflicts of interests that would, or are likely to, exist should you serve on the school's board. x None. ☐ Yes

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Certification

I, Ann Carol Nash, certify to the best of my knowledge and ability that the information I am providing to the Indiana Charter School Board as a prospective board member for the proposed St. Joseph County Charter School is true and correct in every respect.

Ann Carol Nash
Signature

July 28, 2014
Date

CHARTER SCHOOL BOARD MEMBER INFORMATION

(To be completed individually by each proposed board member for the charter holder)

Serving on a public charter school board is a position of public trust and fiduciary responsibility. As a board member of a public school, you are responsible for ensuring the quality of the school program, competent stewardship of public funds, and the school's fulfillment of its public obligations and all terms of its charter.

As part of the application for a new charter school, the Indiana Charter School Board requests that each prospective board member respond individually to this questionnaire. Where narrative responses are required, brief responses are sufficient.

The purpose of this questionnaire is twofold: 1) to give application reviewers a clearer introduction to the founding group behind each school proposal in advance of the applicant interview, in order to be better prepared for the interview; and 2) to encourage board members to reflect individually as well as collectively on their common mission, purposes, and obligations at the earliest stage of school development.

Background

1. Name of charter school on whose Board of Directors you intend to serve: Goodwill LEADS, Inc

2. Your full name: Robert R Staley

3. Brief educational and employment history. (No narrative response is required if resume is attached.)
   Resume is attached.

4. Describe any of your previous experiences that are relevant to serving on the charter school's board (including other board experience, or any experience overseeing start-up or entrepreneurial ventures). If you have not had previous experience of this nature, explain why you have the capability to be an effective board member. -
   a. I served as a school administrator in the public schools for 22 years. During this time, I made many presentations and interacted with our local school board. I also served on the South Bend Career Academy charter school board as one of the original board members. I was very involved in the process of starting the school as the only experienced school leader on the board. I am also the CEO of a non-profit organization (Crossing Educational Center) where I am responsible to facilitate monthly board meetings and facilitate standing committees. We have 16 boards in the state with over 160 board members.

5. Do you understand the obligations of a charter school's Board of Directors to comply with Indiana's Public Access laws, including the Open Door Law for Board meetings?
   Yes Don't Know/ Unsure

Disclosures

1. Indicate whether you or your spouse knows the other prospective board members for the proposed school. If so, please indicate the precise nature of your relationship.
   I / we do not know any such trustees. Yes I served on the SBCA board with James Summers

2. Indicate whether you or your spouse knows anyone who is doing, or plans to do, business with the charter school (whether as an individual or as a director, officer, employee or agent of an entity). If so, indicate and describe the precise nature of your relationship and the nature of the business that such person or entity is transacting or will be transacting with the school.

I / we do not know any such persons. Yes

3. Indicate if you, your spouse or other immediate family members anticipate conducting, or are conducting, any business with the school. If so, indicate the precise nature of the business that is being or will be conducted.
   I / we do not anticipate conducting any such business. Yes

4. If the school intends to contract with an Education Service Provider or management organization, indicate whether you or your spouse knows any employees, officers, owners, directors or agents of that provider. If the answer is in the affirmative, please describe any such relationship.
   Not applicable because the school does not intend to contract with an education service provider or school management organization.
   I / we do not know any such persons. Yes

5. If the school contracts with an education service provider, please indicate whether you, your spouse or other immediate family members have a direct or indirect ownership, employment, contractual or management interest in the provider. For any interest indicated, provide a detailed description.
   N/A. I / we have no such interest. Yes

6. If the school plans to contract with an Education Service Provider, indicate if you, your spouse or other immediate family member anticipate conducting, or are conducting, any business with the provider. If so, indicate the precise nature of the business that is being or will be conducted.
   N/A. I / we or my family do not anticipate conducting any such business. Yes

7. Indicate whether you, your spouse or other immediate family members are a director, officer, employee, partner or member of, or are otherwise associated with, any organization that is partnering with the charter school. To the extent you have provided this information in response to prior items, you may so indicate.
   Does not apply to me, my spouse or family. Yes

8. Indicate any potential ethical or legal conflicts of interests that would, or are likely to, exist should you serve on the school's board. None. Yes

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Certification

I, , certify to the best of my knowledge and ability that the information I am providing to the Indiana Charter School Board as a prospective board member for Charter School is true and correct in every respect.

Robert R Staley August 5, 2014

Signature Date

CHARTER SCHOOL BOARD MEMBER INFORMATION

(To be completed individually by each proposed board member for the charter holder)

Serving on a public charter school board is a position of public trust and fiduciary responsibility. As a board member of a public school, you are responsible for ensuring the quality of the school program, competent stewardship of public funds, and the school's fulfillment of its public obligations and all terms of its charter.

As part of the application for a new charter school, the Indiana Charter School Board requests that each prospective board member respond individually to this questionnaire. Where narrative responses are required, brief responses are sufficient.

The purpose of this questionnaire is twofold: 1) to give application reviewers a clearer introduction to the founding group behind each school proposal in advance of the applicant interview, in order to be better prepared for the interview; and 2) to encourage board members to reflect individually as well as collectively on their common mission, purposes, and obligations at the earliest stage of school development.

Background

1. Name of charter school on whose Board of Directors you intend to serve:
   Excel Center Goodwill LEADS Charter School

2. Your full name: **Debie M. Coble**

3. Brief educational and employment history. (No narrative response is required if resume is attached.)
   Resume is attached.

4. Describe any of your previous experiences that are relevant to serving on the charter school's board (including other board experience, or any experience overseeing start-up or entrepreneurial ventures). If you have not had previous experience of this nature, explain why you have the capability to be an effective board member.
   - ✓ ***President/CEO,*** *Goodwill Industries of Michiana, Inc., South Bend, IN November 12, 2013 to present*
   - ✓ ***Vice President, Workforce Development Services,*** *Goodwill Industries of Michiana, Inc., South Bend, IN 1996 to November 11, 2013*
   - ✓ ***Re-Entry Taskforce of St Joseph County****, Member of Steering Committee, 2009 to 2014*
   - ✓ ***Drug Court Advisory Board****, Board Member, 2007 to 2014*
     - *Chairperson, 2013 to present*
     - *Vice Chairperson, 2011 to 2012*
   - ✓ ***Family Justice Center****, Board Member, 2007 to 2010*
     - *Board Chairperson, 2009*
   - ✓ ***Bridges Out of Poverty****, Board Member, 2006 to 2012*

5. Do you understand the obligations of a charter school's Board of Directors to comply with Indiana's Public Access laws, including the Open Door Law for Board meetings?

   Yes – I understand.

Disclosures

1. Indicate whether you or your spouse knows the other prospective board members for the proposed school. If so, please indicate the precise nature of your relationship.

   Yes

2. Indicate whether you or your spouse knows anyone who is doing, or plans to do, business with the charter school (whether as an individual or as a director, officer, employee or agent of an entity). If so, indicate and describe the precise nature of your relationship and the nature of the business that such person or entity is transacting or will be transacting with the school.

   Yes

3. Indicate if you, your spouse or other immediate family members anticipate conducting, or are conducting, any business with the school. If so, indicate the precise nature of the business that is being or will be conducted.

   Yes – I will be overseeing the operation of the charter school.

4. If the school intends to contract with an Education Service Provider or management organization, indicate whether you or your spouse knows any employees, officers, owners, directors or agents of that provider. If the answer is in the affirmative, please describe any such relationship.

   Yes – Goodwill LEADS will be contracting with Goodwill Education Initiatives, Inc. to assist with support services for the school.

5. If the school contracts with an education service provider, please indicate whether you, your spouse or other immediate family members have a direct or indirect ownership, employment, contractual or management interest in the provider. For any interest indicated, provide a detailed description.

   I / we have no such interest.

6. If the school plans to contract with an Education Service Provider, indicate if you, your spouse or other immediate family member anticipate conducting, or are conducting, any business with the provider. If so, indicate the precise nature of the business that is being or will be conducted.

   I / we or my family do not anticipate conducting any such business.

7. Indicate whether you, your spouse or other immediate family members are a director, officer, employee, partner or member of, or are otherwise associated with, any organization that is partnering with the charter school. To the extent you have provided this information in response to prior items, you may so indicate.

   Does not apply to me, my spouse or family.

8. Indicate any potential ethical or legal conflicts of interests that would, or are likely to, exist should you serve on the school's board. **None**.

Certification

I, **Debie M. Coble**, certify to the best of my knowledge and ability that the information I am providing to the Indiana Charter School Board as a prospective board member for Excel Center Goodwill LEADS Charter School is true and correct in every respect.

Debie M. Coble

August 5, 2014

Attachment 7: Code of Ethics and Conflict of Interest Policies

The following code of ethics and conflict of interest policies have been adopted by the Board.

Goodwill LEADS, Inc.

Principles of Ethical Conduct/Conflict of Interest for Goodwill LEADS Board of Directors

August 4, 2014

Principles of Ethical Conduct

As a Board Member of Goodwill LEADS, Inc., I assume a public trust and recognize the importance of high ethical standards within the organization. Essential values and ethical behaviors I should exemplify include:

Commitment beyond self
Obedience of and commitment beyond the law
Commitment to the public good
Respect for the value and dignity of all individuals
Accountability to the public
Truthfulness
Fairness
Responsible application of resources

In keeping with these values, and to assist me in fulfilling my responsibilities, I subscribe to the following principles:

1. I will conduct myself and oversee Goodwill LEADS in a manner that upholds the integrity of both, and merits the trust and support of the public.

2. I will uphold all applicable laws and regulations, going beyond the letter of the law to protect and/or enhance Goodwill LEADS' ability to accomplish its mission.

3. I will treat others with respect, doing for and to others what I would have done for and to me in similar circumstances.

4. I will be a responsible steward of Goodwill LEADS' resources.

5. I will take no actions that could benefit me personally at the unwarranted expense of Goodwill LEADS, and I will disclose any possible conflicts of interest prior to voting on any issue.

6. I will carefully consider the public perception of my personal and professional actions, and the effect my actions could have, positively or negatively, on Goodwill LEADS' reputation in our communities.

7. I will strive for personal and professional growth to improve my effectiveness as a Board Member of Goodwill LEADS.

8. I will support and be an advocate for the vision, mission and values of Goodwill LEADS.

Conflict of Interest
Purpose

The purpose of the conflict of interest policy is to protect Goodwill LEADS, Inc.'s interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of Goodwill LEADS or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

Definitions

1. Interested Person
Any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

2. Financial Interest
A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

a. An ownership or investment interest in any entity with which Goodwill LEADS has a transaction or arrangement,

b. A compensation arrangement with Goodwill LEADS or with any entity or individual with which Goodwill LEADS has a transaction or arrangement, or

c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which Goodwill LEADS is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under Procedures, #2, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

Procedures

1. Duty to Disclose
In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

2. Determining Whether a Conflict of Interest Exists
After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

3. Procedures for Addressing the Conflict of Interest

a. An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

b. The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

c. After exercising due diligence, the governing board or committee shall determine whether Goodwill LEADS can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

d.If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in Goodwill LEADS' best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

4. Violations of the Conflicts of Interest Policy

a. If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

b. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Records of Proceedings

The minutes of the governing board and all committees with board delegated powers shall contain:

a. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.

b. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

Compensation

a. A voting member of the governing board who receives compensation, directly or indirectly, from Goodwill LEADS for services is precluded from voting on matters pertaining to that member's compensation.

b. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from Goodwill LEADS for services is precluded from voting on matters pertaining to that member's compensation.

c. No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from Goodwill LEADS, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Annual Statements

Each director, principal officer and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:

a. Has received a copy of the conflicts of interest policy,

b. Has read and understands the policy,

c. Has agreed to comply with the policy, and

d. Understands Goodwill LEADS is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Periodic Reviews

To ensure Goodwill LEADS operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

a. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.

b. Whether partnerships, joint ventures, and arrangements with management organizations conform to the Organization's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

Use of Outside Experts

When conducting the periodic reviews as provided for in Periodic Reviews section, Goodwill LEADS may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

If any allegations are made regarding my ethical conduct:

1. I will inform the Chairman of the Board as soon as I become aware of them.
2. I will assist the Board of Directors of Goodwill LEADS, Inc. in investigating the allegations against me.
3. I will refrain from making contact with the source of the allegation, in any manner, unless given permission to do so by the Board.
4. As per the Corporate Bylaws, I understand that I may be removed from service as a Board member if determined that I have breached my ethical conduct values, including an undisclosed conflict of interest, or if I refuse to cooperate in any investigation of alleged violations.

I shall comply with the terms hereof for the entire term of my service as a Board Member with Goodwill LEADS, Inc.

_____ At this time I have no conflict of financial interest to report.

_____ I have the following conflict of financial interest to report (please specify):

_____
Signature

_____
Printed Name

_____
Date

Witness: _____

Date: _____

Created: August 4, 2014
Revised and Adopted: August 5, 2014

Attachment 8: Education Service Provider Documentation

ESP Overview

The selected ESP is the Indiana Network of Independent Schools, LLC (INIschools), whose sole member is Goodwill Education Initiatives, Inc. (GEI), affiliated with Goodwill Industries of Central Indiana, Inc. (GICI) and operated under a nonprofit designation. GEI owns and operates one (1) traditional high school, The Indianapolis Metropolitan High School and nine (9) Excel Centers across Central Indiana. INIschools and GEI have also been asked to bring the Excel Center Model to other Goodwill territories outside Indiana. An Excel Center is opening in Austin, Texas in the fall of 2014 and another Excel Center has been approved to operate in Memphis, Tennessee. Organizations from many other states and cities have inquired about adopting The Excel Center Model to the needs of their communities. INIschools is responsible for managing the ten (10) schools owned by GEI and providing them with all educational and administrative services.

Since its founding in 1930, GICI has attempted to address the most pressing social needs in the central Indiana community. Throughout its history, GICI has provided opportunities for individuals with few vocational options to gain viable employment, whether directly through GICI or through referral elsewhere following skills training. GICI has recognized that it can add considerable value to the communities it serves by helping young people and adults who have struggled or failed in other educational settings to complete high school and attain a post-secondary degree or other recognized credential. GEI has created growth plans that aim to enroll potential students in communities across central Indiana (the "Excel Center" model). However, there remain some locations where other providers may be better equipped to implement the Excel Center model in a particular geographic area. In these locations, a local partner may be more effective in creating an Excel Center location by licensing the core model elements from GICI. This is particularly true when a proposed school is located a significant distance away from GICI's Indianapolis headquarters and outside of its territory.

Due to these reasons, GEI has developed a license option in order to extend The Excel Center model by partnering with capable and appropriate partner organizations. GEI's vision is to create a network of schools that leverages the collective expertise of school leaders, teachers and staff from all over the country. By participating in common online systems and in professional development, peer-to-peer sharing among teachers, school leaders and staff ideas will spread best practices from one community to others.

GICI has also determined that allowing non-GEI operated schools to leverage the administrative capacity of GEI, through INIschools, is consistent with its mission and will enable GICI and other Goodwills to expand their reach and make an even greater impact.

This core GEI growth plan accommodates service to non-GEI-controlled schools who wish to leverage the talent and administrative efficiency achieved through GEI's scale and reputation.

This ability to serve schools independent of GEI has been encouraged by charter school thought leadership throughout Indiana and this capacity and encouragement is what led to the formation of INIschools, which has been supported generously by the Walton Foundation.

INIschools provides high quality administrative services that enable school administrators to improve cost efficiency and focus on student achievement. These services include: performance analytics, financial management, state reporting and compliance, special education and ala carte or specialized service coordination.

INIschools currently provides these services to The Indianapolis Metropolitan High School and GEI's nine (9) Excel Centers. INIschools has also provided ala carte services such as IT services and human resource services (audit, process and procedures development) to four (4) non GEI schools. INIschools also provides finance and accounting services to one Indianapolis area charter school as well as performance analysis services to an additional thirteen (13) non-GEI schools across Indiana during the 2013-14 school year. INIschools has also been approved to provide full-scale school services to a new charter school, Francis Marion Academy, which was authorized by the Indianapolis Mayor's Office and scheduled to open in fall 2015.

Explanation of how and why the ESP was selected

GEI has opened nine (9) new locations in the last three (3) years - each time mobilizing teams of HR, finance, marketing and facilities management staff in order to prepare for new school openings. More importantly, GICI uses one of its key principles – continuous improvement – as a guide for how each location should open. GEI leaders are constantly looking for ways to improve processes and gain efficiencies in opening stores. With each new location The Excel Center has opened, the challenge and difficulty is slightly reduced. Processes have been refined based on lessons learned in prior implementations, and the number of support staff have increased in each location.

Goodwill Industries of Michiana is dedicated to improving the lives and economic opportunity of individuals in the communities it serves across northern Indiana. The Excel Center's name and educational model is owned by GEI. The new school(s) will adopt The Excl Center name under license from GEI and operate the school with fidelity to the school model 's core elements. The Excel Center school model has a proven record of success in central Indiana (please see application narrative for further details). Because of The Excel Center's proven track record of effectively serving adults, including young adults, no other ESP's were assessed. Also important in the Goodwill LEADS's decision to select INIschools, is that INIschools will not have a management role in the school's operations; it will be a vendor which only bills the school to recover its costs for the services it provides.

Term Sheet and Draft Proposed Management Contract

On the following pages, please find:

- Draft Licensing and Services Agreement

LICENSING AND SERVICES AGREEMENT

THIS LICENSING AND SERVICES AGREEMENT (this **"Agreement"**) is made and entered into as of _____, 2014 (the **"Effective Date"**) by and between **GOODWILL EDUCATION INITIATIVES, INC.,** an Indiana non-profit corporation with its principal offices located at 1635 W. Michigan St., Indianapolis, IN 46222 (**"Licensor"**), and **Goodwill Industries of Michiana, Inc.,** an Indiana non-profit corporation with its principal offices located at 1805 Western Ave., South Bend, IN 46619 **("Licensee"**) (each a **"Party,"** and collectively, the **"Parties"**).

RECITALS

WHEREAS, Licensee desires to use Licensor's Intellectual Property and Services in connection with the Licensee's operation of The Excel Center, an adult school located in St. Joseph County, Indiana (the "School") pursuant to the terms of this Agreement; and

WHEREAS, Licensor is able and willing to provide said Services as hereinafter set forth, pursuant to the terms of this Agreement;

NOW, THEREFORE, in consideration of the mutual covenants and understandings contained in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. DEFINITIONS.

i. "Confidential Information" means all information not generally known to the public, and not readily ascertainable through proper means by outsiders, including without limitation information constituting or comprising trade secrets and other Intellectual Property, private employee information, private student information, this Agreement, Licensed Content, Content Guidelines, or other information generally deemed to be of a private or personal nature in which the general public has no right of access under applicable state law , all as related to a Party's business. Confidential Information does not include information (i) previously known by the other Party, any of its officers, directors, employees, agents or representatives or (ii) disclosed to the other Party by any third person not under a duty not to disclose such information.

ii. "Content Guidelines" shall mean the Excel Center's content guidelines attached hereto as Appendix B, as may be amended or modified from time to time by Licensor.

iii. "Data Sharing Agreement" shall mean the Data Sharing and Access to License Agreement between Licensee and Indiana Network of Independent Schools, LLC attached hereto as Appendix E, as may be amended or modified from time to time by Licensor.

iv. "Intellectual Property" shall mean the following subsisting throughout the world: (a) Patents; (b) Trademarks and all goodwill in the Trademarks; (c) copyrights, designs, data and database rights and registrations and applications for registration thereof, including moral rights of authors; (d) inventions, invention disclosures, statutory invention registrations, trade secrets and confidential business information, Know-How, product processes, procedures and

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techniques, specifications, research and development information, formulae, financial, marketing and business data, pricing and cost information, business and marketing plans and strategies and customer and supplier lists and information, whether patentable or nonpatentable, whether copyrightable or noncopyrightable and whether or not reduced to practice; and (e) other proprietary rights relating to any of the foregoing.

v. "Know-How" shall mean all proprietary knowledge, information, and expertise, whether or not covered by any patent, patent application or future patent application, copyright, trade secret, other industrial or Intellectual Property rights, or other operation of law, including without limitation ideas, concepts, inventions, discoveries, data, samples, designs, formulas, specifications, procedures, protocols, and testing.

vi. "Licensed Content" shall mean (i) any and all Intellectual Property or Know How that Licensor makes available to Licensee; and (ii) any associated metadata, Intellectual Property or other information specifically included or incorporated in the foregoing. Licensed Content shall include, without limitation, the "EXCEL CENTER" trademark and related Trademarks, as well as curriculum maps, lesson plans, and other materials related to the Excel Center Model.

vii. "Licensing and Services Payment" shall mean the payment of compensation by Licensee for the Services and the Licensed Content pursuant to the schedule in Appendix C .

viii. "Patents" shall mean all patents, all filed or pending patent applications, patent disclosures, utility models, design registrations and certificates of invention and other governmental grants for the protection of inventions or industrial designs, including all related continuations, continuations-in-part, divisionals, reissues and reexaminations and foreign counterparts throughout the world.

ix. "Services" shall mean the services described on Appendix A.

x. "Technology Services" shall mean the Services related to the data warehouse and dashboards described in Section 4 of Appendix A .

xi. "Trademarks" means and includes all trademarks and service marks, trade names, trade dress, logos, symbols, proprietary indicia, Internet domain names, corporate names and doing business designations (and all translations, adaptations, derivations and combinations of the foregoing), whether registered, unregistered and/or under common law, and applications for registration of the foregoing, together with the goodwill associated therewith, throughout the world.

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2. REPRESENTATIONS AND WARRANTIES.

i. Organization, Good Standing and Corporate Power. Licensor and Licensee hereby represent and warrant to each other that each is a corporation duly organized and validly existing and has all corporate power and authority required (a) to carry on its business as presently conducted and as presently proposed to be conducted and (b) to execute and perform its obligations under this Agreement.

ii. Compliance with Other Instruments and Laws. Licensor and Licensee hereby represent and warrant to each other that each is not in violation or default (a) of any judgment, order, writ or decree of any court or governmental entity, (b) under any agreement, instrument, contract, lease, note, indenture, mortgage or purchase order to which it is a party, or, (c) to its knowledge, of any provision of federal or state statute, rule or regulation materially applicable to it, including without limitation the Family Educational Rights and Privacy Act (**"FERPA"**), set forth in Title 20 U.S. Code Section 1232(g) and its regulation at Title 34 CFR Part 99 (as amended). Further the Parties each hereby represent and warrant that the execution and performance of this Agreement will not result in any such violation or default, or constitute, with or without the passage of time and giving of notice, either (i) a default under any such judgment. order, writ, decree, agreement, instrument, contract, lease, note, indenture, mortgage or purchase order or (ii) an event which results in the suspension, revocation, forfeiture, or nonrenewal of any material permit or license applicable to it.

iii. Necessary Support. Licensee hereby represents and warrants that it will use commercially reasonable efforts to secure the necessary financial and community support to implement the Excel Center model as provided in this Agreement and that it has or will apply for the necessary permits, licenses, authorizations and governmental approval to operate the School pursuant to the terms of this Agreement.

3. LICENSE GRANT AND RESTRICTIONS.

i. As of the Effective Date, and subject to the terms and conditions of this Agreement, Licensor hereby grants to Licensee a non-transferable, non-sublicenseable and non-exclusive license to use, reproduce and display the Licensed Content solely in connection with its use of the Excel Center model in the School. The Licensed Content shall only be used in compliance with the Content Guidelines. Licensor reserves the sole and exclusive right at its discretion to assert claims against third parties for infringement or misuse of its Intellectual Property. Licensor shall fund the costs of prosecuting such claims against third parties for infringement or misuse of its Intellectual Property, and Licensee shall provide reasonable assistance to and cooperate with Licensor in connection therewith as may be necessary. If Licensor elects to initiate any action or proceeding in connection with the Licensed Content, it may do so in its own name alone or may elect to join Licensee as a party. In the event that Licensor joins Licensee as a party, Licensee shall not object to such joinder, provided, however, Licensor shall indemnify and hold Licensee harmless from and against any and all costs, expenses (including reasonable attorneys' fees), and liabilities that Licensee may incur in connection with such action or proceeding.

ii. Licensee expressly agrees and acknowledges that Licensor retains any and all right, title and interest in all of Licensor's Intellectual Property and other rights, including but not limited to

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the Licensed Content and Licensor's Trademarks and all components thereof, and that Licensee shall never directly or indirectly contest this ownership or the validity of Licensor's Intellectual Property. Licensee shall assist and cooperate with Licensor to perfect, enforce or acquire Licensor's rights, titles and interests in Licensor's Intellectual Property, and shall use its best efforts to protect Licensor's Intellectual Property and to report promptly to Licensor any infringement of any of Licensor's Intellectual Property of which it has become aware. The license granted herein is not intended to be (and shall not be construed as) an assignment, and nothing herein confers on Licensee any right, title or interest in the Licensed Content other than the limited rights of usage in accordance with this Agreement.

iii. Licensee shall at no charge to Licensor provide Licensor with samples, copies or pictures of any and all goods, packaging, documentation, manuals, advertising, marketing or other materials that bear any of the licensed Trademarks or that Licensee intends to use or distribute in connection with the licensed Trademarks. Licensee agrees that the quality of any goods and services with which it uses the licensed Trademarks shall be comparable to the quality of goods and services with which Licensor uses the licensed Trademarks, including but not limited to Licensee's compliance with the Content Guidelines.

iv. In the event that (a) there is a claim or demand made against Licensor or Licensee with respect to any Licensed Content, or (b) there is a determination in any court of competent jurisdiction or by any other governing authority that Licensor lacks any necessary rights to Intellectual Property included in the Licensed Content, or (c) Licensor reasonably believes that it may be unable to obtain or maintain the right to use Intellectual Property included in the Licensed Content, or (d) Licensor reasonably believes that the use of Intellectual Property included in the Licensed Content could subject Licensor or Licensee to a claim for infringement or any other liability, Licensor may notify Licensee in writing that it is terminating or modifying Licensee's right to use the relevant Intellectual Property. In the event of such a notice of termination or modification, Licensee shall be permitted a reasonable period of time, not to exceed thirty (30) days, to comply with such notice. Licensee shall be solely responsible and liable for any claim, demand, penalty or damages arising from its continued use of any Intellectual Property after this period of time and shall indemnify and hold Licensor harmless from and against any and all costs, expenses (including reasonable attorneys' fees), and liabilities that Licensor might incur as a result of such continued use.

4. ASSIGNMENT OF DERIVATIVE WORKS. Licensee agrees to assign and hereby assigns to Licensor all Intellectual Property or other rights in any derivative works of, improvements in, or developments of the Licensed Content or other materials Licensor provides to Licensee related to the Excel Center model. Licensee agrees to include work-for-hire and assignment provisions in all employee or independent contractor contracts requiring individuals with access to the Licensed Content or other materials provided by Licensor related to the Excel Center model to assign all Intellectual Property or other rights in any derivative works of, improvements in, or developments of the Licensed Content or other materials Licensor provides to Licensee related to the Excel Center model to Licensor. Licensee and Licensor expressly agree that all derivative works, improvements and developments related to the Licensed Content or other materials Licensor provides to Licensee related to the Excel Center model that are copyrightable subject matter will be "works made for hire" for the benefit of Licensor under applicable law. Licensee waives any moral or attribution rights in any derivative works of,

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improvements in, or developments of the Licensed Content or other materials Licensor provides to Licensee related to the Excel Center model. Licensee waives and/or assigns to Licensor all Intellectual Property or other rights to non-student specific data, scores, assessments or other information developed, compiled, collected, transmitted, aggregated or created for the School related to the Excel Center model or the Services described on Appendix A .

5. SERVICES. Licensee hereby engages Licensor on the terms and conditions hereinafter set forth to provide the Services to Licensee, and Licensor hereby agrees to provide the Services to Licensee. Licensee agrees and acknowledges that certain services may be performed by entities affiliated or controlled by Licensor, including but not limited to the Technology Services provided through Indiana Network of Independent Schools, LLC pursuant to and solely in compliance with the Data Sharing Agreement. Licensee agrees that the foregoing appointment is exclusive and that it will obtain Licensor's written consent prior to engaging any person or entity in connection with any services that are materially similar in any fashion to the Services (which consent may be withheld in the Licensor's sole discretion). Licensee agrees that Licensor shall have a right of first refusal to perform Services for any subsequent schools that use The Excel Center model or any of its Intellectual Property being contemplated by Licensee during the term of this Agreement, and shall provide Licensor with written notice of its intent to operate or manage any additional schools, including the locations, estimated enrollments, anticipated curricula and any other material features of the schools, at least 180 days prior to commencing such operation or management. Nothing in the foregoing shall be construed to limit Licensor from offering other services to Licensee, the School, or any other person or entity.

6. LICENSEE OBLIGATIONS.

i. Payment. Licensee shall be responsible for making the Licensing and Services Payment as described in Appendix C. If the Licensing and Services Payment is not paid in full within the timeframes established in Appendix C. without limiting Licensor's other remedies under this agreement or at law or in equity, Licensor reserves the right to add a late charge of 1% per month of the amount due, but not greater than permitted by law.

ii. Operation and Minimum Requirements. Licensee acknowledges that it will be required to provide, at its own expense all facilities, technology, staffing, and other materials and resources necessary for the formation and operation of the School except for the materials and resources being provided by Licensor under this Agreement. Licensee will establish, operate and manage the School according to any required ethical standards and consistent with the Content Guidelines. Licensee agrees that it will use commercially reasonable efforts to operate the School to meet the Content Guidelines and the minimum operating requirements set forth in Appendix D to this Agreement.

iii. Cooperation. Licensee shall cooperate with Licensor to ensure the successful implementation of the Excel Center model and use of the Licensed Content. Licensee shall notify Licensor in writing prior to communicating with current employees or contractors of Licensor regarding potential employment, contracting, or any other business relationship. Licensee shall cooperate with Licensor in any transfer or use of Licensor's employees or contractors.

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iv. Data Sharing Agreement. Licensee shall execute the Data Sharing Agreement as of the Effective Date.

v. Data Collection. Licensee shall facilitate the collection of performance information, records, statistics, reports and other data for use in evaluating the effectiveness of the School and other Excel Center schools, supporting grant applications and other financing, and conducting research and academic work. Licensee shall take commercially reasonable steps to comply with applicable privacy, intellectual property and other laws and regulations, including without limitation FERPA, in the collection of any and all performance information, records, statistics, reports and other data and any transmission thereof, including without limitation transmission to Indiana Network of Independent Schools, LLC pursuant to the Data Sharing Agreement. Licensee hereby agrees to use commercially reasonable efforts to transmit and use such performance information, records, statistics, reports and other data outside the scope of the Data Sharing Agreement in compliance with any Intellectual Property rights or privacy requirements, including without limitation FERPA. Licensee agrees to indemnify and hold Licensor harmless with respect to any liability arising out of the use of such performance information, records, statistics, reports and other data.

vi. Provision of Materials. Licensee shall provide educational materials it develops related to the Licensed Content or the Excel Center model to Licensor. Licensee shall take commercially reasonable steps to comply with applicable privacy, intellectual property and other laws and regulations in the creation and provision of such materials to. Licensee agrees to indemnify and hold Licensor harmless with respect to any liability arising out of the use of such materials.

vii. Charter. In the event Licensee receives a charter from the Indiana Charter Board to operate the School, Licensee shall at all times remain legally responsible to the Indiana Charter Board for the operations and management of the School and for ensuring that the terms and conditions of such charter are satisfied.

7. LICENSOR OBLIGATIONS.

i. Cooperation. Licensor shall cooperate with Licensee to ensure the successful implementation of the Excel Center model and use of the Licensed Content. In the event Licensee notifies Licensor in writing regarding potential employment of Licensor's employees or contractors, or any other business relationship, Licensor will cooperate with Licensee in any transfer or use of Licensor's employees or contractors.

ii. Delivery. Subject to the terms of this Agreement and compliance therewith, Licensor will: (a) provide the Licensed Content and the Services to Licensee in accordance with this Agreement; (b) provide reasonable training to Licensee's employees and contractors necessary or appropriate to ensure successful implementation and operation of the Licensed Content and Services; and (c) use commercially reasonable efforts to give Licensee prior notice of any new major release of Licensed Content. Licensor may continue developing and testing improvements to the Licensed Content and Services. For no additional charge, Licensor will promptly provide to Licensee for use, new updates to the Licensed Content and Services and any other enhancements to the Licensed Content and Services as and when they become available for distribution to Licensor's other customers.

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iii. Support. Licensor will be solely responsible for and will provide support for Licensed Content and Services to Licensor and its employees and contractors, including personal and telephone assistance when necessary. Upon the occurrence of a problem with the Licensed Content or Services, Licensee will promptly notify Licensor. Licensor will perform all related initial problem analysis, diagnosis, and replication of the problem at Licensee location. Only Licensee support personnel may contact Licensor for technical support. Licensor will provide (a) support during normal business hours; (b) the name, email and phone number for support; and (c) training materials, which shall include access to Licensor's forums and any additional support materials at no additional charge to Licensee. Licensor will provide training and support only during Licensor's regular business hours.

iv. Other requirements.

(a) In the event Licensor, its employees or contractors have direct, ongoing contact with children at Licensee's School within the scope of their employment, they shall be subject to the same criminal background requirements applicable to Licensee.
(b) Licensor shall comply with all applicable law and applicable terms and conditions of a charter between Licensee and its authorizer.
(c) Licensor agrees that Licensee shall be the sole recipient of all public funds that are disbursed to fund the operations of the School and all other funds to which the Licensee or School is entitled.

8. TERM AND TERMINATION.

i. This Agreement shall be effective as of the Effective Date, continue for an initial term of five years or the initial term of Licensee's charter, whichever is longer and automatically renew for additional one-year terms annually thereafter unless notice of non-renewal is provided by one Party to the other Party, no later than 90 days prior to the then current initial or renewal term, and subject to the termination provisions set forth herein.

ii. Licensor may terminate this Agreement following its initial five-year term or any subsequent one-year term by notifying Licensee in a written notice of non-renewal no later than 90 days prior to the expiration of the initial term or any subsequent one-year term. Licensor may terminate this Agreement, including any license granted by Licensor herein, or any rights granted by Licensor with respect to any Licensed Content, at any time in the event of a breach by Licensee of a warranty, representation or obligation under this Agreement, or breach of a term or restriction applicable to the Licensed Content or to this Agreement, with respect to which Licensor believes Licensee has not taken adequate steps to cure following 30 days written notice from Licensor or which Licensor believes may not be cured within 60 days of written notice from Licensor. Notwithstanding the foregoing, Licensor may immediately terminate this Agreement, including any license granted herein or rights granted by Licensor with respect to any Licensed Content, if Licensee (a) fails to obtain or maintain a sufficient comprehensive general liability insurance policy as defined by the Indiana State Charter School Board; (b) files a petition in bankruptcy or is adjudicated as bankrupt or insolvent, or if a receiver is appointed for Licensee or for Licensees business; (c) discontinues its operations or ceases to use the

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Licensed Content, (d) is in material breach of any term not reasonably subject to cure, (e) has its operations come under the direction or control of personnel other than the person serving as school director as of the Effective Date, unless said personnel have been pre-approved in writing by Licensor, which approval shall not be unreasonably withheld; (f) fails to maintain its tax-exempt status under Internal Revenue Code 501(c)(3), (g) loses its charter, (h) fails to comply with the Content Guidelines, or (g) fails to comply with the Data Sharing Agreement.

iii. Licensee may terminate this Agreement following its initial five-year term or any subsequent one-year term by notifying Licensor in a written notice of non-renewal no later than 90 days prior to the expiration of the five-year term or any subsequent one-year term. Licensee may terminate this Agreement, including any license granted by Licensor herein, or any rights granted by Licensor with respect to any Licensed Content, at any time in the event of a material breach by Licensor of a warranty, representation or obligation under this Agreement, or breach of a term or restriction applicable to the Licensed Content or to this Agreement, with respect to which Licensee believes Licensor has not taken adequate steps to cure following 30 days written notice from Licensee. Notwithstanding the foregoing, Licensee may immediately terminate this Agreement, including any license granted herein or rights granted by Licensor with respect to any Licensed Content, if Licensor (a) files a petition in bankruptcy or is adjudicated as bankrupt or insolvent, or if a receiver is appointed for Licensor or for Licensor's business; (b) discontinues its operations or ceases to license the Licensed Content, (c) is in material breach of any term not reasonably subject to cure. (d) is notified by its charter authorizer that this Agreement or its implementation serves as grounds for revocation under the charter between such authorizer and Licensee, jeopardizes the tax exempt or nonprofit status of Licensee, creates adverse tax consequences for Licensee, or would cause Licensee to be in violation of applicable law. Notwithstanding the foregoing, Licensee may immediately terminate this agreement if Licensee or any of its affiliates no longer maintain a charter for providing educational services in form and relevant substance similar to the Excel Center model.

iv. Licensee may terminate this Agreement in the event Licensor fails to meet applicable performance criteria outlined in the Accountability Plan between Licensee and the Indiana Charter Board.

v. The parties may terminate this Agreement at any time by mutual written agreement.

vi. Upon termination of this Agreement, the license granted hereunder shall terminate immediately and Licensee shall within 10 days permanently remove and destroy or otherwise make unavailable for future use all such Licensed Content and return to Licensor any property, including Intellectual Property, belonging to Licensor. No termination of this Agreement shall affect any accrued rights or obligations of either Party as of the effective date of such termination, nor shall it affect any rights or obligations of either Party that are intended by their nature to survive any such termination.

9. SURVIVAL BEYOND TERMINATION. Notwithstanding any expiration or termination of this Agreement, Licensee shall never directly or indirectly contest this ownership or the validity of Licensor's Intellectual Property and will continue to honor the Confidentiality (Section 13) provisions of this Agreement. For avoidance of doubt, the assignments and waivers

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in Section 4 of this Agreement are irrevocable and shall not be affected by any expiration or termination of this Agreement.

10. AUTHORITY TO SUBCONTRACT. Licensor may subcontract any function or service it is obligated to provide hereunder, provided, however, that (i) Licensee approves of such subcontractor (which approval shall not be unreasonably withheld) and (ii) no such subcontract shall relieve or discharge Licensor from any obligation or liability under this Agreement.

11. AUTHORITY OF THE LICENSEE'S BOARD OF DIRECTORS. Licensee and Licensor agree that no provision of this Agreement shall be construed to interfere with the duty of Licensee's Board of Directors (the **"Board"**) to exercise its statutory, contractual, and fiduciary responsibilities in governing Licensee and overseeing the activities of Licensor conducted pursuant to this Agreement.

12. INDEPENDENT CONTRACTOR. The Parties hereto are independent contractors, and nothing in this Agreement shall be construed as creating an agency, partnership, joint venture or any other form of legal association between the Parties.

13. CONFIDENTIALITY. This Agreement creates a relationship of confidence and trust between the Parties with respect to any Confidential Information, as defined above, applicable to the Confidential Information disclosed by a Party (the "disclosing Party") to the other Party (the "receiving Party") in connection with this Agreement. Each Party hereby covenants and agrees that, except as expressly permitted by this Agreement, it will not at any time: (i) use Confidential Information of the disclosing Party except as reasonably required to comply with the terms of this Agreement; or (ii) disclose Confidential Information of the disclosing Party to any third party, without the prior written authorization of the disclosing Party. Furthermore, without limiting the foregoing, each receiving Party will at all times protect the disclosing Party 's Confidential information with the same degree of care, but no less than a reasonable degree of care, as it treats or protects its own confidential information of a like nature. If a receiving Party becomes legally required to disclose the other Party's Confidential Information, or any part thereof, then it will give the disclosing Party prompt notice of such requirement, cooperate with the disclosing Party to the extent reasonable in taking legally available steps to narrow such required disclosure and disclose only that portion of the Confidential Information necessary to ensure compliance with such legal requirement. In the event of any breach or threatened breach of this provision, the disclosing Party will be entitled to seek an injunction restraining the receiving Party from using or disclosing such Confidential Information in addition to any other remedy, at law or equity, that may be available to the disclosing Party. Unless specifically identified for use and distribution outside of the School, all Licensed Content are deemed to be the Confidential Information of Licensor.

14. LIMITATION OF LIABILITY. In no event will Licensor's liability to Licensee arising out of or related to this Agreement or the license or the Services provided hereunder, whether based on an action or claim in contract or tort or otherwise, including negligence, strict liability, or warranty, exceed the compensation Licensor receives for the license or the Services provided under this Agreement during the most-recent 12-month period. In no event will Licensor be liable to Licensee for any indirect, incidental, special or consequential damages (including,

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without limitation, any damages arising from loss of use or lost business, revenue, profits, data or goodwill) arising out of or related to this Agreement or the license or the Services provided hereunder even if advised of the possibility of such damages.

> LICENSOR WARRANTS TO LICENSEE ALONE THAT ANY SERVICES PROVIDED BY LICENSOR HEREUNDER WILL BE PERFORMED IN A PROFESSIONAL AND WORKMANLIKE MANNER IN ACCORDANCE WITH GENERALLY ACCEPTED INDUSTRY STANDARDS. EXCEPT AS EXPRESSLY PROVIDED FOR IN THIS SECTION, LICENSOR DOES NOT MAKE ANY WARRANTY, EXPRESSED OR IMPLIED, WITH RESPECT TO THE LICENSED CONTENT, SERVICES OR ANY GOODS PROVIDED UNDER THIS AGREEMENT, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR TITLE, ALL OF WHICH ARE EXPRESSLY DISCLAIMED.

15. INDEMNIFICATION. Licensor agrees to fully indemnify, defend and hold harmless Licensee from and against any and all losses, claims, assessments, demands, damages, liabilities, obligations, costs and expenses, including without limitation losses arising from third party claims (including such claims arising under any federal, state or other statutes, regulations, ordinances, or common law, together with reasonable attorneys' fees and costs) (collectively **"Losses"**), arising from or in connection with (i) breach of this Agreement by Licensor; and/or (ii) violation of any law or third party right by Licensor, including the Licensed Content's infringement of the Intellectual Property rights and/or any other right of any third party. Licensee agrees to fully indemnify, defend and hold harmless Licensor and its affiliates, employees, agents and their respective successors and assigns from and against any and all Losses arising from or in connection with (i) breach of this Agreement or the license by Licensee; and/or (ii) infringement of the Intellectual Property rights by Licensee.

16. GOVERNING LAW. This Agreement shall be governed by and construed in accordance with the laws of the State of Indiana, without regard to Indiana conflict of laws principles.

17. SEVERABILITY. Should any provision of this Agreement prove to be invalid, void or illegal, it shall in no way affect, impair or invalidate any other provision hereof and such other provision shall remain in full force and effect.

18. MODIFICATION OR AMENDMENT. No amendment, change, or modification to this Agreement shall be valid unless it is in writing and signed by both Parties.

19. ASSIGNMENT. No Party may assign its rights or obligations under this Agreement (whether by operation of law or otherwise) without the prior written consent of the other Party, which consent shall not be unreasonably withheld, provided however, that Licensor may assign this Agreement and its rights and obligations hereunder to any successor to its business by merger or consolidation or to any person or entity acquiring substantially all of Licensor's assets.

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20. MERGER AND INTEGRATION. This Agreement and exhibits attached hereto are the final understanding between the Parties and supersede all other agreements, negotiations and understandings, oral or written, between the Parties involved.

21. MULTIPLE COUNTERPARTS. This Agreement may be executed in several counterparts, all of which taken together shall constitute one single Agreement between the Parties.

(signature page to follow)

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* * *

IN WITNESS WHEREOF, Licensee and Licensor have caused this Agreement to be executed as of the day and year first above written.

FOR LICENSOR	**FOR LICENSE**
Signature	Signature
Name and Title	Name and Title
Date	Date

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APPENDIX A: SERVICES

Services include Licensor's monitoring of the implementation of the Licensed Content through the School's educational programs, Head of School and staff, as well as a reasonable amount of assistance in connection with the administration of the School's business affairs, including the following:

1. **New School Planning Assistance**

- Licensor will help Licensee prepare and present its application for charter school to Licensee's selected authorizer
- One Hosted tour for leadership and planning team to existing Excel Center school (maximum 10 participants)
- Access to Licensor's materials describing the framework of the Excel Center model, principles and design elements
- Option to attend Excel Center annual conference with leadership from other schools
- Licensor consultation in selecting School leadership and hiring of School team
- Licensor provided assessment of School's proposed technology for compatibility
- Licensor's on-site assessment of School's commitment and capacity to implement

2. **Start-Up Year Assistance**

- Licensor assists Licensee with the planning to open the School
- Licensor continues to consult with Licensee in hiring of Licensee's School leadership and educators
- Licensor assists Licensee in acquiring financial accounting software and handling all school accounting and financial reporting in a manner consistent with the requirements set forth in any charter agreement between Licensee and its authorizer
- Licensor assists in set up of Excel Center systems that will provide resources for school operations including working with state data system and mapping fields of state data system to Excel Center data warehouse
- Training on Excel Center systems
- Training on how to run an Excel Center according to the Excel Center model and best practices for implementing the model
- Providing curriculum maps and lesson plans based on the Excel Center model
- Participation in the annual Excel Center conference for School leadership and select teachers (no travel expenses)
- Ongoing support for School leadership on planning, teacher development, board development, and technology development and individually for each teacher on Excel Center practices and system
- Use and distribution of nationally-developed Excel Center marketing and promotional materials

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3. **Later Years**

- Participation in the annual Excel Center conference for School leadership and select teachers (no travel expenses)
- Facilitating acquisition of Excel Center principles and practices, communication among teaching staff around subject, course or other support topics, and support for curriculum development
- Maintaining all school accounting and financial reporting
- Providing additional curriculum maps and lesson plans based on the Excel Center model
- Limited support and training on Excel Center systems
- Use and distribution of nationally-developed Excel Center marketing and promotional materials

4. **Technology Services Provided Pursuant to Data Sharing Agreement**

- Access and connections to the Excel Center data warehouse to accurately assess current performance and assist in future planning (one login per educator and administrator)
- Access to dashboard reports to track performance based on data uploaded to the Excel Center data warehouse through School's interoperable information technology
- Access to curriculum resources and lesson plans based on the Excel Center model
- Access to additional classroom materials and resources for teachers and administrators based on the Excel Center model

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APPENDIX B: CONTENT GUIDELINES

Use of the Licensed Content under this Agreement shall comply with the following guidelines and quality control provisions (as modified from time to time by Licensor in its sole discretion):

1. All use of the Licensed Content licensed under this Agreement shall inure solely to the benefit of, and on behalf of, Licensor and Licensee during the term of this Agreement.

2. Licensee shall not use or apply to register any intellectual Property that incorporates, includes, is a derivative of, or would tend to dilute any Licensor Intellectual Property without the prior written approval of Licensor. Licensee shall not apply for registration of any Licensor Trademark or for any Trademark or other designation that Licensor believes, in good faith, to be confusingly similar to or to dilute the distinctiveness of any Licensor Trademark, including without limitation, "EXCEL CENTER."

3. Licensee shall not transfer, sublicense or permit any third party the right to use any of the Licensed Content, in whole or in part, without the prior written approval of the Licensor.

4. Licensee shall use commercially reasonable efforts to comply with, and be committed to, Licensor's standards and minimum operating requirements as defined in Appendix D.

5. Licensee agrees that the nature and quality of all educational activities undertaken at the School and in connection with the Licensed Content shall conform in all material respects to the standards set by Licensor. Licensee agrees that these standards may include performance requirements related to enrollment, retention, credit attainment, state assessment performance, graduation, college and career readiness, school accountability, and other school-specific factors. Licensee agrees that Licensor may require quality control tests and standards of financial viability, and shall have the sole right to determine in its reasonable discretion whether the Licensee's use of the Licensed Content is satisfactory.

6. Licensee shall use commercially reasonable efforts to comply with all applicable laws relating to the implementation, performance, production, promotion or distribution of any products or services related to the School.

7. Licensee shall use commercially reasonable efforts to comply in all material respects with all applicable laws relating to the privacy of its students" and teachers' data and information, including without limitation FERPA.

8. Licensor or its authorized representatives shall have the right, at any time and from time to time, to visit and inspect the School, and Licensee shall allow Licensor or its authorized representatives to review and observe Licensee's programs, budgets, procedures, operations and all educational activities undertaken at the School and in connection with the Licensed Content; provided such review and observation does not unduly obstruct or interrupt School's or Licensee's usual and customary activities.

9. Licensee shall participate in and cooperate with a multi-day formal school evaluation conducted from time to time by a team designated by Licensor. This evaluation team will assess

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the quality of Licensee's academic program and its compliance with Licensor's standards and philosophy of education as set forth in the Licensed Content.

10. Licensee shall maintain complete records of its activities and allow Licensor or its designee to review and inspect such records to confirm Licensee's compliance with this Agreement upon reasonable prior notice and during normal business hours.

11. Licensee shall collect and maintain data on the academic achievement level of its students sufficient to allow Licensor to evaluate the progress of these students and the effectiveness of the Licensee's educational activities, including maintaining an accurate and up-to-date record of student and teacher performance with information technology interoperable with and mapped to the Excel Center data warehouse. Said data shall include, but not be limited to, enrollment data, retention data, data on student credit attainment, graduation rates, college and career readiness data, appropriate and timely longitudinal data on the academic achievement level of its students using state-mandated criterion-referenced tests, commercially available standardized tests. and/or other similar assessment tools requested by Licensor. and state school accountability information. Licensee shall promptly record such data and test results in Excel Center systems and provide any and all of the above-referenced data and test results to Licensor upon availability and Licensor's request.

12. Licensee shall use commercially reasonable efforts to record, respond to and resolve any unsatisfactory reviews from the School's charter authorizer, and shall provide Licensor, upon request, with full information and access to documents relating to any such reviews.

13. Licensee shall use commercially reasonable efforts to record, respond to and resolve any complaints by students, teachers, or their representatives regarding all educational activities undertaken at the School and in connection with the Licensed Content, and shall provide Licensor, upon request, with full information and access to documents relating to any such complaints that are, or have been, subject to review by Licensee.

14. Licensee shall submit reasonable and necessary additional information related to all educational activities undertaken at the School and in connection with the Licensed Content to Licensor at its request, unless otherwise prohibited by law.

15. Licensee must promptly seek approval from Licensor for any proposed material change in its programs or educational activities, its use of the Licensed Content, or of any change in its governance.

16. Licensee shall promptly implement and follow school-improvement recommendations from Licensor.

If Licensor determines, in its reasonable discretion, that Licensee has failed to comply with any of the above provisions, Licensor may notify Licensee and require it to take corrective and/or remedial action. Such notice and requirement may include any action that Licensor deems reasonably necessary for Licensee to comply with the provisions of this Agreement, including but not limited to alterations or additions to all educational activities undertaken at the School and in connection with the Licensed Content, including the School's leadership and management structure. With respect to a determination by Licensor that Licensee does not comply with the

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provisions of this Agreement, Licensor will provide school-improvement recommendations and consultation, including performance goals to be met in the next school term. Upon a subsequent determination by Licensor that Licensee has not taken adequate steps to implement corrective action within two school terms, Licensor may require new School leadership or other structural changes to the School. Upon a determination by Licensor that Licensee has not taken adequate steps to implement corrective action within four school terms, Licensor may unilaterally terminate this Agreement.

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APPENDIX C: PAYMENT SCHEDULE

Licensee shall pay Licensor Start-up Fees to assist in school opening and Annual Fees for each school year beginning in year 1 during the term of this Agreement as set forth below.

Start-up Fees: A total of $50,000.

- $25,000 will be payable within 30 days following the acquisition of a charter
- $25,000 will be payable within 30 days of the first day of school of the school's first year.

Annual Fees: In Year 1 of school operation, 14.5% of the Education Revenue (defined below) received by Licensee for the School through state and local government funding sources. In Years 2 through 5 of school operation(s) the fee shall be the lesser of 14.5% of Education Revenue or $320,000 per each School site operated under charter by Licensee. Such payment is due no later than 30 days from Licensee's receipt of Education Revenue.

The parties agree to negotiate the Annual Fee for renewal terms of this Agreement in good faith. Such Annual Fee shall be set in a manner that is reflective of the cost to Licensor of the Services provided under this Agreement. "Education Revenue" consists of the funding that Licensee receives to operate certain charter schools for adults as defined by Indiana Code 20-24-7-13.5.

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APPENDIX D: MINIMUM OPERATING REQUIREMENTS

In addition to the requirements, representation and warranties contained in the Agreement, Licensee commits to use commercially reasonable efforts to implement the following minimum requirements while transitioning to and using the Excel Center model at the School.

1. **Facilities**

- School facilities are physically separate from other schools, even if they share a single building. School will provide on-site childcare for students who take care of young children.
- The school has classroom space for face-to-face instruction.
- School has fully functioning information technology capable of stably interfacing with the Excel Center systems.
- School has an identified information technology point of contact responsible for implementing the Technology Services and support the School.

2. **Instruction**

- All courses will be based on the Excel Center model and comply with the Content Guidelines.
- Courses will meet all state requirements.
- School will have a full-time school leader with staffing authority.
- School management will conduct regular data reviews to evaluate student performance, program effectiveness, and comparisons with other Excel Center schools.
- School management will rigorously evaluate staff and provide structured feedback to improve the staffs performance, including measures of student learning.
- School will have sufficient teachers and coaches for face-to-face student instruction , maintaining a student:teacher full-time employee ratio of no less than 60:1 and a student:staff full-time employee ratio of no less than 25:1.
- School will provide specific training to teachers and coaches on the Excel Center model.
- School will have a coaching program to identify student barriers and keep students engaged.
- School will provide time, facilities and staff necessary for weekly one-on-one meetings between students and staff
- School will have a career and college transition center with staff sufficient to support students in career pathways, postsecondary education, and credentialing opportunities.
- School will provide a multi-day orientation for new students to learn about the School, its culture and its expectations.
- School terms will be eight-weeks long with fixed-length courses.

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APPENDIX E: DATA ACCESS AGREEMENT



DATA SHARING AND ACCESS TO LICENSE AGREEMENT

This Data Sharing and Access to License Agreement ("Agreement") is entered into between Indiana Network of Independent Schools, LLC ("INIschools") and Goodwill Industries of Michiana, Inc. ("School"). INIschools and School may hereinafter be referred to as the "Parties."

RECITALS

WHEREAS, Licensee has entered into a Licensing and Services Agreement with Goodwill Education Initiatives, Inc. ("GEI"), the purpose of which is to set forth terms and conditions upon which GEI will assist Licensee with Licensee's operation of the School, with its administration of instruction; INIschools operates under GEI's nonprofit designation and provides services to schools such as School.

WHEREAS, the Parties wish to establish a relationship to increase the ability of School to analyze and interpret data to improve School's educational performance.

WHEREAS, the Family Educational Rights and Privacy Act ("FERPA"), set forth in Title 20 U.S. Code Section 1232(g) and its regulation at Title 34 CFR Part 99 (as amended in 2012), generally prohibits the disclosure of personally identifiable information without consent, subject to certain exceptions;

WHEREAS, the purpose of this Agreement is to share information between the Parties so that the Parties may conduct an evaluation of the State supported education program in a manner consistent with FERPA;

WHEREAS, the nature of School's request and research may include personally identifiable information of individual students;

WHEREAS, School is an "educational agency or institution" as contemplated by 34 CFR §99.31 34 CFR §99.31(a)(6);

WHEREAS, 34 CFR §99.31(a)(6)(i) permits educational agencies or institutions to distribute personally identifiable information to authorized representatives of organizations conducting studies for, or on behalf of, educational agencies or institutions;

WHEREAS, 34 CFR §99.31(a)(6)(v) provides that the term "organization" includes, but is not limited to, Federal, State, and local agencies, and independent organizations;

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WHEREAS, INIschools is an "organization," as defined and contemplated by 34 CFR §99.3 I (a)(6)(v), for the purposes of this study and this Agreement;

WHEREAS, 34 CFR §99.31(a)(6)(iii)(A) requires information to be provided in a format that does not permit personal identification of parents or students by individuals other than employees, officers, or agents of the Parties;

WHEREAS, 34 CFR §99.31(a)(6)(iii)(B) provides that, if any Party that is allowed access to personally identifiable information does not destroy information pursuant to the terms of this Agreement, when no longer needed for the purposes for which the study was conducted, then that Party may be prohibited from access to future personally identifiable information from educational records for at least five (5) years, pursuant to 34 CFR §99.67(c);

WHEREAS, 34 CFR §99.31(a)(6)(iii)(C) requires that School enter into a written agreement with the organization that (I) specifies the purpose, scope, and duration of the study; (2) requires the organization to use the information provided only for the purposes specified in the written agreement; (3) requires the organization to conduct the study in a manner that does not permit personal identification of parents and students by anyone other than representatives of the organization; and (4) requires the organization to destroy the information provided pursuant to 34 CFR §99.31(a)(6)(iii)(B);

WHEREAS, School agrees to make information available to INIschools in the following format: file format transfer from School's school information system;

WHEREAS, School seeks to provide INIschools with such data for the purposes of research and evaluation of student attainment and improving School's educational instruction;

WHEREAS, The data provided to INIschools and any personally identifiable information contained therein and listed below, may hereinafter be referred to as the "data." The data requested by INIschools and provided by School is as follows:

All data residing in School's school information system, accounting systems and special education files.

WHEREAS, INIschools has entered into a licensing arrangement with Tableau for software to be employed in analyzing the data disclosed to INIschools and, as a condition of said licensing arrangement, must impose upon School terms and conditions of usage that are at least as restrictive as those terms and conditions as those imposed upon INIschools by Tableau.

NOW THEREFORE, in consideration of the foregoing premises, the mutual agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

I. TERM OF AGREEMENT

This Agreement shall take effect upon signature by the authorized representatives of the Parties, and shall remain in effect for the duration of the Licensing and Services Agreement.

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II. RESPONSIBILITIES OF INISCHOOLS

1. INIschools agrees to use the data provided by School solely to conduct ongoing research to prepare analyses, reports and other information to assist School in improving educational instruction to the students it serves.

2. INIschools shall not commence any additional research or change the scope of research unless authorized in writing by School.

3. Pursuant to and only for the purposes asserted in this Agreement, INIschools agrees not to disclose or redisclose any personally identifiable information obtained, including de-identified information. in a manner that could identify, or reasonably lead to the identification of, an individual student, to any other individual, institution, organization. government, or entity, without the prior written consent of School. This includes data that may not have been provided in a personally identifiable format. but would still permit public identification of students due to small cell sizes (i.e., subgroups of 10 or fewer students). Such information and data elements may only be used in the aggregate or other manner consistent with generally accepted statistical principles that does not permit identification of students.

4. INIschools agrees to establish and maintain secure procedures, networks, and systems to ensure that all identifiable data obtained, processed, and/or transmitted under the terms of this Agreement, is stored in a secure facility that prevents further disclosure of data, including the interception, diversion, duplication, or other unauthorized access. Transmission of data must be by similar secure electronic systems and/or networks. INIschools agrees to establish and maintain secure procedures to ensure that access to the data is restricted to authorized INIschools personnel only.

5. INIschools agrees to maintain all data obtained pursuant to this Agreement separate from all other data files that INIschools possesses.

6. School may seek to review or seek written assurances from INIschools, and INIschools agrees to permit School access to review or to provide written assurances regarding the use of data transmitted under this Agreement. The purpose of this provision is to ensure that appropriate policies and procedures are in place to protect the data.

7. INIschools shall promptly, that is, within one (1) business day of learning, report to School any incidents in detail of any personally identifiable information received from School whose confidentiality was breached, released, or is believed to have been breached or released.

8. Pursuant to 34 CFR §99.31(6)(iii)(13), INIschools agrees to destroy all data, including de-identified information, received pursuant to this Agreement when it is no longer needed for the purpose for which it was obtained.

9. INIschools acknowledges that it may be required to submit to an audit of research and related access to records at their respective offices at all reasonable times during this Agreement and for one (1) year after the termination date.

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10. INIschools agrees to provide School the following, thirty (30) days before publication: an abstract of conclusions and findings, a complete copy of publication(s), a summary of the data used, and the manner in which the data was used during research.

11. INIschools is required to designate a key person(s) responsible for the administration of this project. If the key person(s) leaves employment during the term of this Agreement, INIschools will provide a written statement as to the basis for this change, an alternative key person(s), and their qualifications for continuing the originally stated purpose.

Nothing in this section shall be construed to prevent INIschools from using the services of others to perform tasks under this Agreement. INIschools shall, at all times, remain responsible for the performance of all necessary tasks, whether performed by a key person(s) or others.

Key person(s) to this Agreement is/are: **Jeffrey M. Lozer**

III. TERMS OF ACCESS TO LICENSES

1. Subject to the restrictions herein, INIschools grants to School and School accepts a nonassignable, nontransferable, nonsublicensable and nonexclusive right to access one of its Tableau licenses. The following restrictions apply to such usage and the defined terms referenced herein may be found on the Tableau website at http://mkt.tableausoftware.com/fileskula.pdf .

2. . School shall not (and shall not allow any third party to): (a) decompile, disassemble, or otherwise reverse engineer the Tableau Software or Media Elements or attempt to reconstruct or discover any source code, underlying ideas, algorithms, file formats or programming interfaces of the Software or Media Elements by any means whatsoever (except and only to the extent that applicable law prohibits or restricts reverse engineering restrictions); (b) distribute, sell, sublicense, rent, lease or use the Software, Media Elements or Sample Code (or any portion thereof) for time sharing, hosting, service provider or like purposes, except as expressly permitted under this Agreement; (c) remove any product identification, proprietary, copyright or other notices contained in the Software, Media Elements or Sample Code; (d) modify any part of the Software, Media Elements or Sample Code, create a derivative work of any part of the Software, Media Elements, or Sample Code, or incorporate the Software, Media Elements or Sample Code into or with other software, except to the extent expressly authorized in writing by Tableau; (e) publicly disseminate performance information or analysis (including, without limitation, benchmarks) from any source relating to the Software, Media Elements or Sample Code; (f) utilize any equipment, device, software, or other means designed to circumvent or remove any form of Product Key or copy protection used by Tableau in connection with the Software, or use the Software together with any authorization code, Product Key, serial number, or other copy protection device not supplied by Tableau or through an Authorized Partner; (g) use the Software to develop a product which is competitive with any Tableau product offerings; (h) use the Software to develop a product that converts any Tableau file format to an alternative report file format used by any general-purpose report writing, data analysis or report delivery product that is not the property of Tableau; or (i) use unauthorized Product Keys or keycode(s) or distribute or publish keycode(s) except as may be expressly permitted by Tableau in writing.

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3. Notwithstanding anything to the contrary contained herein, except for the limited access to license rights expressly provided herein, Tableau and its suppliers have and will retain all rights, title and interest (including, without limitation, all patent, copyright, trademark, trade secret and other intellectual property rights) in and to the Software, Sample Code, Media Elements, and all copies, modifications and derivative works thereof.

4. INIschools PROVIDES NO WARRANTY TO THE SOFTWARE THAT School WILL ACCESS. NEITHER INIschools NOR TABLEAU SHALL BE LIABLE FOR ANY LOSS OF USE, LOST DATA, FAILURE OF SECURITY MECHANISMS, INTERRUPTION OF BUSINESS, OR ANY INDIRECT, SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES OF ANY KIND (INCLUDING LOST PROFITS OR COSTS OF COVER), REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY OR OTHERWISE, EVEN IF INFORMED OF THE POSSIBILITY OF SUCH DAMAGES IN ADVANCE.

IV. OWNERSHIP OF DOCUMENTS AND MATERIALS

School retains ownership of data throughout the term of this Agreement. Under no circumstance shall INIschools become owners, proprietors, or custodians of any personally identifiable information provided by School. School represents that it has full right and title to the student information residing on its school information system and that it is solely responsible for the data it enters into its school information system and its other systems which may be accessed by INIschools under the terms of this Agreement. School acknowledges that INIschools may use and aggregate data of School to provide benchmarking analyses to other INIschools clients with the understanding that INIschools will not identify School or that such data is that of School.

INIschools retains all right title and interest in the methods it employs to extract, convert and map data from School's student information system to the INIschools data warehouse and to the INIschools data warehouse and all configurations thereof. INIschools hereby grants to School a nonassignable, nontransferable, nonsublicensable and nonexclusive right to retrieve its data from the INIschools data warehouse during the term of this Agreement. Notwithstanding anything herein to the contrary, INIschools asserts no right or title to the School's data, which shall remain the property of the School and shall at any time upon the written request of the School be purged from the INIschools data warehouse.

V. NOTICE TO PARTIES

Whenever any notice, statement or other communication is required under this Agreement, it shall be sent to the following addresses, unless otherwise specifically advised.

A. Notices to School shall be sent to: Goodwill Industries Michiana, Inc.
1805 Western Ave.,
South Bend, IN 46619

B. Notices to INIschools shall be sent to: Jeffrey M. Lozer

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1635 W. Michigan Street
Indianapolis, IN 46222

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed and effective as of the date first written above.

Indiana Network of independent Schools, LLC

By:_____
Jeffrey M. Lozer, [TITLE]

Goodwill Industries of Michiana, Inc.

By: _____
Printed Name and Title

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Relationship Between Goodwill LEADS and INIschools

The School's Board of Directors, Goodwill LEADS, is responsible for all high-level decision-making regarding the operations of The Excel Centers which it will operate. Goodwill LEADS will maintain oversight of the school's governance and shall not concede control of the School to any other entity outside of the Board, including the ESP. Goodwill LEADS will oversee and be responsible for school-level policy development and organizational development (such as development and maintenance of community partnerships, parent and partner engagement and other day-to-day matters). This structure will enable broad community support, attentiveness to school performance and accountability and the support and guidance available to Goodwill LEADS who will manage school operations and make day-to-day instructional and administrative decisions.

Goodwill LEADS will contract with GEI and INIschools to provide the school with assistance in its start-up operations and help ensure the school is operating The Excel Center school model effectively.

Goodwill LEADS will evaluate the performance of INIschools, permitting the Board to hold INIschools accountable under its services agreement (see the "Term Sheet and Draft Proposed Management Contract" section of this attachment). Goodwill LEADS will have continuous communication with INIschools and hold it accountable to all terms of the written performance agreement. Further, Goodwill LEADS will monitor school performance to determine whether the technical assistance being provided is having a significant impact on the schoo l's academic and organizational performance. To do this, Goodwill LEADS may form sub- committees, on an "as needed" basis to provide oversight, evaluation, or general guidance and recommendations as areas of the school's functions are assessed or issues arise. Sub-committees will always include members of Goodwill LEADS, and may include additional individuals from the school staff, community members, students/parents, or experts in the field related to the particular topic of the sub-committee. The responsibilities of sub-committees include:

- Gathering information and data to inform Board decisions;
- Providing oversight or evaluations (written or verbal), as needed;
- Providing actionable recommendations to the Board; and
- Performing all functions, as assigned, by the Board of Directors.

Conflicts of Interest

There are no existing or potential conflicts of interest between Goodwill LEADS and proposed service provider or any affiliated business entities.

Evidence of Authorization to Do Business in Indiana

On the following pages, please find the following documents as evidence of INIschool's authorization to do business in Indiana:

- INIschools' filed and accepted Articles of Organization
- INIschools' Operating Agreement
- GEI's Vendor Application filed with the Indiana Auditor of State's Office

State of Indiana
Office of the Secretary of State

CERTIFICATE OF ORGANIZATION

of

INDIANA NETWORK OF INDEPENDENT SCHOOLS, LLC

I, CONNIE LAWSON, Secretary of State of Indiana, hereby certify that Articles of Organization of the above Domestic Limited Liability Company (LLC) have been presented to me at my office, accompanied by the fees prescribed by law and that the documentation presented conforms to law as prescribed by the provisions of the Indiana Business Flexibility Act.

NOW, THEREFORE, with this document I certify that said transaction will become effective Tuesday, January 01, 2013.

In Witness Whereof, I have caused to be affixed my signature and the seal of the State of Indiana, at the City of Indianapolis, December 21, 2012.

Connie Lawson

CONNIE LAWSON,
SECRETARY OF STATE

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APPROVED AND FILED
IND. SECRETARY OF STATE

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ARTICLES OF ORGANIZATION
OF
INDIANA NETWORK OF INDEPENDENT SCHOOLS, LLC

On this 1st day of January, 2013, the undersigned, desiring to form a limited liability company (the "**Company**") pursuant to the provisions of the Indiana Business Flexibility Act, as amended (the "**Act**"), executes the following Articles of Organization:

Article One. Name. The name of the Company is "Indiana Network of Independent Schools, LLC".

Article Two. Purpose. The Company is formed for the principal purpose of providing administrative services to schools. In addition, the Company may undertake any other lawful act or engage in any other business or venture permitted under the Act.

Article Three. Period of Existence. The period of existence of the Company is perpetual until dissolution of the Company in accordance with the provisions of its Operating Agreement or the Act.

Article Four. Registered Agent and Registered Office. The Company's registered agent and registered office address in Indiana is James M. McClelland, 1635 West Michigan Street, Indianapolis, Indiana 46222.

Article Five. Operating Agreement. Any operating agreement of the Company must be in writing.

Article Six. Management. The Company shall be managed by its sole Manager in accordance with the Operating Agreement of the Company.

Article Seven. Effective Date. Pursuant to IND. CODE §23-18-12-4, the Effective Date will be January 1, 2013.

James M. McClelland, Organizer

OPERATING AGREEMENT
OF
INDIANA NETWORK OF INDEPENDENT SCHOOLS, LLC

THIS OPERATING AGREEMENT (the "Agreement") of Indiana Network of Independent Schools, LLC, an Indiana limited liability company (the "Company") is made effective as of the 1st day of January, 2013, by Goodwill Education Initiatives, Inc., an Indiana non-profit corporation (the "Member") under the provisions and conditions of the Indiana Business Flexibility Act, as amended (the "Act").

SECTION 1. THE COMPANY

1.1 Name. The name of the Company is Indiana Network of Independent Schools, LLC. The name of the Company may be changed at any time by the Member.

1.2 Registered Agent, Registered Office and Place of Business. The registered agent of the Company shall be James M. McClelland. The registered office of the Company shall be 1635 West Michigan Street, Indianapolis, Indiana 46222. The registered agent and/or the registered office may be changed from time to time by the Member. The place of business of the Company shall be at the Indiana registered office, or at such other place or places as may from time to time be determined by the Member.

1.3 Purpose. The Company is formed for the principal purpose of providing administrative services to schools. In addition, the Company may undertake any other lawful act or engage in any other business permitted by the Act.

1.4 Prohibited Activities. Notwithstanding any other provision of this Agreement, no member, manager, officer, employee or agent of this Company shall take any action or carry on any activity by or on behalf of the Company not permitted to be taken or carried on by an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or any successor provision or provisions thereto.

1.5 Term. The term of the Company shall commence on the date the Articles of Organization are filed in Indiana, and shall continue in perpetuity until the Company is dissolved as set forth in this Agreement.

1.6 Membership Interest. The membership interest of the Company held by the Member shall be personal property for all purposes. All property owned by the Company, including, but not limited to, real and personal property and tangible and intangible property, shall be deemed to be owned by the Company as an entity, and no Member shall have any ownership interest in such property.

1.7 Liability of Member. The Member shall not be liable for the obligations of the Company. The Member's liability for the obligations of the Company shall be limited to the aggregate amount of the Member's capital contribution to the Company.

1.8 Company Fiscal Year. The fiscal year of the Company for accounting, income tax and all other purposes shall end on June 30 of each calendar year. Subject to the requirements of the Code, the fiscal year of the Company may from time to time be changed by the Member.

1.9 Company Books and Records. On behalf of the Company, the Manager shall keep or cause to be kept complete and accurate books and accounts with respect to Company business. The books and accounts of the Company shall at all times be kept and maintained at the Company's principal place of business, or at such other location as is determined by the Manager. The Manager shall continuously maintain those records required to be maintained by the Act at the Company's principal office.

1.10 Tax Elections. All elections required or permitted by the Company under the terms of the Code shall be made by the Member.

1.11 Organization and Tax Status. The Company shall operate pursuant to the provisions of the Act and upon the terms and conditions set forth in this Agreement. During any period during which the Company has only one Member, unless the sole Member has elected for the Company to be taxed as a corporation pursuant to Treas. Reg. § 301.7701-2 and -3, the Company shall be treated as a disregarded entity for federal, state, local, and foreign income tax purposes ("Disregarded Entity"). During any period in which the Company has more than one Member, the Company shall be treated as a partnership for federal, state, local, and foreign income tax purposes unless the Members unanimously consent in writing for the Company to be taxed as a corporation pursuant to Treas. Reg. § 301.7701-2 and -3.

SECTION 2. CAPITAL CONTRIBUTIONS

The Member may, but is not required to, contribute to the Company the cash or other assets which shall be set forth in Exhibit A to this Agreement. The Member shall not be obligated to make additional Capital Contributions to the Company.

SECTION 3. DISTRIBUTIONS

Except as otherwise provided in Section 9 hereof or the Act, Net Cash Flow, if any, shall be distributed to the Member, at such times as may be determined by the Manager.

SECTION 4. ALLOCATIONS

Unless otherwise required by the Code, all Profits, Losses and items thereof for each fiscal year of the Company shall be allocated to the Member.

SECTION 5. MEMBERSHIP

5.1 Qualification of Member. The Company's sole Member shall be Goodwill Education Initiatives, Inc. ("GEI"). If GEI ceases to exist for any reason, then the sole Member

shall be GEI's successor-in-interest, if any, or if none or if for any reason there is no Member then acting, the Member shall be an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, that is selected by the Manager.

5.2 Rights of the Member. The right of the Member to vote and all the Member's right, title and interest in or to the Company shall cease on the termination of membership. No Member (other than a Member that is then exempt from federal income tax under Code Section 501(c)(3)) shall be entitled to share in the distribution of the corporate assets upon the dissolution of the Company.

5.3 Dues and Assessments. The Member shall not pay dues.

5.4 Place of Members' Meetings. All meetings of the member shall be held either at the registered office of the Company in the State of Indiana, or at such other place within or without the State of Indiana as may be designated by the Manager and specified in the respective notices or waivers of notice thereof.

5.5 Annual Meeting. An annual meeting of the Member shall be held within six (6) months after the close of the fiscal year of the Company as designated by the Manager and specified in the respective notices or waivers of notice thereof.

5.6 Special Meetings. Special meetings of the Member may be called by the Member or by the Manager.

5.7 Notice of Meetings. A written or printed notice stating the place, day and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered or mailed by the Secretary or by the officer or persons calling the meeting to the Member at such address as appears on the records of the Company at least ten (10) days before the date of the meeting, or if notice is mailed by other than first class or registered mail, thirty (30) to sixty (60) days before the meeting date. Notice of any meeting of the Member may be waived in a writing signed by the Member and delivered to the Company. Attendance at any meeting shall constitute a waiver of notice of that meeting.

5.8 Action Without Meeting. Any action required or permitted to be taken at a meeting of the Member of the Company may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by a duly authorized representative of the Member, and such written consent is filed with the minutes of the proceedings of the Member. Such consent shall have the same effect as the vote of the member at a duly held meeting.

5.9 Member Authority. Notwithstanding anything herein to the contrary, the Member shall have the sole right, power and authority to (a) take any act in contravention or violation of this Agreement or the Company's Articles of Organization; (b) take any act which would deprive the Member of its status as an exempt organization under the provisions of Section 501(c) of the Code, or subject the Member to excise tax under Section 4958 of the Code; (c) confess a judgment against the Company; (d) allow any Person to possess any Company property, or assign the rights of the Member in the specific Company property, for other than a Company purpose;

(e) assign the Company property or assets in trust for creditors or on the basis of an assignee's promise or undertaking to pay the debts or obligations of the Company; (f) commingle Company funds with the funds of others; (g) dissolve or liquidate the Company; (h) sell or otherwise dispose of all or substantially all of the assets of the Company; (i) merge or consolidate the Company with any other entity; (j) file a voluntary petition or otherwise initiate proceedings to have the Company adjudicated bankrupt or insolvent, or consent to the institution of bankruptcy or insolvency proceedings against the Company, or file a petition seeking or consenting to reorganization or relief of the Company as debtor under any applicable federal or state law relating to bankruptcy, insolvency, or other relief for debtors with respect to the Company; or seek or consent to the appointment of any trustee, receiver, conservator, assignee, sequestrator, custodian, liquidator (or other similar official) of the Company or of all or any substantial part of the properties and assets of the Company, or make any general assignment for the benefit of creditors of the Company, or admit in writing the inability of the Company to pay its debts generally as they become due or declare or effect a moratorium on the Company debt or take any action in furtherance of any action; (k) purchase or dispose of any real property; (l) implement, amend or cease any employee benefits that impact both the Company and its affiliates, (m) approve compensation of certain key employees to the extent deemed necessary by the Member; (n) approve any material long term obligation or liability of the Company (other than the entry into contracts in the ordinary course of business); and (o) approve borrowing of funds.

SECTION 6. MANAGEMENT

6.1 Authority of Manager. Except as provided in Section 5.9, all decisions and actions concerning the Company and its affairs shall be made or taken by the Manager. Any party dealing with the Company shall be permitted to rely absolutely on the signature of the Manager as binding on the Company, without any duty of further inquiry. The Manager may delegate his, her, or its authority to those individuals appointed as officers of the Company by the Manager who shall serve at the will of the Manager.

6.2 Manager. The Manager shall be appointed from time to time by the Member.

6.3 Resignation. The Manager may resign at any time by delivering written notice of such resignation to the Member. The resignation is effective upon delivery unless the notice of such resignation specifies a later effective date. The acceptance of the resignation shall not be necessary to make it effective.

6.4 Removal. The Manager may be removed, with or without cause, by the Member.

6.5 Successor. Any vacancy with respect to the Manager occurring as the result of the resignation or removal of the Manager shall be filled by the appointment of the Member.

6.6 Fiduciary Obligations. The Manager shall have a fiduciary responsibility to the Company and to the Member and shall exercise the Manager's rights and powers in such manner as will best serve the interests of the Member. The Manager shall not employ, or permit another

to employ, the Company's funds or assets in any manner except for the exclusive benefit of the Company.

6.7 Standard of Performance. No Member, Manager, nor any employee, officer or agent of the Company or of a Member, shall be liable, responsible or accountable in damages or otherwise to the Company, any Member, or any Manager, for any action taken or failure to act on behalf of the Company in good faith within the scope of the authority conferred on the foregoing persons by this Agreement or by law or for any act or omission that was consented to or approved of by the Manager in accordance with this Agreement (as ratified by the consent of the Member, if required), unless such action or failure to act was performed or omitted fraudulently or constituted gross negligence or willful misconduct.

6.8 Indemnification. Subject to the provisions of Section 6.7 above, the Company shall indemnify and hold harmless any Member, Manager or employee (herein collectively called the "Indemnified Parties"), who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (including any action by or in the right of the Company or the Member) by reason of any acts, omissions or alleged acts or omissions not taken in bad faith and arising out of his, her, or its activities, on behalf of the Company or in furtherance of the interest of the Company, against losses, damages or expenses for which such Indemnified Party has not otherwise been reimbursed (including attorneys' fees, judgments, fines and amounts paid in settlement) actually and reasonably incurred by him, her, or it in connection with such action, suit or proceeding, so long as he, she, or it did not act, in connection with the acts or omissions for which indemnification hereunder is sought, fraudulently or in a manner constituting gross negligence or willful misconduct. The termination of any action, suit or proceeding by judgment, order, settlement, or upon a plea of *nolo contendere* or its equivalent, shall not of itself create a presumption that the Indemnified Party acted fraudulently or in a manner constituting gross negligence or willful misconduct.

SECTION 7. OFFICERS

7.1 Officers and Agents. The officers of the Company shall consist of a President, a Secretary, and such other officers as the Manager may, by resolution, designate from time to time. Any two (2) or more offices may be held by the same person. The Manager may, by resolution, create, appoint and define the duties and fix the compensation of such officers and agents as, in its discretion, is deemed necessary, convenient or expedient for carrying out the purposes for which the Company is formed; provided, however, that officers and agents shall be compensated, if at all, only for actual services performed on behalf of the Company.

7.2 Election, Term of Office and Qualification. All officers shall be chosen by the Manager. Each officer shall hold office until officer resigns, is removed, or dies.

7.3 Vacancies. In the event an office of the Company becomes vacant by death, resignation, retirement, disqualification or any other cause, the Manager shall appoint a person to

fill such vacancy, and the person so appointed shall hold office and serve until the officer's death, resignation or removal.

7.4 President. The President shall be the chief executive officer of the Company; shall have and exercise general charge and supervision of the affairs of the Company; and shall do and perform such other duties as this Agreement provides or as may be assigned by the Manager.

7.5 Secretary. The Secretary shall have the custody and care of the Company records and the minutes book of the Company. The Secretary shall attend to the giving and serving of all notices of the Company, shall file and take care of all papers and documents belonging to the Company, shall authenticate records of the Company as necessary, and shall perform such other duties as may be required by this Agreement or as may be prescribed by the Manager.

7.6 Assistant Officers. The Manager may from time to time designate assistant officers who shall exercise and perform such powers and duties as the officers whom they are elected to assist shall specify and delegate to them, and such other powers and duties as may be prescribed by this Agreement provides or as may be prescribed by the Manager.

7.7 Removal. Any officer may be removed from office, with or without cause, by the Manager.

7.8 Resignations. Any officer may resign at any time by delivering notice to the Manager. A resignation is effective upon delivery unless the notice specifies a later effective date.

SECTION 8. TRANSFERS AND NEW MEMBERS

8.1 Transfers of Interests. No interest in the Company may be assigned, transferred, or otherwise disposed of without the prior written consent of the Member. Any attempted transfer, assignment, encumbrance, hypothecation or other disposition shall be null and void and without effect and the Units shall be held by the transferee thereof, as an Unadmitted Assignee, subject to all of the terms and conditions of this Agreement and the Act. To the extent required by this Agreement or by law, an assignee or transferee of any interest of the Company or judgment creditor of a holder of an interest who has obtained a charging order from a court of competent jurisdiction shall be an Unadmitted Assignee and shall be entitled only to the share of allocations of profit and loss and distributions relating to the assigned interest and any other rights and benefits provided to Unadmitted Assignees under this Agreement, and shall be shall be subject to all the restrictions and conditions as are presently provided by the Act for an assignee, unless the Unadmitted Assignee is permitted to become a Member pursuant to this Agreement

8.2 Admission of Members. No Person may be admitted as a Member of the Company except upon the written consent of the Member.

SECTION 9. DISSOLUTION AND TERMINATION

9.1 Dissolution. Subject to the Company's Articles of Organization, the following events shall cause the dissolution of the Company:

(a) Upon the written consent of the Member, or

(b) Upon the entry of a decree of judicial dissolution under the Act.

9.2 Winding Up; Liquidation and Distribution of Assets. Following the dissolution of the Company, as provided in Section 9.1 hereof, the Manager shall participate in the winding up of the Company and shall liquidate the Company's property as provided in the Act and shall, subject to the Company's Articles of Organization, distribute the proceeds therefrom first to the payment and discharge of all of the Company's debts and liabilities, including those to the Member as a creditor, to the extent permitted by law, and second, to the Member.

SECTION 10. LOANS TO OFFICERS AND MANAGER.

The Company shall not lend money to or guarantee the obligations of any officer or Manager of the Company.

SECTION 11. FINANCIAL AFFAIRS.

11.1 Contracts. The Manager may authorize any officer or agent to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Company, and such authority may be general or confined to a specific instance; and unless so authorized by the Manager, no officer, agent or employee shall have any power or authority to bind the Company by any contract or engagement, or to pledge its credit or render it liable pecuniarily for any purpose or to any amount.

11.2 Checks, etc. The Manager shall by resolution designate officers, agents or employees of the Company who may, in the name of the Company, execute drafts, checks and orders for the payment of money in its behalf.

11.3 Investments. The Company shall have the right to retain all or any part of any securities or property acquired by it in whatever manner, and to invest and reinvest any funds held by it, according to the judgment of the Manager.

SECTION 12. MISCELLANEOUS

12.1 Indiana Law. This Agreement shall be construed in accordance with the laws of the State of Indiana without respect to conflicts of law provisions.

12.2 Partition. No Member, nor any successor in interest to any Member, shall have the right while this Agreement remains in effect to have the Company property partitioned, or to

file a complaint or institute any proceeding at law or in equity to have the property partitioned, and each Member on behalf of his, her, or itself, successors, successors in title and assigns, hereby waives any such right.

12.3 No Third Party Beneficiaries. The provisions of this Agreement are solely for the benefit of the Member of the Company, and no creditor of the Member or of the Company shall have any right or benefit hereunder or be entitled to rely on any provisions of this Agreement.

12.4 Binding Effect. Except as otherwise provided in this Agreement, every covenant, term and provision of this Agreement shall be binding upon and inure to the benefit of the Member and its respective legal representatives, successors, transferees and assigns.

12.5 Incorporation by Reference. Every exhibit, schedule and other appendix attached to this Agreement and referred to herein is hereby incorporated in this Agreement by reference.

12.6 Partial Invalidity. If any of the terms and provisions of this Agreement are determined to be invalid, such invalid term or provision shall not affect or impair the remainder of this Agreement, but such remainder shall continue in full force and effect to the same extent as though such invalid term or provision were not contained herein.

12.7 Amendment and Entire Agreement. This Agreement shall not be amended, altered, changed or added to without the consent of the Member as evidenced by a written instrument executed by such Member as of the time of such alteration or amendment. This Agreement contains the entire understanding and agreement of the Member with respect to all matters referred to herein and all prior understandings are hereby merged into this Agreement.

12.8 Glossary. For purposes of this Agreement, the following terms shall have the meanings specified in this Section:

"Act" means the Indiana Business Flexibility Act, as amended from time to time (or any corresponding provisions of succeeding law).

"Agreement" means this Operating Agreement, as amended from time to time. Words such as "herein," "hereinafter," "hereof," "hereto" and "hereunder," refer to this Agreement as a whole, unless the context otherwise requires.

"Capital Contribution" means, with respect to any Member, the amount of money and the net fair market value of property (other than money) contributed to the Company by such Member.

"Code" means the Internal Revenue Code of 1986, as amended from time to time (or any corresponding provisions of succeeding law).

"Company" means the limited liability company formed pursuant to this Agreement and any limited liability company continuing the business of this Company in the event of dissolution as herein provided.

"Manager" means the Person appointed to and serving as the Manager pursuant to this Agreement.

"Member" means Goodwill Education Initiatives, Inc., an Indiana nonprofit corporation.

"Net Cash Flow" means the gross cash proceeds to the Company from all sources, less the portion thereof used to pay or establish reserves for Company expenses, debt payments, capital improvements, replacements and contingencies, all as determined by the Manager.

"Officer" means any individual appointed by the Manager as an officer of the Company.

"Person" means any individual, partnership, corporation, limited liability company, trust or other entity.

"Profits" and "Losses" mean, for each fiscal year or other period, an amount equal to the Company's taxable income or loss for such year or period, determined in accordance with Code Section 703(a), reduced by any items of income or gain subject to special allocation pursuant to this Agreement, and otherwise adjusted by the Manager to comply with the Regulations.

"Regulations" means the regulations promulgated under the Code, as such regulations may be amended from time to time (including corresponding provisions of succeeding regulations).

"Unadmitted Assignee" shall mean a Person holding an interest of the Company but who is not admitted as a Member in accordance with this Agreement.

[signature page immediately follows]

IN WITNESS WHEREOF, the undersigned has entered into this Operating Agreement as of the date first above written.

MEMBER

Goodwill Education Initiatives, Inc.

By: _____
Printed: James M. McClelland
Its: Chief Executive Officer

EXHIBIT A

Name and Address of the Member	Initial Capital Contribution
Goodwill Education Initiatives, Inc. 1635 West Michigan Street Indianapolis, Indiana 46222	$1.00

VENDOR INFORMATION

State Form 53788 (R2 / 10-09)
Approved by Auditor of State, 2009
Approved by State Board of Accounts, 2009

Name and telephone number of the person who completed this document must be provided.
Name: Lori Thompson
Daytime telephone number: 317-524-3909

Print or Type

Legal Name *(Owner of the EIN or SSN as name appears on your tax return. Do not enter the business name of a sole proprietorship on this line.)*
Goodwill Education Initiatives, Inc

Trade Name (Doing Business as Name D/B/A) *(Complete only if payment is to be made payable to the DBA name)*

Remit Address *(number and street, city, state, and ZIP code)*
1635 W Michigan Street, Indianapolis, IN 46222

Purchase Order Address – Optional *(number and street, city, state, and ZIP code)*

Enter 9-digit Taxpayer Identification Number (TIN) of the legal name:
(SSN=Social Security Number, EIN=Employer Identification Number)
(Individual's SSN) ___ ___ - ___ - ___ ___ ___ ___ or EIN 20-0749885

Check legal entity type (A box must be checked in this section. Check only one box.)

- ☐ Individual ☐ Sole Proprietorship ☐ Partnership
- ☐ Estate / Trust *Note: Show above, the name and number of the legal trust, or estate, not personal representatives*
- ☐ Other [Limited Liability Company (LLC) *(attach IRS Form 8832 if applicable)*, Joint Venture, Club, etc.]
- ☑ Corporation Do you provide legal or medical services? ☐ Yes ☐ No
- ☐ Government (or Government operated entity)
- ☐ Organization Exempt from Tax under Section 501(a)

One box must be checked ☑ I am a U.S. Person *(including a U.S. resident alien)* ☐ I am not a U.S. Person *(a W-8 must be filed with the Auditor of State)*

☑ Add Deposit ☐ Change Deposit **Indiana law (I.C. 4-13-2-14.8) requires that YOU receive PAYMENT(S) by means of electronic transfer of funds.**

SECTION 1: AUTHORIZATION

According to Indiana law, your signature below authorizes the transfer of electronic funds under the following terms:
Account Holder's Name: Goodwill Education Initiatives, Inc Account Number: 885956904

Type of Account: ☑ Checking (Demand) ☐ Savings

☐ *Please check this box if your direct deposit will be automatically forwarded to a bank account in another country.*

ATTACH A NON-ALTERED VOIDED CHECK HERE

SECTION 2: FINANCIAL INSTITUTION'S APPROVAL ***(Attach a non-altered voided check or have your financial institution complete this section)***

The financial institution identified below agrees to accept automated deposits under the terms set forth herein:

Name of Financial Institution: _____

Telephone: (_____) _____

Address: _____ _____
Number and Street, and/or P.O. Box No. Financial Institution's Authorized Signature

_____ _____
City, State, and ZIP Code (00000-0000) Title

_____ _____, 20____
ABA Transit-Routing Number Date

ATTACH A NON-ALTERED VOIDED CHECK HERE

SECTION 3: ELECTRONIC NOTIFICATION OF ELECTRONIC FUND TRANSFER (EFT) DEPOSITS
(Complete this section only if you are requesting electronic notification. You may provide up to four email addresses.)

I hereby request that all future notices of EFT deposits to the bank account specified above be sent to the following email addresses:
lothompson@goodwilleducation.org
inorby@goodwilleducation.org
etormoehlen@goodwilleducation.org

I agree to the provisions contained on the reverse side of this form.

NAME *(print or type)* Lori Thompson TITLE Controller

AUTHORIZED SIGNATURE Lori Thompson DATE 3/26/14 TELEPHONE NUMBER 317-524-3909

Assurances

Goodwill LEADS and INIschools provide the following assurances:

- The organizer will be structurally independent from the ESP.
- The organizer shall set and approve school policies.
- The terms of the service contract will be reached by the organizer and the ESP through arms-length negotiations in which the organizer is represented by legal counsel.
- The organizer's legal counsel does not also represent the ESP.

Attachment 9: Organization's Business Plan

Goodwill LEADS

Goodwill LEADS plans to open and operate three (3) Excel Centers over the next five (5) years: one school will be located in South Bend in July 2015 and two additional school locations will be selected at a later date. One Excel Center will open in July 2016 and another Excel Center will open in July 2017. These schools will be located within Goodwill Industries of Michiana's territory and the school locations will be selected based on community need and interest. Goodwill Industries of Michiana, Inc. serves fifteen (15) counties in North Central and Northwest Indiana, the city of Niles in Southwestern Michigan, and a small portion of Northeastern Illinois. The Indiana counties that Goodwill Industries of Michiana serves include: Cass, Elkhart, Fulton, Jasper, Kosciusko, Lake, LaPorte, Marshall, Miami, Newton, Porter, Pulaski, St. Joseph, Starke and Wabash.

The goal of Goodwill LEADS is to build upon and expand the mission of Goodwill Industries of Michiana, which is to provide jobs, training, and placement services for people with barriers to employment. In many cases, the lack of a high school diploma acts as a major barrier to employment for individuals across Northern and Northwest Indiana. The vision of Goodwill LEADS is to improve the employability of adults by providing them with an opportunity to earn a high school diploma.

Goodwill LEADS will operate and sustain these schools through well-constructed partnerships. The primary partnership will be between Goodwill LEADS and Goodwill Education Initiates, Inc. ("GEI") as documented in the licensing and services agreement (see **Attachment 8**). Goodwill LEADS will build upon its already robust support in the communities it serves to generate widespread demand for and support of The Excel Center operations. Goodwill LEADS will "own" The Excel Center(s) but it will use the expertise of its partner, GEI, to run school-level operations.

The Excel Center is a proven educational model that will enable Goodwill LEADS to fulfill its vision. The Excel Center was first opened in 2010 by GEI to provide adults who have dropped out of school the opportunity to earn a high school diploma and go on to higher education and better paying jobs. The school provides a flexible structure and supportive relationships with staff to help students manage work, life and family concerns as they achieve their educational goals. The Excel Center continues to see positive results. To date:

- Students, on average, earn a high school diploma within **2 years**;
- The Excel Center has produced **722 graduates**;
- Preliminary data show that **82%** of 2014 graduates received an **industry-recognized credential** before graduating; and
- **26%** of 2014 graduates received **college credit** before graduating.

Across, Goodwill Industries of Michiana's territory, there are cities with dense populations of individuals who lack a high school diploma. The table on the following page depicts the number of individuals in towns across Goodwill Industries of Michiana's territory which have high populations of individuals who have dropped out of high school, according to national Census data.

The need for an educational option for adults across Northern and Northwest Indiana is high. Interest in bringing an Excel Center to the South Bend community is equally high. Due to a high level of community

buy-in and support (please see **Attachment 16** for evidence of support), Goodwill LEADS has chosen to open its first Excel Center in the South Bend community.

			Dropouts - 2 mile radius		Dropouts - 10 mile radius	
City	**Ivy Tech?**	**City Population**	**18 - 24**	**All ages**	**18 - 24**	**All ages**
Hammond		80,830	2,811	**18,313**	19,745	118,530
East Chicago	X	29,698	2,540	**15,624**	21,039	122,211
Elkhart		50,949	2,597	**13,824**	11,638	63,492
South Bend	X	101,168	2,120	**11,608**	6,070	40,594
Gary	X	80,294	1,428	**7,340**	37,289	194,528
Goshen	X	31,719	1,575	**7,218**	10,104	50,591
Portage		36,828	1,397	**5,730**	26,477	121,912
Michigan City	X	31,479	940	**5,072**	5,157	25,078
Warsaw	X	13,559	718	**3,389**	1,831	9,433

The location of the additional two Excel Centers will be selected based on community support and buy-in. With the help of Goodwill, Goodwill LEADS will reach out to community partners in the areas of the highest need. Various education and workforce development organizations have been engaged and are in support of this effort. The goal is to introduce The Excel Center Model to secure agreement for future discussions leading to collaborations and information-sharing that mutually facilitate community buy-in and student recruitment. Goodwill will also reach out to its clientele to market and spread the word of The Excel Center. To supplement community outreach, a number of neighborhood-based informational meetings will be announced and held. This will allow direct interaction with prospective students and allow them to meet staff, ask questions and provide a clear indication of whether they would enroll in The Excel Center should it locate in their community. Target locations for public information meetings will include public community centers.

The following table provides the five-year growth plan of The Excel Centers operated by Goodwill LEADS.

	Year 1	**Year 2**	**Year 3**	**Year 4**	**Year 5**
Number of elementary schools	0	0	0	0	0
Number of middle schools	0	0	0	0	0
Number of high schools	1	2	3	3	3
Total schools	1	2	3	3	3
Student enrollment	300	625	975	1,025	1,050
Management Organization Positions					
Note: INIschools staff will assist in supporting all schools included in the national Excel Center Network. Please see Attachment 8 for additional information.					
High School Staff					
School Director	1	2	3	3	3
Lead Teachers	2	4	6	6	6
Teachers	6	12	19	20	21
Resource Specialist	2	4	7	8	9

Special Education	1	2	3	3	3
Coaches	3	6	10	11	12
College Transition Coordinator	1	2	3	3	3
Career Pathways Specialist	1	2	3	3	3
Drop In Center Director	1	2	3	3	3
Drop In Center Attendants	1.5	3	4.5	4.5	4.5
Office Manager	1	2	3	3	3
Total FTEs at High Schools	**20.5**	**41**	**64.5**	**67.5**	**70.5**
Total Network FTEs	**20.5**	**41**	**64.5**	**67.5**	**70.5**

Goodwill LEADS will leverage its partnership with Goodwill Industries of Michiana and GEI/INIschools in order to successfully implement and support its overall growth plan. Goodwill has a history of successfully running and starting up new programs – particularly programs that help high-need adults and young adults. Goodwill's leadership has decades of experience operating successful businesses and not-for-profit organizations. Goodwill is well-poised to help operate and govern an Excel Center in the South Bend community. In 2013, alone, Goodwill enrolled over 3,000 individuals in its programs, assisted over 5,000 individuals to utilize free services at its Career Centers, and helped over 1,000 individuals find employment. Goodwill has a strong history of helping to improve the lives of individuals throughout the communities it serves and is dedicated to increasing their impact by providing adults an opportunity and the support to earn a high school diploma while developing career paths that offer better-than-average employment and growth opportunities.

To help increase its capacity to effectively manage The Excel Centers, Goodwill LEADS will contract with INIschools as its Education Service Provider (see **Attachment 8** for further details). GEI and INIschools will provide a significant amount of assistance to Goodwill LEADS in starting up and providing ongoing support to operate The Excel Center. Goodwill LEADS will license The Excel Center name under license from GEI and operate the school with fidelity to The Excel Center M odel's core elements. Goodwill LEADS, as part of the license, will receive services from GEI and INIschools.

GEI/INIschools has substantial experience in operating multiple school locations in multiple communities, all of which are targeted to challenging student populations. INIschools provides administrative support to all nine (9) Excel Centers in Central Indiana, The Excel Centers in Austin, Texas and Memphis Tennessee, as well as twenty-three independent schools throughout Indiana. The first Excel Center opened in 2010. In response an incredible demand of adults to acquire formal educational certifications, The Excel Center opened two additional sites in Marion County in 2011 in the Meadows and Decatur Township communities. In 2012, another Marion County location opened on the East side of Indianapolis as well as another location in Anderson, Indiana. To meet the continued demand and need of adult learners throughout Central Indiana, four new locations opened in 2013: one on the West side of Indianapolis, and others in Lafayette, Kokomo, and Richmond. The Excel Centers in Central Indiana serve over 2,800 students at a given time.

INIschools leadership has been effective at managing the operations of the existing Excel Center locations in Indiana and will continue to be a resource to The Excel Center in South Bend during the start-up phase and, as needed, once the school is in operation. Collectively, the leadership team has an array of skills in

school management and performance management; business and finance operations, curriculum, instruction and assessment; special education; college and career readiness; and management of The Excel Center model. More information on the INIschools' team is provided in **Attachment 3**.

Additional information regarding the organizational capacity to open and operate schools successfully in accordance with the growth plan are provided in the application narrative.

The Excel Center Network

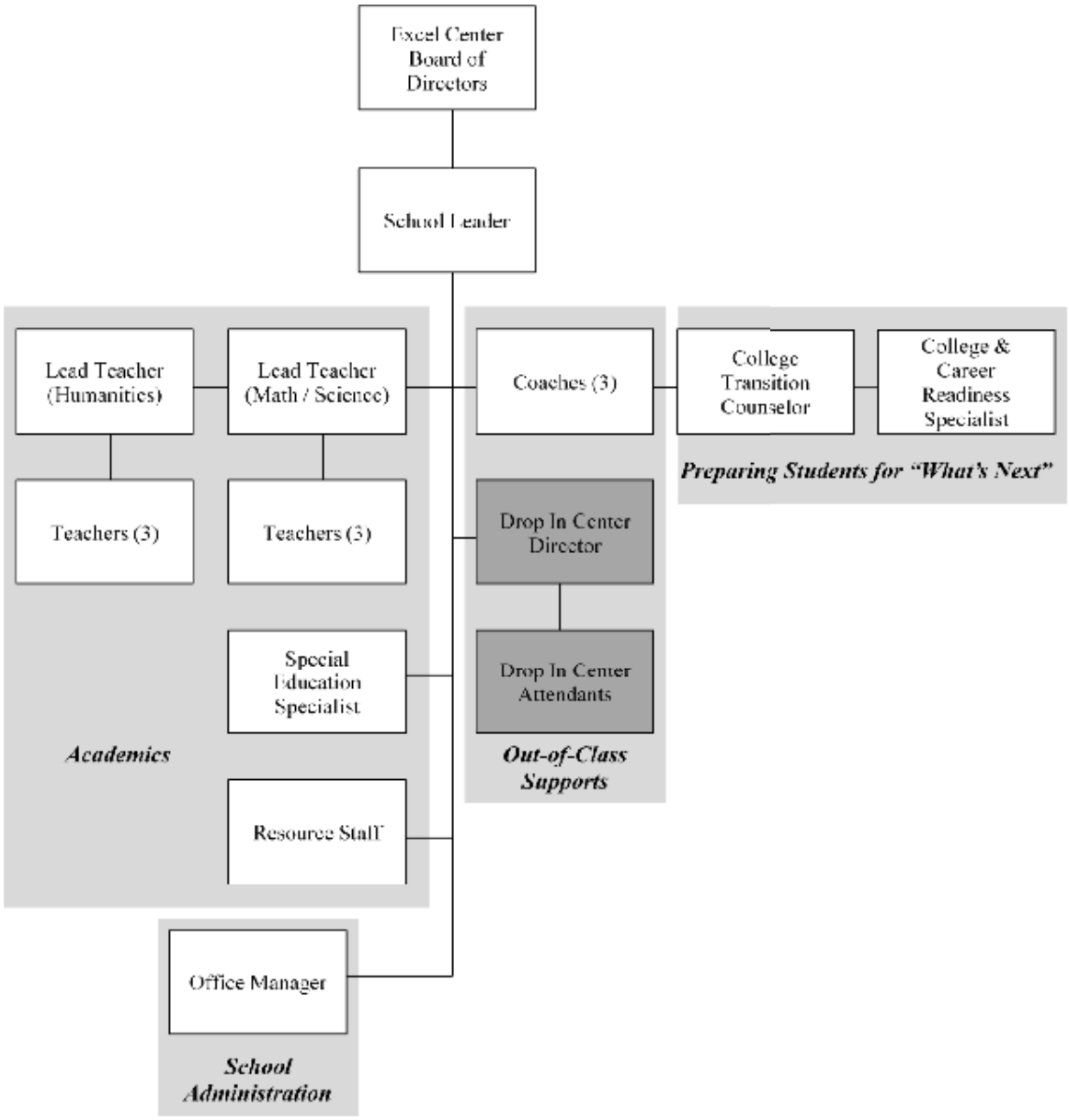
The Excel Center first opened with one location in 2010 and quickly grew to three locations in 2011, five locations in 2012 and nine locations in 2013. This growth has been largely due to community demand as opposed to a concentrated expansion effort. The Excel Center has reached a unique need in an adult education landscape with few alternative options. As the success of The Excel Center has spread, other organizations, have indicated interest in licensing the school model and opening schools in their own communities. In these locations, a local partner may be more effective in creating an Excel Center location by licensing the core model elements from GEI and partnering with INIschools to provide assistance. This is particularly true when a proposed school is located a significant distance away from Goodwill Industries of Central Indiana's Indianapolis headquarters and outside of its territory.

Accordingly, GEI has developed a license option in order to extend The Excel Center Model by partnering with capable and appropriate partner organizations. GEI's vision is to create a network of schools that leverages the collective expertise of school leaders, teachers and staff from all over the country.

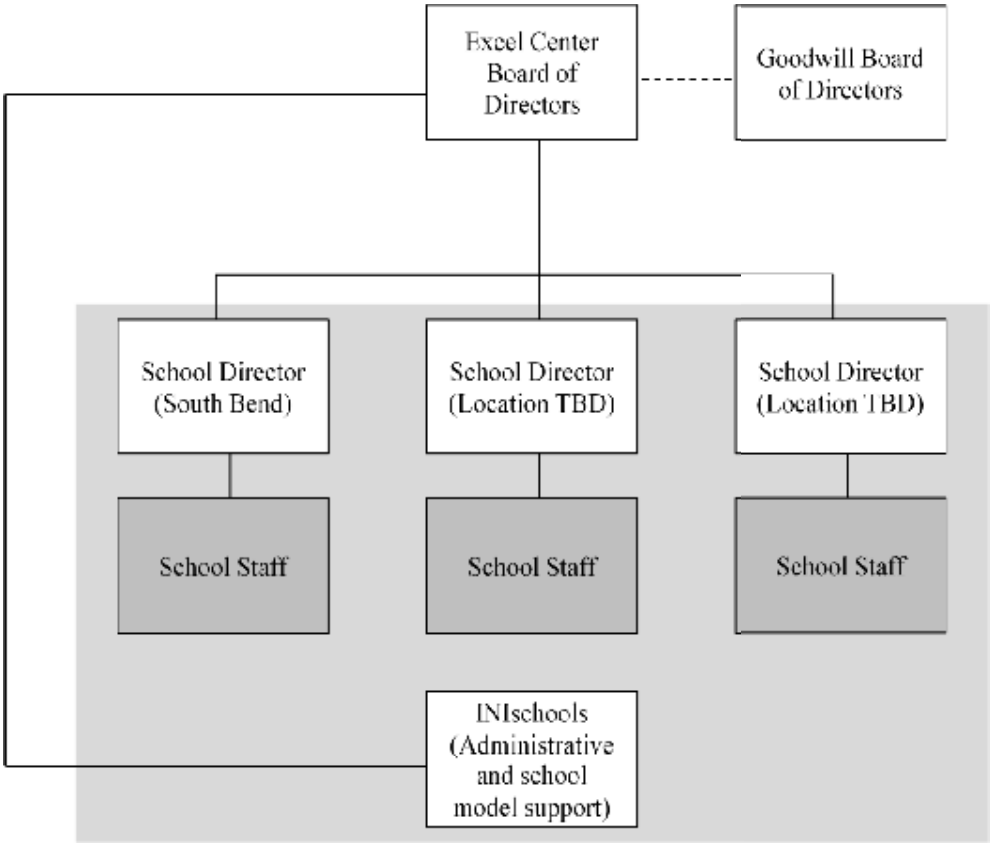
To date, this license option is enabling an Excel Center to open in Austin, Texas in fall 2014 and in Memphis, Tennessee in fall 2015.

Attachment 10: Organizational Charts

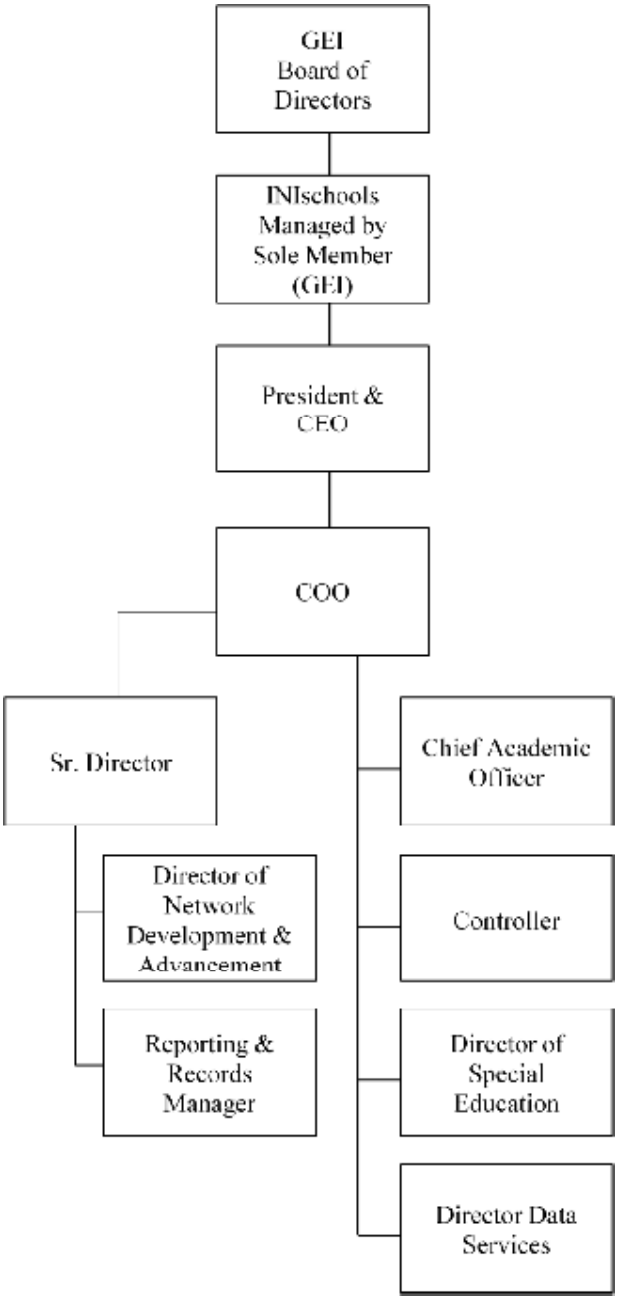
School-Level Organizational Chart



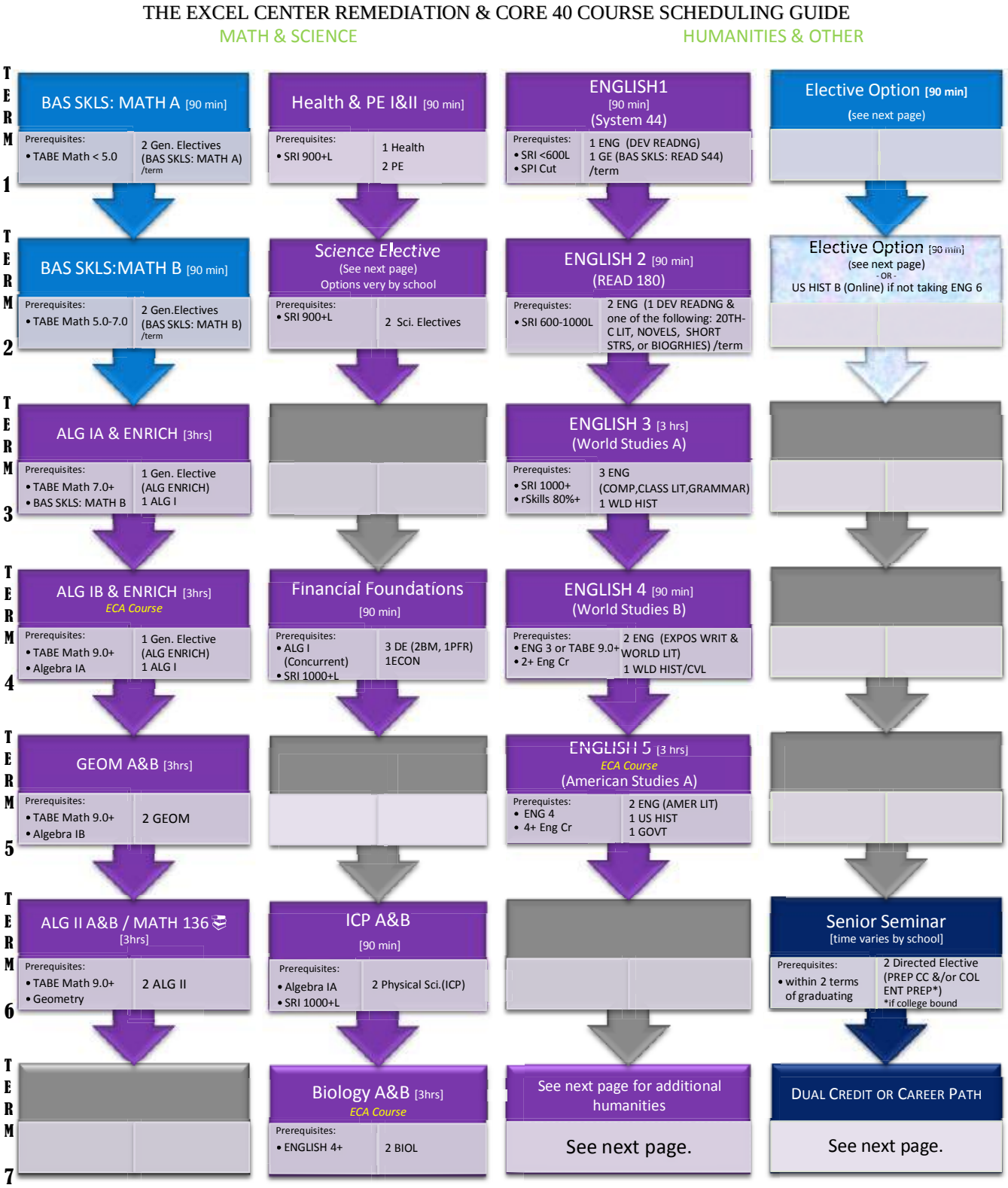
Network-Level Organizational Chart



INIschools' Organizational Chart



Attachment 11: Course Scope and Sequence



Prequalification at a college level on the ACCUPLACER is required to earn dual credits. You may still earn the high school credits if you do not qualify.

- THE FOLLOWING COURSE OFFERINGS VARY BY TERM -

SCIENCE ELECTIVE OPTIONS

Earth & Space Science A&B
[90 min]

Prerequisites:	
• SRI 600+L	2 Sci. Electives (EAS SCI)

Chemistry
[90 min]

Prerequisites:	
• SRI 600+L	2 Sci. Electives (CHEM)

Science Research
[90 min stand alone or add 90 min to another science course]

Prerequisites:	
• SRI 900+L	2 Sci. Elective (SCI RSRH IS)

Core 40 Credit Requirements:
8 – English Credits
2 – ALG I
2 – GEOM
2 – ALG II
2 – BIO
2 – Physical Science (ICP, CHEM, or PHYSICS)
2 – Science Electives
2 – WLD HIST (or GEO-HST WLD)
2 – US HIST
1 – GOVT
1 – ECON
1 – HEALTH
1 – PE I
1 – PE II
5 – Direct Electives
6 – General Electives

ADDITIONAL HUMANITIES OPTIONS

ENGLISH 6 [90 min]
(American Studies B)

Prerequisites:	
• ENG 4 • 6+ Eng Cr	2 ENG (ENG 12) 1 US HIST 1 DE (DIGI CITI)

ENGLISH 7 [3 hrs]
(Non-Dual Credit Option for ENG 111)

Prerequisites:	
• ENG 5 • Passed ECA	2 ENG (ADV COMP & LBRY MEDIA)

SPEECH
[90 min]

Prerequiste:	
• SRI 1000+	1 ENG (SPEECH)

Film Literature
[90 min]

Prerequiste:	
• SRI 1000+	2 ENG (FILM LIT & CREAT WRIT)

Contemporary Literature
[Time varies by school]

Prerequiste:	
• SRI 1000+	1 ENG (CONTEM LIT)

COLOR KEY:

- Remediation or elective course
- Course contains Core 40 credit(s)
- Career & Collge Pathway course

ADDITIONAL ELECTIVES

Skills for Success
[90 min]

Prerequisites:	
• None	2 General Electives (BAS SKLS: STUDY & CARR INFO)

Computer Basics
[90 min]

Prerequisites:	
• None	1 GE (BAS SKLS: COMP) 1 DE (DIGI CITI)

Peer Tutoring
[Time varies by school]

Prerequisites:	
• Instructor Recommendation	1 General Elective (PEER TUTR)

Psychology
[Time varies by school]
(Non Dual Credit option for PSYCH 101)

Prerequiste:	
• SRI 1000+	1 General Elective (PSYCH)

Current Problems, Issues, & Events
[Time varies by school]

Prerequiste:	
• SRI 1000+	1 General Elective (CPIE)

PRN MRKT [90 min]
(Non Dual Credit option for MRKT 101)

Prerequisites:	
• SRI 1000+	2 Directed Electives (PRN MRKT)

BUS MGMT [90 min]
(Non Dual Credit option for BUSN 101)

Prerequisites:	
• SRI 1000+	2 Drirected Electives (BUS MGMT)

ENL STUDENTS ONLY

ENL: WLD LANG [90 min]
*2 terms max *

Prerequisites:	
• SRI <600L • SPI Cut	2 DE/term (ENL: WLD LANG)

ENL [90 min]
2 terms max

Prerequisites:	
• SRI <600L • SPI Cut	2 ENG / term (ENL)

Continue humanities squence from previous page with

ENG 1 or ENG 2

Prerequisites:	Prerequiste:
• SRI <600L • SPI Cut	• SRI 600-1000L

INDUSTRY CERTIFICATIONS AND CAREER PATHWAY DUAL CREDITS

An Excel Center graduation requirement includes at least one career pathway or dual credit course. This requirement may have been met in a previous school.

Note: Not all courses will be available every term or at every Excel Center. Length of class time also varies.

Dual Credit Programs	Pre-requisite	Certification Exam(s)	HS Credits Awarded	College Credits Awarded
HIRE Tech IA	1000+L	Dual credit final exams	2 Direct Electives • 1- INT ADV MFTG • 1- ADV CTE CC	MPRO 100 MPRO 106
HIRE Tech IB	1000+L	MSSC: Certified Logistics Associate APICS: Logistics APICS: Operations APICS: Safety	4 Direct Electives • 1- INT ADV MFTG • 1- ADV CTE CC • 2- ADV MFTG I	
Early Childhood Education **ECE** (non-college credit) **ECE CC** (college credit)	1000+L For CC, ACCUPLACER 60 in Sentence Skills 55 in Reading	ECE Pre-Pac Dual credit final exams	5 Direct Electives • 1- CHLD DEV • 1- ADVCHLDDEV • 2- ECE I	ECED 100 ECED 101 ECED 103
CDA Internship for ECE (Child Development Associate credential)			4 Direct Electives • 2- ECE II • 2-ED PROF I	ECED 105

College Courses	Pre-requisite	HS Credits Awarded
MRKT 101	ACCUPLACER 80 in Sentence Skills 76 in Reading and Elem Alg. or 60 Arith.	2 Direct Electives • PRIN MRKT
BUSN 101	ACCUPLACER 80 in Sentence Skills 76 in Reading and Elem Alg. or 60 Arith.	2 Direct Electives • BUS MGMT
CINS 101	ACCUPLACER 76 in Reading	2 Direct Electives • IT COM TECH
CINT 115	ACCUPLACER 76 in Reading	2 Direct Electives • COMP TECH
PSYCH 101	ACCUPLACER 80 in Sentence Skills 76 in Reading and Elem Alg. or 60 Arith.	2 General Electives • ADV SS CC
ECON 101 *Meets Econ Requirement*	ACCUPLACER 80 in Sentence Skills 76 in Reading and Elem Alg. or 60 Arith.	2 General Electives • ADV SS CC
SOC 111	ACCUPLACER 80 in Sentence Skills 76 in Reading and Elem Alg. or 60 Arith.	2 General Electives • ADV SS CC
HIST 101 **HIST 102**	ACCUPLACER 80 in Sentence Skills 76 in Reading	2 General Electives each • ADV SS CC
MATH 136	ACCUPLACER 74 in Elem Alg and 1 CLM	2 General Electives or Math for Acad. Honors • ADV MATH CC
English 111 **English 112** **English 206**	ACCUPLACER WritePlacer 4-8 and Reading Diagnostic 69-120	2 English Credits each • ADV ENG CC

Certification Programs	Certification Exam	HS Credits Awarded
Pharmacy Technician	phte	10 Direct Electives • 2- MED TERMS • 6- HLTH ED I • 2- HSE II PHARM
Phlebotomy	PBT(ASCP)	8 Direct Electives • 3- HLTH ED I: PHLE • 2- HSE II ST • 3- WBL HS
Medical Coding	429 (medical coding certificate)	8 Direct Electives • 2- MED TERMS • 6- HLTH ED I
Patient Access	N/A	8 Direct Electives • 2- MED TERMS • 6- HLTH ED I
Emergency Medical Technician (EMT)	EMT	6 Direct Electives • 3- EMS • 3- HLTH ED I: EMT
Certified Medical Assistant (CMA)	451	8 Direct Electives • 2- HSE II ST • 3- HLTH ED I: CMA • 3- HSE II NURS
Certified Nursing Assistant (CNA)	nurse	8 Direct Electives • 2- HSE II ST • 3- HLTH ED I: CNA • 3- HSE II NURS
Microsoft Office Specialist (MOS)	mos	3 Direct Electives • 1- DIGI CITI • 2- IT COM TECH
CompTIA A+	aplus	8 Direct Electives • 4- COMP TECH • 4- NTWK FUND
Forklift	OSHA Forklift Certification	3 Direct Electives • WOMH: Forklift

Prequalification at a college level on the ACCUPLACER is required to earn dual credits. You may still earn the high school credits if you do not qualify.

ECED 100 **ECED 101** **ECED 103**	ACCUPLACER 60 in Sentence Skills 55 in Reading	5 Direct Electives total • CHLD DEV • ADVCHLDDEV • ECE I (3)
SCIN 111 *Meets Physical Science Requirement*	ACCUPLACER 80 in Sentence Skills 76 in Reading and 40 in Elem Alg	2 Physical Science • ADV SCI CC
BIO 101 *BIOL WITH BIO 101 does <u>not</u> fill the science elective requirements.*	ACCUPLACER 80 in Sentence Skills 76 in Reading and 40 in Elem Alg	2 General Electives • ADV SCI CC

CDL	CDL	6 Direct Electives • TRACT OPER: CDL
Logistics (LRC)	MSSC: Certified Logistics Associate	6 Direct Electives • 3-TRACT OPER: LRC • 3-WOMH
Welding	AWS	8 Direct Electives • 6- WELD TECH I • 2- WELD TECH II
Certified Production Technician (CPT A&B)	1st Term: MSSC: Safety MCCC: Quality Practices and Measurement 2nd Term: MSSC: Manufacturing Processes & Production MSSC: Maintenance Awareness	3 Direct Electives /term • 3- ADV MFTG I: CPT

COURSE DESCRIPTIONS

Mathematics:

Math Lab A & B

Course Overview: Mathematics Lab A and B provides students with individualized instruction designed to support success in gaining the skills necessary to complete mathematics coursework aligned with the Indiana Academic Standards for Mathematics. Designed for students in need of significant remediation, Math Lab courses teach basic academic math concepts through digital content and direct instruction.

Core 40 Credits: Basic Skills (2 General Elective credits)

Scope and Sequence: Remediation

Algebra I

Course Overview: The fundamental purpose of this course is to formalize and extend the mathematics that students learned in the middle grades. The critical areas deepen and extend understanding of linear and exponential relationships by contrasting them with each other and by applying linear models to data that exhibit a linear trend, and students engage in methods for analyzing, solving, and using quadratic functions.

Core 40 Credits: Algebra I (2 Math Credits)

Scope and sequence: Real Numbers and Expressions; Functions; Linear Equations, Inequalities, and Functions; Systems of Equations and Inequalities; Quadratic and Exponential Equations and Functions; and Data Analysis and Statistics

Geometry

Course Overview: Students explore more complex geometric situations and deepen their explanations of geometric relationships, moving towards formal mathematical arguments. The Process Standards apply throughout each course and, together with the content standards, prescribe that students experience mathematics as a coherent, useful, and logical subject that makes use of their ability to make sense of problem situations.

Core 40 Credits: Geometry (2 Math Credits)

Scope and sequence: Logic and Proofs; Points, Lines, Angles, and Planes; Triangles; Quadrilaterals and Other Polygons; Circles; Transformations; and Three-dimensional Solids

Algebra II

Course Overview: *Algebra II* is a course that extends the content of Algebra I and provides further development of the concept of a function.

Core 40 Credits: Algebra II (2 Math Credits)

Scope and sequence: Complex Numbers and Expressions; Functions; Systems of Equations; Quadratic Equations and Functions; Exponential & Logarithmic Equations and Functions; Polynomial, Rational, and Other Equations and Functions; and Data
Analysis, Statistics, and Probability

Financial Foundations:

Course Overview: An integrated course which brings related content together in real world application from Economics, Personal Financial Responsibility, and Business Math. *Economics* examines the allocation of resources and their uses for satisfying human needs and wants. The course analyzes economic reasoning used by consumers, producers, savers, investors, workers, voters, and government in making decisions. *Personal Financial Responsibility* addresses the identification and management of personal financial resources to meet the financial needs and wants of individuals and families, considering a broad range of economic, social, cultural, technological, environmental, and maintenance factors. *Business Math* includes mathematical operations related to accounting, banking and finance, marketing, and management.

Core 40 Credits: Economics (1 Economics Credit); Business Math (2 General Elective Credits); Personal Financial Responsibility (1 Directed Elective Credit)

Scope and sequence: Defining Economics and Economic Reasoning; Money, Banking, and Financial Services; Principles of Supply and Demand; The Market and Your Role as a Consumer; The Role of Government; Measuring a Nation's Economy; Fiscal and Monetary Policy; The Role of Domestic and International Trade

English and Social Studies:

English 1 & 2

Course Overview: Designed for students in need of significant reading remediation, English 1 and English 2 provide students with individualized or small group instruction designed to develop skills needed for success in completing language arts course work aligned with the Indiana Academic Standards for English Language Arts through computer-adaptive digital interventions and direct instruction.

English 1 Core 40 Credits: Basic Skills (1 General Elective Credit); Developmental Reading (1 English Credit)

English 2 Core 40 Credits: Developmental Reading (1 English Credit); One of the following: 20th Century Literature or Novels or Short Stories or Biographies (1 English Credit)

Scope and Sequence: Remediation; 20th Century Literature; Novels; Short Stories; Biographies

Writing Lab

Course Overview: Designed for students in need of significant writing remediation, Writing Lab provides students with individualized or small group instruction designed to develop skills needed for success in completing language arts course work aligned with the Indiana Academic Standards for English Language Arts through direct instruction in writing.

Core 40 Credits: Basic Skills (1 General Elective Credit); Language Arts Lab (1 English Credit)

Scope and Sequence: Remediation; Writing Standards

English 3: World Studies A

Course Overview: English 3: World Studies A is a multidisciplinary course that integrates the Indiana Academic standards for *Grammar*, *Composition*, *Classical Literature*, and the first semester of *World History and Civilization*. English 3: World Studies A emphasizes events and developments in the past that

greatly affected large numbers of people across broad areas and that significantly influenced peoples and places in subsequent eras. Students are expected to compare and contrast events and developments involving diverse peoples and civilizations in different regions of the world. They will examine examples of continuity and change, universality and particularity, and unity and diversity among various peoples and cultures from the past to the present. Students are also expected to practice and process skills of historical thinking and research and apply content knowledge to the practice of thinking and inquiry skills and processes. They will develop historical thinking and research skills and use primary and secondary sources as well as literature to explore topical issues and to understand the cause for changes in the nation over time. They will also complete a variety of writing assignments, including narrative, argumentative and expository.

Core 40 Credits: Grammar (1 English Credit); Composition (1 English Credit); Classical Literature (1 English Credit); World History and Civilization A (1 Social Studies Credit)

Scope and Sequence: Ancient Cultures and Civilizations c.8000 to 600 BCE; Classical Civilization 1000 BCE to 600 CE; Major Civilizations and Cultural Interactions 600 to 1300 CE; Grammar; Classical Literature; Composition; Historical Thinking

English 4: World Studies B

Course Overview: English 3: World Studies B is a multidisciplinary course that integrates the Indiana Academic standards for *Expository Writing*, *World Literature*, and the second semester of *World History and Civilization*. English 3: World Studies A emphasizes events and developments in the past that greatly affected large numbers of people across broad areas and that significantly influenced peoples and places in subsequent eras. Students are expected to compare and contrast events and developments involving diverse peoples and civilizations in different regions of the world. They will examine examples of continuity and change, universality and particularity, and unity and diversity among various peoples and cultures from the past to the present. Students are also expected to practice and process skills of historical thinking and research and apply content knowledge to the practice of thinking and inquiry skills and processes. They will develop historical thinking and research skills and use primary and secondary sources as well as literature to explore topical issues and to understand the cause for changes in the nation over time. They will also complete a variety of writing assignments, including narrative, argumentative and expository.

Core 40 Credits: Expository Writing (1 English Credit); World Literature (1 English Credit); World History and Civilization B (1 Social Studies Credit)

Scope and Sequence: The Rise of Western Civilization and Global Interaction 1300 to 1750 CE; Revolutions, Nationalism, and Imperial Power 1500 to 1900 CE; An Era of Global Conflicts, Challenges, Controversies, and Changes 1900 CE to Present; Expository Writing; World Literature; Historical Thinking

English 5: American Studies A

Course Overview: *American Studies* students are expected to identify and review significant events, persons, and movements in the early development of the nation. The course then gives major emphasis to the interaction of key events, people, and political, economic, social, and cultural influences in national developments from the late nineteenth century through the present. Students are expected to trace and analyze chronological periods and examine the significant themes and concepts in U.S. History. They will develop historical thinking and research skills and use primary and secondary sources as well as literature to explore topical issues and to understand the cause for changes in the nation over time. They will also complete a variety of writing assignments, including narrative, argumentative and expository.

Core 40 Credits: US History A (1 Social Studies Credit); American Literature (2 English Credits); US Government (1 Social Studies Credit)

English 10 End of Course Assessment – Taken upon completion of English 5: American Studies A

Scope and Sequence: Early Foundations of Government; Industrialization and Immigration; Imperialism; Progressives; Graphic Novel Final Project

English 6: American Studies B

Course Overview: *American Studies* students are expected to identify and review significant events, persons, and movements in the early development of the nation. The course then gives major emphasis to the interaction of key events, people, and political, economic, social, and cultural influences in national developments from the late nineteenth century through the present. Students are expected to trace and analyze chronological periods and examine the significant themes and concepts in U.S. History. They will develop historical thinking and research skills and use primary and secondary sources as well as literature to explore topical issues and to understand the cause for changes in the nation over time. They will also complete a variety of writing assignments, including narrative, argumentative and expository.

Core 40 Credits: US History B (1 Social Studies Credit); English 12 (2 English Credits); Digital Citizenship (1 Directed Elective Credit)

Scope and Sequence: 1920s and 1930s; World Tensions; Civil Rights; Research Project and Present Day

Film Literature / Creative Writing

Course Overview: *Film Literature*, a course based the Indiana Academic Standards for English Language Arts, is a study of how literature is adapted for film or media and includes role playing as film directors for selected screen scenes. Students read about the history of film, the reflection or influence of film on the culture, and issues of interpretation, production and adaptation. Students examine the visual interpretation of literary techniques and auditory language in film and the limitations or special capacities of film versus text to present a literary work. Students analyze how films portray the human condition and the roles of men and women and the various ethnic or cultural minorities in the past and present. CREATIVE WRITING PROJECT: Students write selections from the following projects: a short story, a narrative or epic poem, a persuasive speech or letter, a film review, a script or short play, which demonstrate knowledge, application, and writing progress in the Creative Writing course content.

Core 40 Credits: Film Literature (1 English Credit); Creative Writing (1 English Credit)

Scope and Sequence: History of film; influence of film on the culture; issues of interpretation, production and adaptation; visual interpretation of literary techniques and auditory language in film and the limitations or special capacities of film versus text to present a literary work; films' portrayal of the human condition; the roles of men and women and the various ethnic or cultural minorities in the past and present.

Science

Integrated Chemistry - Physics

Course Overview: Integrated Chemistry and Physics is an introductory course in which students explore the fundamental principles in chemistry and physics. Students enrolled in this course examine the structure and properties of matter, chemical reactions, forces, motion and the interactions between energy and matter.

Core 40 Credits: Integrated Chemistry-Physics (2 Science Credits)

Scope and Sequence: Motion and Energy of Macroscopic Objects; Mechanical Energy and Propagation of Energy by Waves; Properties of Matter: Macrosopic as a Model for Microscopic; Energy Transport; Chemical Energy, Reactions, and Bonding; Electrical Energy Propagation and Magnetism; Nuclear Energy; Society (Energy production, environment, economics)

Biology I

Course Overview: *Biology I* is a course based on the following core topics: cellular chemistry, structure and reproduction; matter cycles and energy transfer; interdependence of organisms; molecular basis of heredity; genetics and evolution. Instruction should focus on developing student understanding that scientific knowledge is gained from observation of natural phenomena and experimentation by designing and conducting investigations guided by
theory and by evaluating and communicating the results of those investigations according to accepted procedures.

Core 40 Credits: Biology I (2 Science Credits)

Biology End of Course Assessment – Taken upon completion of Biology I

Scope and Sequence: Cellular Chemistry; Cellular Structure; Matter Cycles and Energy Transfer; Interdependence; Molecular Basis of Heredity; Cellular Reproduction; Genetics; Evolution

Earth and Space Science

Course Overview: Earth and Space Science is a course focused on the following core topics: study of the earth's layers; atmosphere and hydrosphere; structure and scale of the universe; the solar system and earth processes. Students analyze and describe earth's interconnected systems and examine how earth's materials, landforms, and continents are modified across geological time. Instruction should focus on developing student understanding that scientific knowledge is gained from observation of natural phenomena and experimentation by designing and conducting investigations guided by theory and by evaluating and communicating the results of
those investigations according to accepted procedures.

Core 40 Credits: Earth and Space Science (2 Science Credits)

Scope and Sequence: The Universe; The Solar System; The Earth; The Atmosphere and Hydrosphere; The Solid Earth; Earth Processes;

Chemistry

Course Overview: Chemistry requires students to compare, contrast, and synthesize useful models of the structure and properties of matter and the mechanisms of its interactions. Instruction focuses on developing student understanding that scientific knowledge is gained from observation of natural phenomena and experimentation by designing and conducting investigations guided by theory and by evaluating and communicating the results of those investigations according to accepted procedures.

Core 40 Credits: Chemistry (2 Science Credits)

Scope and Sequence: Properties and States of Matter; Atomic Structure and the Periodic Table; Bonding and Molecular Structure; Reactions and Stoichiometry; Behavior of Gases; Thermochemistry; Solutions; Acids and Bases; Organic Chemistry and Biochemistry

Science Research

Course Overview: *Science Research* is a course that provides students with unique opportunities for independent, in-depth study of one or more specific scientific problems.

Core 40 Credits: Science Research (2 Science Credits)

Scope and Sequence: Laboratory procedures used in a given educational, research, or industrial setting or a variety of such settings; end-of-course project, such as a scientific research paper and presentation of findings.

Other Courses—Directed Electives

Career Technical Education (CTE)

Career Information and Exploration

Preparing for College and Careers

Medical Terminology

Business Math

Information Communications and Technology

Personal Financial Responsibility

Advanced CTE, College Credit

CTE Certifications awarded in the Excel Center include:

- Logistics
- Welding
- Patient Access
- EMT
- Phlebotomy
- CMA
- IT Networking
- Forklift
- CDL
- Early Childhood Education
- Pharmacy Technician

Family and Consumer Science

Early Childhood Education

Child Development

Fine Arts

Piano and Electronic Keyboarding

Electronic Music

College Credit

Credit Recovery Courses

The following courses are also available via online credit recovery:

- English 9
- English 10
- Algebra I
- Geometry
- World History
- Health and Wellness
- PE I
- PE II
- General Electives

Attachment 12: Academic Exit Standards for Excel Center Graduation

Students who graduate the Excel Center are expected to complete the following four courses:

Contents

American Studies A and B 2
American Studies A Course Mapping 2
American Studies B Course Mapping 4
Financial Foundations 6
Algebra II Standards 10
Chemistry Standards 10

Standards for these courses are included below. All courses are aligned to Indiana Academic Standards.

Because they are combinations of multiple courses, the standards for American Studies A and B and Financial Foundations are listed on a lesson-by-lesson basis to demonstrate the combinations of courses in the Excel Center model. Students are evaluated on their mastery of the standards listed in each course.

American Studies A and B

American Studies A Course Mapping

	Content	E/LA 11-12	US
Day 1	Forms of Gov't ECA Style Prompt	RN.1-4; W.1,3,4,6 SL.2-3; RL.2-3 RV.2-3	1.1-1.2
Day 2	US Revolution Thomas Paine Dec. of Independence	RN.1-4; W.1,3,6 SL.2-3; RL.2-3 RV.2-3	1.1, 1.2
Day 3	Federalist Papers 1984	RN.1-4; W.1,3,4,6 SL.2-3; RL.2-3 RV.2-3	1.1, 1.2
Day 4	Legislative Branch	RN.1-4; W.1,3,6 SL.2-3; RL.2-3 RV.2-3	
Day 5	Executive Branch Electoral College	RN.1-4; W.1,3,6 SL.2-3; RL.2-3 RV.2-3	
Day 6	Judicial Branch Westboro Article Court Cases	RN.1-4; W.1,3,6 SL.2-3; RL.2-3 RV.2-3	1.1, 1.2
Day 7	Thematic Essay Push vs. Pull New Colossus	RL.1-4; RV.2-3 RN.1-4; W.1,3,4,6 SL.2-3	2.1, 2.2, 2.3
Day 8	Chinese Exclusion Act ECA Style Essay	RN.1-4; W.1,3,4,6 SL.2-3; RL.2-3 RV.2-3	2.1, 2.2, 2.3, 3.7
Day 9	Irish Immigrants How to write intros and conclusions	RN.1-4; W.1,3,4,6 SL.2-3; RL.2-3 RV.2-3	2.1, 2.2, 2.3, 3.7
Day 10	Rural vs Urban Poetry (Whitman and Sandberg)	RL.1-4; RV.2-3 RN.1-4; W.1,3,6 SL.2-3	
Day 11	Social Darwinism	RN.1-4; W.1,3,6 SL.2-3; RL.2-3 RV.2-3	2.4, 2.5, 3.7
Day 12	Industrial Revolution DBQ	RN.1-4; W.1,3-6 SL.2-3; RL.2-3 RV.2-3	All of 2
Day 13	Finish DBQ Essay Robber Barons Captains of Industry	RN.1-4; W.1,3-6 SL.2-3; RL.2-3 RV.2-3	2.4, 2.5, 3.7
Day 14	Manifest Destiny Westward Expansion	RN.1-4; W.1,3,6 SL.2-3; RL.2-3 RV.2-3	2.6
Day 15	Spanish American War Yellow Journalism	RN.1-4; W.1,3,6 SL.2-3; RL.2-3 RV.2-3	2.6, 3.6

Day 16	White Mans Burden Things Fall Apart St. Crisipin's Day	RL.1-4; RN.4 W.1,3,6; SL.2-3 RV.2	
Day 17	Mexican American War Battle of the Alamo	RN.1-4; W.1,3,6 SL.2-3; RL.2-3 RV.2-3	3.1, 3.2, 3.6
Day 18	14 Points Treaty of Versailles	RN.1-4; W.1,3,6 SL.2-3; RL.2-3 RV.2-3	3.3, 3.4, 3.5
Day 19	The impact of imperialism on American music	RL.1-4; RV.2-3 RN.4; W.1,3,6	
Day 20	Progressive DBQ (end with essay)	RN.1-4; W.1,3-6 SL.2-3; RL.2-3 RV.2-3	3.8
Day 21	Jacob Riis Upton Sinclair	RN.1-4; W.1,3,6 SL.2-3; RL.2-3 RV.2-3	3.8
Day 22	Triange Shirtwaist Factory Fire	RL.1-4; RV.2-3 RN.1-4; W.1,3,6 SL.2-3	3.8
Day 23	Discuss other famous Progressives	RN.1-4; W.1,3,6 SL.2-3; RL.2-3 RV.2-3	3.8
Day 24	TABE Re-test		
Day 25	Review for Final Exam		
Day 26	Final Exam pt. 1 (multiple choice and ECA essay)	RL.1-4; RV.2-3; RN.1-4; W.1,3,4,6 SL.2-3	
Day 27	Final Exam pt. 2 (DBQ)	RN.1-4; W.1,3-6 SL.2-3; RL.2-3 RV.2-3	
Day 28	Intro Graphic Novel Project	RL.1-4; W.1-6 RL,2-4; RV.2-3	
Day 29	Plan Graphic Novels	W.1,3-6; RL.2-4 RV.2-3	
Day 30	Work on Graphic Novel	W.1,3-6; RL.2-4 RV.2-3	
Day 31	Work on Graphic Novel	W.1,3-6; RL.2-4 RV.2-3	
Day 32	Finish Graphic Novel	W.1,3-6; RL.2-4 RV.2-3; SL.1-4	

American Studies B Course Mapping

	Content	E/LA	US	CompApp
Day 1	Flapper Culture St. Valentine's Mass	RN.1-4; W.1,3,4,6 SL.2-3; RL.2-3 RV.2-3	1.1, 1.2	2.1-5 4.1-2
Day 2	Age of Excess Great Gatsby HarlemRenaissance	RL.1-4; RN.4 W.1,3,6; SL.2-3 RV.2-3	1.1, 1.2	2.1-5 4.1-2
Day 3	DBQ Great Depress.	RN.1-4; W.1,3-6 RL.2-4; RV.2-3	1.1, 1.2	2.1-5 4.1-2
Day 4	Introductions Conclusions Finish DBQ Essay	RN.1-4; W.1,3-6 RL.2-4; RV.2-3		2.1-5 4.1-2
Day 5	Depression	RN.1-4; W.1,3,6 SL.2-3; RL.2-3 RV.2-3		2.1-5 4.1-2
Day 6	Harvest Gypsies Dust Bowl Prezi	RL.1-4; RN.4 W.1,3,6; SL.1-4 RV.2-3	1.1, 1.2	1.1-10 2.1-5 3.1-7, 2-7, 5-15 4.1-2 5.1-4 6.1-3
Day 7	Pearl Harbor Japanese Relocate	RN.1-4; W.1,3,6 SL.2-3; RL.2-3 RV.2-3	2.1, 2.2, 2.3	2.1-5 4.1-2
Day 8	Soldiers Experience Life on Home Front ECA Prompt	RN.1-4; W.1,3,4,6 SL.2-3; RL.2-3 RV.2-3	2.1, 2.2, 2.3, 3.7	2.1-5 4.1-2
Day 9	*Terrible Things* Holocaust Victims *Night*	RL.1-4; RN.1-4 RV.2,3; W.1,3,6 SL.1-4	2.1, 2.2, 2.3, 3.7	1.1-10 2.1-5 3.1-7, 2-7, 5-15 4.1-2 5.1-4 6.1-3
Day 10	Holocaust Poetry WWII Propaganda	RL.1-4; RN.2-3 RV.2,3; W.1,3,6 SL.1-4	2.1,2.2, 2.3	1.1-10 2.1-5 3.1-7, 2-7, 5-15 4.1-2 5.1-4 6.1-3
Day 11	Iron Curtain Truman Doctrine Marshall Plan	RN.1-4; W.1,3,6 SL.2-3; RL.2-3 RV.2-3		2.1-5 4.1-2
Day 12	McCarthyism *The Crucible*	RL.1-4; RN.2-3 RV.2,3; W.1,3,6 SL.1-4	2.4, 2.5, 3.7	2.1-5 4.1-2
Day 13	Platt Amendment Bay	RN.1-4; W.1,3,4,6	All of 2	2.1-5

	of Pigs Cuban Missle Crisis	SL.2-3; RL.2-3 RV.2-3		4.1-2
Day 14	Evaluate Kenedy's Decision -- Poster	RL.1-4; RN.4 W.1,3,6; SL.2-3 RV.2-3	2.4, 2.2, 3.7	1.1-10 2.1-5 3.1-7, 2-7, 5-15 4.1-2 5.1-4 6.1-3
Day 15	Intro Vietnam *Things They Carried* Protest Songs	RL.1-4; RN.4 W.1,3,6; SL.2-3 RV.2	2.6	2.1-5 4.1-2
Day 16	Transatlantic Slave Trade Equiano	RN.1-4; W.1,3,6 SL.2-3; RL.2-3 RV.2-3	2.6, 3.6	2.1-5 4.1-2
Day 17	Reconstruction Era Black Codes Sharecropping	RN.1-4; W.1,3,6 SL.2-3; RL.2-3 RV.2-3		2.1-5 4.1-2
Day 18	Emmett Till	RN.1-4; W.1,3,4,6 SL.2-3; RL.2-3 RV.2-3	3.1, 3.2, 3.6	2.1-5 4.1-2
Day 19	*To Kill a Mockingbird*	RL.1-4; RN.2-3 RV.2,3; W.1,3,6 SL.1-4		2.1-5 4.1-2
Day 20	Various Civil Rights Groups -- SAS Pics from CRM	RL.1-4; RN.4 W.1,3,6; SL.2-3 RV.2-3	3.3, 3.4, 3.5	1.1-10 2.1-5 3.1-7, 2-7, 5-15 4.1-2 5.1-4 6.1-3
Day 21	*Letter from a Birmingham Jail* "I Have a Dream"	RN.1-4; W.1,3,6 SL.2-3; RL.2-3 RV.2-3	3.8	2.1-5 4.1-2
Day 22	Literacy Test Other Minorities Brown v Board	RN.1-4; W.1,3,4,6 SL.2-3; RL.2-3 RV.2-3	3.8	2.1-5 4.1-2
Day 23	Nixon - Present	RN.1-4; W.1,3,6 SL.2-3; RL.2-3 RV.2-3		2.1-5 4.1-2
Day 24	Review for Exam			
Day 25	FINAL EXAM!	RL.1-4; RV.2-3; RN.1-4; W.1,3-6 SL.2-3		2.1-5 4.1-2 7.1-3
Day 26	Intro research	W.1-5		1.1-10 2.1-5 3.1-7, 2-7, 5-15 4.1-2 5.1-4 6.1-3

Day 27	Begin researching	W.1-5		1.1-10 2.1-5 3.1-7, 2-7, 5-15 4.1-2 5.1-4 6.1-3
Day 28	Type Paper	W.1-5		1.1-10 2.1-5 3.1-7, 2-7, 5-15 4.1-2 5.1-4 6.1-3
Day 29	Finish Paper	W.1-5; SL.1-4		1.1-10 2.1-5 3.1-7, 2-7, 5-15 4.1-2 5.1-4 6.1-3

Financial Foundations

	MONDAY	**TUESDAY**	**WEDNESDAY**	**THURSDAY**
Procedure Topics	-Introduction to class -What is Economics? -Definition of other key terms: resource, consumer, goods, services, capitalism, democracy, meritocracy -Concept of the American Dream	-What is the difference between a need and a want? -What is choice and how is it employed in economic decisions? -What is opportunity cost? -Analysis of cost per use of items students own	-What is money and what function does it have in a society? -How does one calculate interest? -How does one save effectively and what methods of saving exist?	-How does one open a checking or savings account? -How does an individual write a check? -How does an individual balance a checkbook? -What is fractional reserve banking?
Economics	1.1, 1.4, 1.5	1.2, 1.9	6.1, 6.4	6.3
Business Math		1.1.1, 1.1.2, 1.1.3	1.3.1, 3.2.1	
Personal Finance		1.4.2	4.1.2, 6.1, 6.1.2, 6.2.1, 6.3	3.2.1, 3.2.2, 3.3.2

Week Two

Objective: Students will be able to describe and analyze the role of money, banking and financial services in their lives.

	MONDAY	**TUESDAY**	**WEDNESDAY**	**THURSDAY**
Procedure Topics	-What is credit?	-What is online banking?	-Definitions: supply and demand	-Graphing supply and demand

	-What is a finance charge? -What are the advantages and disadvantages of having a credit card? -What should one look for when registering for a credit card?	-What are the pros and cons of doing banking online? -How do online services compare between banks?	-What is a shortage and what is a surplus? -Review concept of producers and consumers -What role do producers and consumers play in the market?	-Determining price from supply and demand -Definition: equilibrium price -Why might supply and demand change within a market?
Economics	6.6	6.6, 6.7	2.1, 2.3, 2.4	2.1, 2.3, 2.4
Business Math	3.2.8	1.1.1, 1.1.2, 1.1.3, 3.1.3	3.2.1, 3.2.2, 3.2.3, 3.2.4	3.2.1, 3.2.2, 3.2.3, 3.2.4
Personal Finance	3.3.1, 4.2, 4.2.1, 4.2.2	3.3.1		

Week Three

Objective: Students will be able to explain principles of supply and demand and how they affect their personal purchases, using purchasing a car as an example.

	MONDAY	**TUESDAY**	**WEDNESDAY**	**THURSDAY**
Procedure Topics	-How do supply and demand impact the price of a product? -How does the length and interest of a loan affect monthly payments and overall cost? -Car loan project	-How does an individual make calculations to determine the cost of a major purchase? -What is the difference between leasing and buying a car? -Car loan project	-How does buying compare to leasing a product? -What does it cost to maintain a vehicle, including insurance? -What different types of insurance exist?	-How does one shop for insurance? -How do different types of insurance compare? -What factors influence a person's insurance costs?
Economics	6.4, 6.6	6.4, 6.6		
Business Math	3.2.2, 3.2.3	3.2.2, 3.2.3	2.1.9, 3.2.4	2.1.9, 3.2.4
Personal Finance	4.1.2, 4.1.3	4.1.2, 4.1.3	5.2, 5.2.1, 5.2.2, 5.2.3	5.2, 5.2.1, 5.2.2, 5.2.3

Week Four

Objective: Students will be able to demonstrate an understanding of the way market structures function and how decisions made in the market affect individuals and the larger economy.

	MONDAY	**TUESDAY**	**WEDNESDAY**	**THURSDAY**
Procedure Topics	-What are the three main types of business organizations?	-What are the characteristics of competition? -What are the	-What is stock? -What is the stock market?	-How does one do research on a stock? -How does one

	-What are the advantages and disadvantages of each?	four types of competition? -How do businesses make money?	-How does one calculate the value of stock? -What are the risks involved in the stock market?	read a stock table? -Stock Market Simulation
Economics	3.1, 3.2	3.2, 3.4, 3.5, 6.8	6.8	6.8
Business Math			3.2.6, 3.2.7	3.2.6, 3.2.7
Personal Finance	6.3.1	6.3.1	6.3.1, 6.4, 6.4.1, 6.5, 6.5.1	6.3.1, 6.4, 6.4.1, 6.5, 6.5.1

Week Five

Objective: Students will analyze the role government plays in an economy, including regulating the market and the collection and distribution of taxes.

	MONDAY	**TUESDAY**	**WEDNESDAY**	**THURSDAY**
Procedure Topics	-In general, what role does a government play in a capitalistic economy? -What are the limits of government intervention in the economy? -What does the government spend its money on?	-What are the sources of revenue for a government? -How are tax revenues spread out between local, state, and federal budgets? -How are taxes used in an individual's own community?	-What are the differences between progressive, regressive, and proportional taxes? -How does an individual read tax charts and estimate taxes? -What is the difference between gross and net pay?	-What are payroll taxes? -What percentage of a person's salary goes toward Social Security or Medicare? -How does one calculate a sales tax and a discount price?
Economics	4.1, 4.4	4.4, 4.5	4.4, 4.5, 4.6, 4.7, 4.8	
Business Math	6.1.2, 6.1.3, 6.1.5		1.3.1, 2.1.2	2.1.2, 4.1.2, 4.1.3
Personal Finance			3.4.1, 2.3	6.1.1

Week Six

Objective: Students will be able to define GDP and inflation, and demonstrate how individual choice impacts a nation's economy.

	MONDAY	**TUESDAY**	**WEDNESDAY**	**THURSDAY**
Procedure Topics	-What are aggregate supply and aggregate demand? -Define GDP, economic growth, unemployment, and inflation. -How are GDP and	-What are the limits to using GDP as a measure of economic welfare? -Explain the four phases of the business cycle on a macroeconomic level.	-What effects have major historical events (such as WWII or the IT boom) had on business cycles in the United States? -What is inflation?	-How does inflation impact the choices made by individuals? -What is the difference between cost-push and demand-pull inflation?

	economic growth measured?			
Economics	5.1, 5.2	5.3, 5.4	5.5, 5.6	5.7, 5.8
Business Math	1.1.2, 1.1.3, 1.1.4		1.1.2, 1.1.3, 1.1.4. 3.2.7	1.3.1
Personal Finance			3.4.1, 3.4.2, 6.3.2	6.3.2

Week Seven

Objective: Students will be able to define fiscal and monetary policy and the tools used to enforce it, as well as analyze the impact national and individual debt have on a nation's economy.

	MONDAY	**TUESDAY**	**WEDNESDAY**	**THURSDAY**
Procedure Topics	-What is fiscal policy? -What is monetary policy? -What are the tools for fiscal/monetary policy, and how are they used?	-What are the negative effects of unemployment and inflation? -How can individuals protect themselves from unemployment and inflation?	-How does the government impact the level of unemployment and inflation? -How does the government use fiscal policy to promote employment and growth? -What is the Federal Reserve's role in matters of fiscal policy?	-How do we predict future debt based on present information? -How will future spending and taxation affect our national debt? -How does fiscal/monetary policy impact the individual (student)?
Economics	7.1, 7.2	7.3, 7.4	7.5, 7.6	7.7, 7.8, 7.9
Business Math	3.2.1-5	3.2.1-5	3.2.1-5, 3.2.7,	3.2.1-5, 1.3.1, 1.3.2
Personal Finance	4, 3.3.3, 3.4, 4.3.1, 6.3.1	4, 3.3.3, 3.4, 4.3.1, 6.3.1	4, 3.3.3, 3.4, 4.3.1, 6.3.1	4, 3.3.3, 3.4, 4.3.1, 6.3.1

Week Eight

Objective: Students will analyze the mechanics of trade within a nation and abroad.

	MONDAY	**TUESDAY**	**WEDNESDAY**	**THURSDAY**
Procedure Topics	-Why is trade beneficial? (individually, nationally, internationally) -What are different ways in which people trade? (cash, stocks, barter, futures, underground economy) -Absolute vs.	-What are barriers to trade? -Why do some countries establish barriers to trade? -Balance of trade vs. balance of payments -How do trade relations affect	-Labor productivity in the U.S. vs. the rest of the world -What are exchange rates? -How do exchange rates affect individuals living in the U.S.?	-What is free trade? -Is free trade beneficial or harmful to the global economy? Why? -Who does free trade benefit?

	comparative advantage	the American economy?		
Economics	8.1, 8.2, 8.10	8.3, 8.4, 8.5, 8.10	8.6, 8.7, 8.8, 8.10	8.9, 8.10
Business Math	4.1.4	1.3.1-.5	4.1.6, 1.3.1-.5	
Personal Finance	1.1.1, 1.2			

Algebra II Standards

Algebra II Content Standards	**Units of Instruction**
• AII.CNE.1- Operations with complex numbers	Complex numbers and expressions
• AII.CNE.2- Radicals and exponents	Complex numbers and expressions
• AII.CNE.3- Operations with rational expressions	Complex numbers and expressions
• AII.CNE.4- Equivalent forms of rational expressions	Complex numbers and expressions
• AII.CNE.5- Division of polynomials	Complex numbers and expressions
• AII.CNE.6- Partial sums of arithmetic and geometric series	Complex numbers and expressions
• AII.F.1- Function identification	Functions
• AII.F.2- Composition of functions	Functions
• AII.F.3- Inverse functions	Functions
• AII.F.4- Graphing inverse functions	Functions
• AII.F.5- Graphing composite functions	Functions
• AII.SE.1- System of linear and quadratic equations	System of equations
• AII.SE.2- Systems of three linear equations and three variables	System of equations
• AII.SE.3- Real world application of three variable systems	System of equations
• AII.Q.1- Real world application of quadratics	Quadratics
• AII.Q.2- Completing the square and properties of quadratics	Quadratics
• AII.Q.3- Discriminant and number of solutions	Quadratics
• AII.EL.1- Recursive and explicit arithmetic and geometric sequences	Exponential and logarithmic equations and functions
• AII.EL.2- Graph functions expressed symbolically and show key features of the graph by hand in simple cases	Exponential and logarithmic equations and functions
• AII.EL.3- Rate of change in exponential functions	Exponential and logarithmic equations and functions
• AII.EL.4- Transforming expressions for exponential functions	Exponential and logarithmic equations and functions
• AII.EL.5- Relationship between exponential and logarithmic functions	Exponential and logarithmic equations and functions
• AII.EL.6- Laws of exponents and logarithms	Exponential and logarithmic equations and functions
• AII.EL.7- Real world application of exponential equations	Exponential and logarithmic equations and functions
• AII.PR.1- Solving polynomial equations	Polynomial, rational, and other equations and functions
• AII.PR.2- Graph relations and functions and describe their properties	Polynomial, rational, and other

	equations and functions
• AII.PR.3- Solve simple rational and radical equations in one variable	Polynomial, rational, and other equations and functions
• AII.DSP.1- Make inferences from sample surveys, experiments, and observational studies	Data analysis, statistics, and probability
• AII.DSP.2- Use technology to model bivariate data and interpret the correlation coefficient	Data analysis, statistics, and probability
• AII.DSP.3- Identify and interpret measures of central tendency and variation in a data set	Data analysis, statistics, and probability
• AII.DSP.4- Apply theoretical models of probability to interpret random events	Data analysis, statistics, and probability
• AII.DSP.5- Identify and apply concepts of dependent and independent events	Data analysis, statistics, and probability
• AII.DSP.6- Multiplication counting principle, permutations and combinations	Data analysis, statistics, and probability

Chemistry Standards

Standards	**Big Ideas**	**Learning Targets/Objectives**
C.1.1 Based on physical properties, differentiate between pure substances and mixtures.	- Compare and contrast pure substances and mixtures - Physical property - Chemical property - Element, compound - Homogeneous/ heterogeneous	Students will be able to differentiate between a pure substance and a mixture
C.1.2 Observe and describe chemical and physical properties of different types of matter and designate them as either extensive or intensive.	- Intensive/extensive - Chemical/physical properties - Define matter	Students will be able to define an extensive and intensive property Students will be able to explain the properties of three different states of matter
C.1.3 Recognize observable indicators of chemical changes.	- Chemical changes - Indicators of chemical change	Students will be able to determine if a chemical change has occurred due to observable indicators such as color change.
C.1.4 Describe physical and chemical changes at the molecular level.	- Atoms, molecules - Bonding	Students will be able to analyze the differences between a chemical or a physical change.
C.1.5 Describe the characteristics of solids, liquids and gases and changes in state at the molecular level.	- Compare and contrast states of matter -Change of state - Volume, shape - movement of particles - Atoms	Students will be able to define the properties of a solid, liquid and a gas.

C.1.6 Explain and apply the law of conservation of mass as it applies to chemical processes.	- Conservation of mass (equation) - Chemical equations (reactants, products) - Possibly balancing equations in here	Students will be able to apply their knowledge of conservation of mass and how it relates to chemical processes and reactions.
C.1.7 Define density and distinguish among materials based on densities. Perform calculations involving density.	- Density (d=m/V) - How to measure mass/volume - Units of mass and volume - Dimensional analysis	Students will be able to define density and communicate the importance of density when describing a substance. Students will be able to calculate density.
C.2.1 Describe how models of atomic structure changed over time based on available experimental evidence and understand the current model of atomic structure.	- Atom as a solid sphere, plum pudding, etc to Bohr - Indirect evidence	Students will be able to identify the Bohr model and how this model describes an atom's structure
C.2.2 Describe how the subatomic particles (i.e., protons, neutrons and electrons) contribute to the structure of an atom and recognize that the particles within the nucleus are held together against the electrical repulsion of the protons.	- Protons, neutrons, electrons (charges, mass, location in the atom) - Like charges repel, opposite charges attract	Students will be able to explain the structure of an atom using protons, electrons and neutrons.
C.2.3 Determine the number of protons, neutrons, and electrons in isotopes and in those isotopes that comprise a specific element. Relate these numbers to atomic number and mass number.	- Periodic table - Isotopes - Compare and contrast atomic number and mass number	Students will be able to compute the number of neutrons in an atom and differentiate between different atoms depending on this neutron number.
C.2.4 Calculate the average atomic mass of an element from isotopic abundance data.	- Weighted average - Percentages as decimals - Mass number vs atomic mass - Isotopes	Students will be able to calculate the average atomic mass of an element.
C.2.5 Write the electron configuration of an element and relate this to its position on the periodic table.	- Blocks of the periodic table - Groups/periods - Noble gas configuration	Students will be able to construct electron configurations for elements on the periodic table.
C.2.6 Use the periodic table and electron configuration to determine an element's number of valence electrons and its chemical and physical properties.	- Common charge of groups based on number of electrons lost/gained - Alkali metals/alkaline earth/etc	Students will be able to analyze an electron configuration to determine an element's valence electrons.
C.2.7 Compare and contrast nuclear reactions with chemical reactions.	- Nucleus changing vs only changing number of electrons - Show them a nuclear equation vs chemical equation	Students will be able to analyze the difference between a chemical and a nuclear reaction.
C.2.8. Describe how fusion and fission processes transform elements present before	- Define fusion/fission - Show them reactions of each	Students will be able to determine the difference

the reaction into elements present after the reaction.	type and have them identify each - Conservation of mass	between fusion and fission.
C.2.9 Understand that the radioactive decay process is random for any given atom but that this property leads to a predictable and measurable exponential decay of a sample of radioactive material. Know how to calculate the initial amount, the fraction remaining or the half-life of a radioactive isotope when given two of the other three variables.	- Half life - Radioactive decay is random -	Students will be able to analyze a half life decay table.
C.3.1 Describe, compare and contrast the characteristics of the interactions between atoms in ionic and covalent compounds.	- Ionic vs covalent - Metals vs nonmetals and location on the periodic table - Charges formed - Polyatomic ions	Students will be able to summarize the difference between an ionic and a covalent bond
C.3.2 Compare and contrast how ionic and covalent compounds form.	- Sharing vs electron transfer	Students will be able to summarize the difference between an ionic and a covalent bond
C.3.3 Draw structural formulas for and name simple molecules.	- Lewis structures - Lewis dot structures	Students will be able to name compounds.
C.3.4 Write chemical formulas for ionic compounds given their names and vice versa.	- Naming rules - Prefixes	Students will be able to name compounds when given the structural formula.
C.3.5 Compare and contrast ionic, covalent network, metallic and polar and non-polar molecular crystals with respect to constituent particles, strength of bonds, melting and boiling points and conductivity; provide examples of each type.	- Define ionic, covalent network, metallic bonding (compare and contrast electron behavior) - Properties of each - What does it mean to be polar vs nonpolar - Electron affinity/ electronegativity	Students will be able to compare different types of molecules and their properties.
C.4.1 Predict products of simple reactions such as synthesis, decomposition, single replacement and double replacement.	-Five types of reactions	Students will be able to classify different types of reactions.
C.4.2 Balance chemical equations using the law of conservation of mass and use them to describe chemical reactions.	- Balancing equations	Students will be able to balance chemical reactions. Students will apply their knowledge on conservation of mass in terms of balancing equations.
C.4.3 Given mass of the sample, use the mole concept to determine the number of moles and number of atoms or molecules in samples of elements and compounds.	- Avogadro's number - Molar mass - Dimensional analysis	Students will be able to calculate moles and grams based on what is given.
C.4.4 Using a balanced chemical equation,	- Stoichiometry	Students will be able to

calculate the quantities of reactants needed and products made in a chemical reaction that goes to completion.	- Using coefficients for hypothetical situations - Mole ratios	calculate the amount of reactant and product used when looking at balanced chemical equations.
C.4.5 Describe, classify and give examples of various kinds of reactions-synthesis (i.e., combination), decomposition, single displacement, double displacement and combustion.	- Look at 4.1 -	
C.4.6 Determine oxidation states and identify the substances gaining and losing electrons in redox reactions.	- Rules for assigning oxidation numbers - Identify what was oxidized, reducing, and the oxidizing/reducing agents - LEO the lion says GER; OIL RIG	Students will be able to analyze redox reactions
C.4.7 Perform calculations to determine the composition of a compound or mixture when given the formula.	- Percent composition	Students will be able to determine the percent composition of elements in a compound.
C.5.1 Use kinetic molecular theory to explain changes in gas volumes, pressure, moles and temperature.	- 5 postulates of KMT - Combined gas law (Charles, Boyles, Avogadro's)	Students will be able to manipulate the Boyle's and Charles' Laws to calculate volume and pressure in gases.
C.5.2 Using the ideal gas equation of state $PV = nRT$, calculate the change in one variable when another variable is changed and the others are held constant.	- PV=nRT - Conversion practice if necessary	Students will be able to calculate pressure, volume, moles and temperature using the ideal gas equation.
C.5.3 Given the equation for a chemical reaction involving one or more gases as reactants, products or both, calculate the volumes of gas when assuming the reaction goes to completion and the ideal gas law holds.	- PV=nRT - 1 mole = 22.4 L - Mole ratios, stoichiometry	Students will be able to calculate the volume of a gas at standard volume
C.6.1 Explain that atoms and molecules are in constant motion and that this motion increases as thermal energy increases.	- States of matter - Phase changes - Temperature	Students will be able to analyze the relationship between heat and motion in gas particles.
C.6.2 Distinguish between the concepts of temperature and heat flow in macroscopic and microscopic terms.	- Explain how heat flows (what we see vs what is happening on a molecular level)	Students will be able to differentiate between heat and temperature.
C.6.3 Classify chemical reactions and phase changes as exothermic or endothermic.	- Endothermic/exothermic - Phase diagrams	Students will be able to determine the difference between endothermic and exothermic.
C.6.4 Solve problems involving heat flow and temperature changes by using known values of specific heat, phase change constants (i.e., latent heat values) or both.	- $q=mC\Delta T$ - Latent heat equations	Students will be able to perform specific heat calculations.
C.7.1 Describe the composition and properties	- Solute, solvent, saturated,	Students will be able to

of types of solutions.	unsaturated, supersaturated - Conductivity of ionic solutions?	communicate the different components and types of solutions.
C.7.2 Explain how temperature, pressure and polarity of the solvent affect the solubility of a solute.	- Like dissolves like - Laundry detergents/oils and solubility - Factors increasing solubility	Students will be able to determine how changing temperate and pressure affects solubility.
C.7.3 Describe the concentration of solutes in a solution in terms of molarity. Perform calculations using molarity, mass and volume.	- M =moles/V - Extra conversion practice (if needed)	Students will be able to calculate molarity.
C.7.4 Prepare a specific volume of a solution of a given molarity when provided with a known solute.	- Molarity formula	Students will be able to find the amount of moles needed to calculate a certain molarity when volume is given.
C.7.5 Explain how the rate of a reaction is qualitatively affected by changes in concentration, temperature, surface area and the use of a catalyst.	- Factors affecting solubility - Define catalyst	Students will be able to determine if a reaction will speed up or slow down based on manipulations to the system.
C.7.6 Write equilibrium expressions for reversible reactions.	- Write equilibrium expression	Students will be able to write equilibrium expressions.
C.8.1 Use Arrhenius and Brønsted-Lowry definitions to classify substances as acids or bases.	- Acidic protons, hydronium ion - Define acids and bases with Arrhenius and Bronsted-Lowry definitions - pH scale	Students will be able to classify substances and compounds as either an acid or a base based on their properties.
C.8.2 Describe the characteristic properties of acids and bases.	- pH scale - H^+ and OH^-	Students will be able to compare acids and bases.
C.8.3 Compare and contrast the dissociation and strength of acids and bases in solutions.	- Define dissociation -	Students will be able to analyze titration curves.
C.8.4 Given the hydronium (H3O+) ion concentration in a solution, calculate the pH and vice versa. Explain the meaning of these values.	- pH= -log[H^+] - $10^{-pH} = [H^+]$	Students will be able to calculate pH of a solution given the hydrogen ion concentration.
C.8.5 From acid-base titration data, calculate the concentration of an unknown solution.	- Indicators - Molarity formula - Balance an equation - Identify an acid/base - Define neutralization - Mole ratios/stoich	Students will be able to find the molar concentration when given a pH value.
C.9.1 Use structural formulas to illustrate carbon atoms' ability to bond covalently to one another to form many different substances.	- Lewis structures/Lewis dot - Covalent bonding - Carbon as basis for organic chemistry - Carbon = covalent = life	Students will analyze carbon's special bonding capabilities.
C.9.2 Illustrate the variety of molecular types formed by the covalent bonding of carbon atoms and describe the typical properties of these molecular types.	- Single, double, triple bonds - Carbohydrates	Students will be able to determine whether a double bond can be used when creating a resonance

		structure.

Attachment 13: School Calendar and Schedule

For many adult learners, lengthy timeframes needed to progress through an academic program is a major detriment to their lasting success.[1] The Excel Center's schedule is designed to reinforce educational success by accelerating the pace in which students can earn credits and operating the school year-round with minimal breaks. The school's class schedule operates on 8-week cycles, using extended teaching times of 90 minutes each, with some courses merging periods together for 3 ¼ hour blocks. This structure gives students the ability to earn credits on a faster pace than in a traditional 15-week semester. Throughout the academic year students will complete their coursework or withdraw from the school, and The Excel Center fills that student's place during the next iExcel at the beginning of the next term. After an 8-week cycle is completed, students are then assigned into a new schedule with new coursework. Students are required to attend a minimum of 4 hours each day of classes. The Excel Center's 2015-2016 calendar includes 192 days of instruction. This schedule includes five eight-week sessions, with new sessions beginning after the prior term ends. The Excel Center does not offer specific Saturday School or summer school programs because the instructional program continues year-round.

The School Day and Week

The Excel Center school week includes four days of fixed-time classroom instruction and one day of self-directed student learning. Scheduled fixed-length classes take place Mondays through Thursdays. Fridays are available for teachers and staff to prepare for classes, hold case conferences, staff meetings, and one-on-one tutoring sessions and meetings with students.

Monday through Thursday, the school schedule has classes from 8:00 am until 8:00pm. This extended schedule allows for adults to attend classes when their schedules allow, fitting coursework in alongside work or family concerns. A variety of activities will take place in the facility throughout each school day, including classes, one-on-one tutoring, self-directed study, and coaching activities. Resource staff will be available to assist students with particular questions related to their coursework. Schedules will be adjusted at the end of each term: Excel Center staff will adjust classroom schedules to meet the students' credit needs and their ability to attend classes for each term. Two sample student schedules are provided on the following pages.

The Excel Center operates five periods each day, each consisting of 90 minutes of instruction. Each day of fixed-time instruction provides 450 minutes (7.5 hours) of instructional time available for students. Each week includes 30 hours of fixed-length instruction. On Friday, students participate in self-directed learning. They are able to continue on online credit recovery courses, take TABE examinations, work with a tutor and/or meet with their instructors in one-on-one meetings.

[1] Complete College America (2011). *Time is the Enemy: The surprising truth about why today's college students aren't graduating ... and what needs to change.* Washington DC: Complete College America. Retrieved from http://www.completecollege.org/docs/CCA_national_EMBARGO.pdf

The Excel Center

2015-2016

School Year Calendar

vertex42

June 15

Su	M	Tu	W	Th	F	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

July 15

Su	M	Tu	W	Th	F	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

August 15

Su	M	Tu	W	Th	F	Sa
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

September 15

Su	M	Tu	W	Th	F	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

October 15

Su	M	Tu	W	Th	F	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

November 15

Su	M	Tu	W	Th	F	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

December 15

Su	M	Tu	W	Th	F	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

January 16

Su	M	Tu	W	Th	F	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

February 16

Su	M	Tu	W	Th	F	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29					

March 16

Su	M	Tu	W	Th	F	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

April 16

Su	M	Tu	W	Th	F	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

May 16

Su	M	Tu	W	Th	F	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

June 16

Su	M	Tu	W	Th	F	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

July 16

Su	M	Tu	W	Th	F	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

- School Day
- PD for Staff
- Students & Staff Off
- iExcel
- First Day of each Term
- Lottery

Terms

1	Jul 27-Sept 18
2	Sept 24-Nov 20
3	Nov 30-Feb 4
4	Feb 10-Apr 1
5	Apr 20-Jun 7

iExcels

- July 8 & 9, 20 & 21
- September 22 & 23
- November 23 &24
- February 8 & 9
- April 18 & 19

Excel Center Class Schedule

Period	Time	Monday	Tuesday	Wednesday	Thursday	Friday
Break	8:30am - 8:45am	Prep / A+	Prep / A+	Prep / A+	Prep / A+	STAFF PREP TUTORING A+
Period 1	8:45am - 10:15am	Period 1	Period 1	Period 1	Period 1	
Break	10:15am - 10:30am	Break / A+	Break / A+	Break / A+	Break / A+	
Period 2	10:30am - 12:00pm	Period 2	Period 2	Period 2	Period 2	
Lunch	12:00pm - 12:45pm	Lunch	Lunch	Lunch	Lunch	
Period 3	12:45pm - 2:15pm	Period 3	Period 3	Period 3	Period 3	
Break	2:15pm - 2:30pm	Break / A+	Break / A+	Break / A+	Break / A+	
Period 4	2:30pm - 4:00pm	Period 4	Period 4	Period 4	Period 4	
Break (Ext.)	4:00pm - 5:00pm	Break / A+	Break / A+	Break / A+	Break / A+	
Period 5	5:30pm - 7:00pm	Period 5	Period 5	Period 5	Period 5	
Ongoing Student Services:						
Resource Area	8:00am – 8:00pm, Monday-Friday					
Drop-in Center	8:00am – 8:00pm, Monday-Friday					

Student Support Resources (open each weekday):

- Resource Area: Open 8am to 8:00pm
  - Provides A+ curricular support for self-directed learning, Tier II and Tier III instruction
  - Students conduct TABE testing and basic skills
  - Tutoring available for students in need of additional assistance
- Drop-in Center (childcare): Open 8:00am to 8:00pm
  - Available for students' children (4 hour maximum)

Because of the variability of student schedules within the 8-week blocks of courses, a student may not take time in all four subjects during a given school day. The Excel Center's course offerings are changed at the end of each eight week term to ensure that the classes offered meet the credit needs for its student body for that given term. As a result, some courses (including basic skills instruction) will be offered every term, while others (higher-level math and English courses) will be offered less frequently but at least every other term. For a student enrolled in any one of these classes, however, he/she would have minimum instructional times for the following subjects (at right).

- Language Arts: 1 ½ hours (90 minutes)
- Mathematics: 3 hours (180 minutes)
- Science: 3 hours (180 minutes)
- Social Studies: 1 ½ hours (90 minutes)

Students will be able to access resources used in tiered interventions throughout the school day. The Resource Area is open from 8:00am until 8:00pm every day, and tutors will be available in the Resource Area at all times to work with students. Additionally, some students will be scheduled to participate in basic skills instruction (for at least 90 minutes each day) and access tutors during break times and in periods of open study.

Daily Schedule and Sample Course Offerings in Foundation Subjects

Period	Math		Science	English & Life Skills	Humanities	Remediation Courses	Credit Recovery
Prep Time							
Period 1 8:45am - 10:15am 90 min.	Algebra IA Algebra IB Algebra II	Algebra II	Chemistry Biology	Writing Lab Financial Foundations	World Studies A American Studies A	Foundations Math Competency English Basic Skills Lab	A+ Lab
Period 2 10:30am - 12:00pm 90 min.				Writing Lab Financial Foundations		Foundations Math Competency English Basic Skills Lab	A+ Lab
(45min Lreak)							
Period 3 12:45pm - 2:15pm 90 min.	Geometry Bridge Math	Geometry	Chemistry Biology	Writing Foundations Financial Foundations	World Studies B American Studies B	Basic Skills Development: Math BSD: Reading Basic Skills Lab	A+ Lab
(15min Break)							
Period 4 2:30pm - 4:00pm 90 min.				Writing Foundations Financial Foundations		Foundations Math Competency English Basic Skills Lab	A+ Lab
(60min Break)							
Period 5 5:30pm - 7:00pm 90 min.	Algebra I Algebra II	Geometry	Chemistry Biology	Writing Foundations Financial Foundations	American Studies A	Foundations Math Competency English Basic Skills Lab	A+ Lab
				A+ Lab		Foundations Math Competency English Basic Skills Lab	A+ Lab

A typical school day for a teacher

- A teacher will arrive at school slightly before 8:00am. S/he reviews plans for the day's classes until class begins at 8:45am.
- From 8:45am to 12:00pm the teacher leads an Algebra IA course. There is a brief break for students during the middle of this block course.
- The teacher takes a lunch break from 12:00pm until 12:45pm.
- At 12:45pm, the teacher leads a Foundations Math I course which lasts until 2:15pm.
- After a 15 minute break, the teacher then observes an A+ Lab course and answers student questions from 2:30pm – 4:00pm.
- From 4:00pm until 5:00pm, the teacher reviews the day's work and prepares for tomorrow's courses.

Student Schedules

Each Excel Center student has a unique schedule and a unique course progression. To highlight the variety of ways that different students can access The Excel Center's resources, two sample schedules are included for two students with different life situations.

Sample Student Calendar I

Period	Monday	Tuesday	Wednesday	Thursday	Friday
Break	Prep	Prep	Prep	Prep	A+ TUTORING
Period 1	American Studies A	American Studies A	American Studies A	American Studies A	
Break					
Period 2					
Lunch	Lunch	Lunch	Lunch	Lunch	
Period 3	Financial Foundations	Financial Foundations	Financial Foundations	Financial Foundations	
Break	Break	Break	Break	Break	
Period 4	Math Lab	Math Lab	Math Lab	Math Lab	
Extended Break	*Off*	*Off*	*Off*	*Off*	
Period 5					
Break					
Period 6					
Ongoing Student Services:					
Resource Area	Off	Off	Attends 4:00pm - 6:00pm	Attends 4:00pm - 6:00pm	Attends 8:30am-2:00pm
Child Care	Not needed	Not needed	Not Needed	Not needed	Not Needed

This student attends school from 8:30am until 4:00pm each day. This student's schedule includes classes in American Studies A and Financial Foundations and Algebra IB. The student also attends the Resource Area on Wednesday and Thursday evenings, as well as on Fridays.

Sample Student Calendar II

Period	Monday	Tuesday	Wednesday	Thursday	Friday
Break	Off	Off	Off	Off	A+ TUTORING
Period 1					
Break					
Period 2	Competency English A	Competency English A	Competency English A	Competency English A	
Lunch		Lunch	Lunch	Lunch	
Period 3	Foundations Math II	Foundations Math II	Foundations Math II	Foundations Math II	
Break	Off	Off	Off	Off	
Period 4					
Extended Break					
Period 5					
Break					
Period 6	Health	Health	Health	Health	
Ongoing Student Services:					
Resource Area	Off	Off	Off	Off	Attends 10:30am - 2:30pm
Child Care	10:30am - 2:30pm	10:30am - 2:30pm	10:30am - 2:30pm	10:30am - 2:30pm	10:30am - 2:30pm

This schedule accommodates a student with a young child who needs to use the drop-in center for childcare while she attends classes. The parent drops off the child at the Drop-in Center from 10:30am until 2:30pm each day (reaching the 4-hour limit on childcare in the drop-in center). During this time, the student is able to attend basic skills instruction (Competency English and Foundations Math) reading and math labs, as well as a basic skills instruction. In the afternoon – when the student has other child care alternatives – the student takes time away from school to drop off her child at another childcare option. At 7:30pm, the student returns to take her last course of the day – a course on A+ covering Health. Her day ends at 8:45pm.

Because the school serves adults, it will not devote time and resources to facilitating an array of traditional extracurricular programs like sports teams and clubs. However, The Excel Center will provide supports for students who are struggling to meet their basic needs and addressing out-of-class challenges that may impede a student's academic progress. The Excel Center will provide these supports to students and their children. The Excel Center will not create any other community programs that involve the broader community as a part of the regular school program. In addition, almost all of the students enrolled in The Excel Center will be over 18 years of age and will not be under the care of a parent or guardian. As a result, The Excel Center will work directly with students instead of communicating with parents. In the cases where students are under 18, coaches and other staff will involve parents in making school choices, communicating decisions made by the school, and involving parents in their students' academic plans.

Attachment 14: School Enrollment Policy

Admission requirements:
As a public charter school in Indiana, The Excel Center accepts every individual who applies to attend the school. However, The Excel Center is structured to fit the academic and life needs of adults earning a high school diploma, and the school encourages individuals who meet that criteria to apply for the school. Traditional-age students who are interested in attending The Excel Center are encouraged to investigate other schools.

The Excel Center recommends that students in the following characteristics apply:

- Older than age 18
- Have dropped out of school or are significantly behind their cohort in school

There are students who do not meet his criteria who are currently enrolled in the school. However, they are in the minority.

To apply to enter the school, a student must follow the following procedures:

- Apply for the school by making an initial request of information
- Receive and fill out the enrollment packet, which includes:
    - Student name and contact information
    - Demographic information
    - Home language survey
    - Student's plan on using drop-in center for child care
    - Parking information
    - Additional resources application and IEP questionnaires
    - A transcript from the last school a student attended

In cases where a student is having difficulty obtaining his/her transcripts, Excel Center staff will provide assistance to request that information. However, all information must be on file before a student is officially enrolled in the school.

Procedures for The Excel Center Enrollment

1. On an ongoing basis, Goodwill Industries of Michiana, Inc. provides information to community groups, potential new students, and other individuals inquiring about enrollment at The Excel Center. The school's office manager and other school staff answer any questions the inquiring individual has about the school.

2. Potential students are directed to complete a packet of information, where they submit information regarding enrollment in the school. The packet contains explanatory information about the school, its location, and students enter the following initial information:
    - Name
    - Street address

- City
- Zip code
- E-mail address
- Phone number / alternate phone number
- Date of birth
- Gender
- Last grade completed
- Amount of credits earned
- How they heard about the school
- The last school they attended

3. These inquiries are stored in an internal server hosted by Goodwill Industries of Michiana.

4. During an enrollment period, The Excel Center distributes enrollment packets to potential students. The packets and transcripts are distributed one month and must be received one week prior to the dates of iExcel (the Excel Center's new student orientation).

5. Excel staff follow up to ensure student receipt and completion of enrollment materials.

6. Excel staff provides reminder notification (e.g., email, text, phone call) about iExcel dates, transcripts & enrollment packet.

7. Students submit a completed enrollment packet and provision of transcript. These two items are prerequisite for attendance at iExcel.

8. Students who do not attend and complete iExcel must request to be placed back on the wait list, or on the next list for iExcel enrollment. Students must express interest in order to be returned to the "wait list" and contact The Excel Center prior to the following term.

Waiting List procedures:
During the academic year of The Excel Center, some students will leave the school (either by graduating or by withdrawing from the school). When this happens, the student's vacated space in the school is back-filled by students on the waiting list. The waiting list is maintained year-round with students who are wishing to enroll in the school during the next phase of enrollment. Students are queued until the next iExcel orientation takes place.

To accelerate their integration into the school, students on the waiting list are encouraged to fill out the enrollment packet and locate their transcript prior to being notified of an open space. Students will be selected off of the waiting list on a first-come, first-served basis.

Lottery
In the first year of operation, it is possible that more students apply for the school than The Excel Center site will have space. In this case, the school will hold a lottery to determine which students will receive a space in The Excel Center.

The lottery will only include students who have completed all of their enrollment packet (including the provision of their academic transcript). Of those students, each student will be assigned a random number and will be organized to see who gets the space.

Students whose number is selected will be offered the opportunity to begin school. Students whose number is not selected will be added to the waiting list in the order that their unique number allows.

The enrollment timeline for The Excel Center site in South Bend includes the following tentative dates:

- February – April 2015: Open enrollment
    - Student recruitment is ongoing
- April – July 2015: Goodwill and GEI staff assist students in filling out enrollment information
- June 10, 2015: Enrollment lottery held (if necessary)
    - If a lottery is not necessary, all students who have enrolled at this point are guaranteed a space when the school opens
    - Students are able to continue applying for and enrolling in the school after the lottery is held; students will be added to the waiting list on a first-come, first-served basis
- June 10 – June 30, 2015: Students are notified of their space in the school, or their position on their waiting list
    - Any student who changes his/her mind to attend will forfeit his/her open space, and will be returned to the waiting list
- July 13 – The iExcel Enrollment period begins
- July 15 – Classes begin

Note: Similar dates and timelines will be used during the start-up of the additional two Excel Center locations (locations TBD).

Re-Enrollment Policy

Students who withdraw from the school are able to re-enroll in the school if their life circumstances change. In these cases, these students are elevated to a high priority on the waiting list so that they can return to their education, and continue the relationships that they had created while they were with the school.

Attachment 15: Student Discipline Policy

The purpose of the Code of Student Conduct is to provide fair and reasonable rules and procedures to promote human development and to ensure that students do not engage in conduct that in any way interferes with the education of The Excel Center students. If a student chooses to engage in any of the following behaviors, the student will be dismissed from The Excel Center campus immediately.

- Respect for building, staff and students
    - Displaying any behavior that is disruptive to the orderly process of classroom instruction
    - Loitering
    - Cursing
    - Smoking near the entrance or within walk ways
    - Littering trash and/or cigarette butts anywhere on campus
- Attendance and Tardiness
    - Failing to attend class without a valid reason
    - Arriving more than 5 minutes late for class without contacting instructor and life coach in advance
    - Persistent tardiness to school or class
    - Leaving the classroom without permission
- Cell Phones
    - Answering phone calls in class
    - Cell phones not on silent/vibrate during class
    - Texting in class
- Dress Code
    - Clothing that reveals the breasts, midriff or butt area

Building Personal Responsibility at The Excel Center:
The purpose of disciplinary action at The Excel Center is to ensure that both individual students and the school community stay focused on growth and learning. Depending on the nature of the infraction and the student's past performance, any or all of the following consequences may be appropriate:

Student warning, oral or written:
Immediate resolution of the problem or issue is expected.

Participation in Instructional Program:
A student may be expected to: attend a course such as anger management, conflict resolution, peer mediation or stress reduction; participate in group or individual counseling, or attend other programs intended to redirect the student's perceptions and behavior.

Remuneration:
A student may be expected to perform service to correct or repair any damages or harm which may have resulted from the student's behavior.

The hearing officer or designee shall file a written charge with the School Director. If the School Director deems that there are reasonable grounds for expulsion, he or she shall appoint a Hearing Examiner.

Threats and Bodily Harm to Others

Threats, bullying and intimidation will not be tolerated at school or in connection with students, families and staff of The Excel Center. Students will be subject to expulsion for verified acts which threaten, bully or intimidate others. Fighting will not be tolerated at school. A student who physically strikes another individual will be subject to expulsion.

Expulsion:

After a proper investigation and hearing, a student may be expelled when his or her behavior renders it appropriate. Poor attendance or repeated offenses can lead to expulsion.

When the school director or designee makes a recommendation for expulsion of students, the school director or designee may suspend the students until the conclusion of expulsion proceedings. This may occur if the school director believes that the students must be suspended immediately to prevent or substantially reduce the risk of:

- Interference with an educational function or school purposes or
- A physical injury to themselves, other students, school employees, or visitors to the school

Expulsion is mandatory for:

- Bringing, using, or possessing a weapon. Expulsion from school for a period of not less than one year shall be mandated for a student who is determined to have brought a firearm to school, except that the hearing officer or School Director may modify the expulsion order on a case-by-case basis
- Theft or robbery as defined in Indiana code
- Commission of an act, which, if committed by an adult, would be first- or second-degree assault as defined in Tennessee code
- The possession of a drug of controlled substance as defined in Indiana code
- Threats, bullying, and intimidation will not be tolerated at school or in connection with students, families, and staff of The Excel Center. Students will be subject to expulsion for verified acts which threaten, bully or intimidate others.
- Fighting will not be tolerated at school. A student who physically strikes another individual will be subject to expulsion.

Progressive Discipline Standard Operating Procedures

Purpose:

- To assist the student in understanding that a performance problem and opportunity for improvement exists
- To assist the student in overcoming performance problems and satisfy Center expectations
- To prepare students for conduct that is expected in the workplace
- To provide students with opportunities for due process in disciplinary actions

Progressive Discipline Steps

Counseling / Restatement of Expectations	Counseling by the coach is the initial step to mentor or modify performance • Meet with the student and affirm expectations regarding performance. • Discuss the performance deficit or behavioral concern. • Provide a timeline and resources for improvement. • Report consequences for no improvement. • Document in student file.
Verbal Reprimand	After an investigation, follow the procedure outlined above for the counseling process. Discuss previous informal efforts and the current problem. A note should be in the student's file documenting the verbal warning.
Written Reprimand	At this time, the coach or instructor may want to consult the Director. After an investigation, follow the procedure outlined above for the counseling process, with the exception of providing documentation to the staff person in the letter of reprimand. The letter should outline previous informal efforts and the current problem. Tools such as attendance improvement plans, behavior improvement plans and performance improvement plans can be used at this stage. These plans can be used at increments of 30, 60 and 90 days. Send copies of the signed letter and improvement plan to appropriate staff and to the student file. Student may be referred for a hearing after two written reprimands.
Short Suspension (or equivalent)	Fully investigate the concern, followed by discussion with the student. Summarize previous progressive discipline and the current problem, and specify the timeframe for suspension in writing. Identify further discipline and possible termination as a potential consequence for not meeting and maintaining standards for improvement. Provide copies as for the written reprimand. Student must have a hearing before returning to the Center. Record of progressive discipline must be submitted to the panel of staff/students sitting in on the hearing.
Long Suspension (or equivalent)	Fully investigate the concern, followed by discussion with the student. Summarize previous progressive discipline and the current problem, and specify the timeframe for suspension in writing Identify further discipline and possible termination as a potential consequence for not meeting and maintaining standards for improvement. Provide copies as for the written reprimand. Student must have a hearing before returning to the Center. Record of progressive discipline must be submitted to the panel of staff/students sitting in on the hearing.
Expulsion	Expulsion may be necessary when discipline is not successful in improving performance. The coach and/or instructor should review the performance history and record of progressive discipline with the Director. Schedule a final meeting to include the coach and/or instructor, director and the student at which a letter of expulsion is provided. If necessary, the expulsion notice may be sent via certified mail. Provide copies as for previous disciplinary measures.

Hearings:

Hearings should consist of two staff and two students. They are responsible for determining guilt or innocence. They make recommendations for retention or expulsion to the Director. They can impose additional consequences/sanctions. The panel of staff/students will provide documentation of the hearing for the student's file. They are to notify the student of decisions made. They are also responsible for explaining the appeal process.

Appeals:

Students have the right to appeal recommendations made by the panel. An appeal must be made within 30 days of the hearing to the Director. The decision of the director is final and may not be appealed to the Board.

Discipline with Students with Disabilities:

In instances where students are over the age of 21, The Excel Center will not need to continue to make progress on IEP (which does not serve students over age 21) goals for students who are expelled and will not need to contract services for students who are expelled.

Nevertheless, The Excel Center is aware that for students under age 21 who have IEPs, the following procedures will be used:[1]

1. "School personnel may remove the child with a disability who violates the code of conduct from his or her current placement to an appropriate interim alternative educational setting (IAES), another setting, or suspension, for not more than 10 consecutive school days to the extent those alternatives are applied to children without disabilities.
2. School personnel may remove the child with a disability who violates the code of conduct from his or her current placement for additional removals of not more than 10 consecutive school days in that same school year for separate incidents of misconduct as long as those removals do not constitute a CHANGE OF PLACEMENT.

School personnel may apply the relevant disciplinary procedures to children with disabilities in the same manner and for the same duration as the procedures that would be applied to children without disabilities, if:

- In the MANIFESTATION DETERMINATION review, the behavior that gave rise to the violation of the code of conduct is determined not to be a manifestation of the child's disability;
- SERVICES DURING PERIODS OF REMOVAL are provided to the child; and
- Notification of a CHANGE OF PLACEMENT is given to the child's parents.

School personnel must provide the parents of the child removed to a disciplinary alternative education program with written notice of the school's obligation to provide the child with an opportunity to complete coursework required for graduation that: Includes information regarding all methods available

[1] "The Legal Framework for the Child-Centered Special Education Process," retrieved from http://framework.esc18.net/display/Webforms/ESC18-FW-Summary.aspx?FID=154&DT=T&LID=en

for completing the coursework; and States that the methods available for completing the coursework are available at no cost to the child. School personnel may remove the child to an IAES without regard to whether the behavior is determined to be a manifestation of the child's disability, if: There are SPECIAL CIRCUMSTANCES; and The removal is for not more than 45 school days."

Attachment 16: Evidence of Community Support

On the following pages, please find letters of support from:

- Bridges out of Poverty
- Representative Dale DeVon
- Hannah's House
- Ivy Tech Community College
- Mark Neal, Deputy Mayor of the City of South Bend
- Representative David Niezgodski
- St. Joseph County Chamber of Commerce
- University of Notre Dame
- Senator Joseph Zakas

July 17, 2014

To Whom It May Concern:

The St. Joseph County Bridges Out of Poverty Initiative mission is to find innovative approaches to addressing poverty, particularly generational poverty. We know poverty is complex and dynamic, and the cost to our community is high. While there are many agencies focused on assistance of one form or another, often there are gaps in critical services that go unaddressed.

That is why we are so excited that Goodwill Industries will be bringing their Excel Center to South Bend, offering adults the opportunity to earn their high school diplomas. We see it over and over for people who have dropped out of school: by the time an adult values a high school degree, that opportunity door has closed. The only alternative is a GED, which doesn't always bring the same value as a diploma. We think the core components of the Goodwill Excel Center will provide critical areas for success towards further education and employment:, which include:

- Academic instruction that fits the specific needs of our students
- A focus on college and career readiness
- A coaching program that works with students to identify barriers to their education and provides creative ways to keep students engaged in their learning

Our Goodwill program has brought a number of innovative programs to our community: the Second Chance program, the Goodwill Career Center, and Goodwill Rocks, a granite recycling program, to name a few. They understand their client: an adult who is under-resourced and working to build stability. They find a good mix of support and accountability that can lead to lifelong success.

And they are wonderful community collaborators, opening their resources, thinking, and programs to other organizations like ours in the community. Their leadership is among the best as well. CEO Debie Coble served on our Board as we started up our organization and she brings many years of experience and insight to her stewardship.

We are looking forward to Goodwill's Excel Center opening in our community and will do all that we can to make it a success. Please let me know if you have any questions.

Sincerely,

Bonnie Bazata
Executive Director

PO Box 1078 South Bend, IN 46624
574-339-1232 sjcbridges@gmail.com www.sjcbridges.org

STATE OF INDIANA
HOUSE OF REPRESENTATIVES
THIRD FLOOR STATE HOUSE
INDIANAPOLIS, INDIANA 46204

Dale DeVon
200 West Washington Street
Indianapolis, Indiana 46204
574-271-0686
317-232-9745
www.in.gov/h05
h5@iga.in.gov

COMMITTEES:
Education
Family, Children and Human Affairs
Utilities and Energy

July 18, 2014

Indiana Charter School Board
143 West Market Street
Suite 300
Indianapolis, Indiana 46204

To Whom It May Concern:

I am writing in support of Goodwill Industries of Michiana, Inc.'s application to establish a charter high school for adult students. As a strong proponent of educational opportunities for all residents of Indiana, I believe an adult high school in the northern Indiana area will benefit our community as much as the students it will serve.

Goodwill Industries of Michiana, Inc., is committed to empowering its employees through the power of work. The impact of providing education and job training extends well beyond the recipients of that training by allowing for a more skilled workforce that increases the productivity of the local economy. The benefits reaped by adult students who are able to work toward a high school diploma in turn benefit our entire community.

The Excel Center, operated by Goodwill Education Initiatives, Inc., is a fine example of the good that can come from adult high schools. Approximately 320 adult students in each of the Excel Center's nine locations throughout central Indiana are provided with quality instruction and individualized career support and planning. Goodwill Industries of Michiana, Inc., is poised to bring a similar high-quality educational institution to the South Bend area so that these opportunities are expanded to even more of our state's adult learners.

I strongly urge your approval of Goodwill Industries of Michiana, Inc.'s adult high school charter application. Thank you for your consideration, and please feel free to contact me should you wish to further discuss my support.

Sincerely,

Dale DeVon
State Representative
House District 5

DD/tm

July 17, 2014

Ms. Debie Coble
President and CEO
Goodwill Industries of Michiana
Post Office Box 3846
South Bend, IN 46619

Dear Ms. Coble,

I write in support of Goodwill Industries' proposed non-traditional charter high school for adults. This is a much needed addition to our local education landscape to which we would definitely refer.

Hannah's House is a maternity home where pregnant women live during their pregnancy and for the early months of their babies' lives. We seek to not only introduce some much needed structure into our residents' lives, but also work hard to link them with community resources to assist them in achieving self-sufficiency. As you know, Goodwill is one of our key community partners. We often refer to your agency's employment and training services.

One of the conditions for residency at Hannah's House is enrollment in a high school diploma or equivalency program. Since many of our residents are already past the age to enroll in a traditional high school, we are very excited about the prospect of this non-traditional high school. The opportunity for residents to earn a diploma rather than simply a high school equivalency certificate is an important one.

I wish you every success with this important endeavor!

Best regards,

Andrea Popielski
Executive Director

518 West Fourth Street, PO Box 1413, Mishawaka, IN 46546 P 574.254.5309 F 574.254.5310

IVY TECH COMMUNITY COLLEGE

THOMAS G. COLEY, PH.D.
OFFICE OF THE CHANCELLOR

July 22, 2014

Debie M. Coble
President/CEO
Goodwill Industries of Michiana, Inc.
PO Box 3846
1805 Western Avenue
South Bend, IN 46619

Dear Ms. Coble:

On behalf of Ivy Tech Community College North Central, I would like to express our support for The Excel Center Charter School application sponsored by Goodwill Industries of Michiana, Inc. We believe that the proposed Excel Center will provide both academic and social support experiences students need to enter college ready to succeed. Specifically, the Center will help prepare students for the college readiness placement exam and will support them through their studies that will include helping them to overcome any life barriers that they may be facing.

The Excel Center will provide a liaison to Ivy Tech to coordinate student enrollment and testing. Also, the Center will provide tuition payments and offer additional tutoring services to help students to continue to succeed and meet their educational goals once they begin classes at Ivy Tech. Ivy Tech North Central will arrange for onsite Accuplacer placement testing, and we will provide a liaison to help coordinate student schedules and financial payments.

Ivy Tech completely supports the concept and mission of The Excel Center and looks forward to working with Goodwill Industries of Michiana to provide the needed educational pathways and opportunities that will ultimately help to prepare them to be productive and successful in a competitive north central Indiana workforce that demands demonstrated attainment of necessary workplace skill sets.

Sincerely,

Thomas G. Coley

Thomas G. Coley, Ph.D.
Chancellor

220 DEAN JOHNSON BOULEVARD
SOUTH BEND, IN 46601
574-289-7001 EXT. 5706

Ivy Tech is an accredited, equal opportunity, affirmative action community college.

CITY OF SOUTH BEND

PETE BUTTIGIEG, MAYOR

OFFICE OF THE MAYOR

August 1, 2014

Debie Coble
President/CEO
Goodwill Industries of Michiana, Inc.
1805 Western Ave.
South Bend, IN 46619

Dear Ms. Coble,

On behalf of Mayor Pete Buttigieg and the City of South Bend, I would like to express our support of Goodwill Industries of Michiana in their effort to develop an Excel Center, a charter high school, in our community. We believe the Excel Center will be an excellent resource to the members of our community seeking to improve their quality of life by completing their high school education.

As South Bend continues its economic comeback, it is important that we remain mindful of the specific needs within this area and do all we can to encourage the development of resources that will allow continued growth. Paramount to that growth is the cultivation and support of programs that help individuals move forward on the path of continuing education. The Excel Center represents such a program, by working with individuals to help them earn their diploma as opposed to a GED. Upon completion of this program, graduates have taken the first step towards more economic security than a high school equivalency statistically allows them.

The Excel Center not only benefits participants, but our community as a whole. The continued outside investment in South Bend over the last two years has increased the need for a stronger, more educated workforce, one that is able to meet the requirements of incoming industry. Programs like this are vital to achieving that workforce by providing opportunities for those who may have only been able to earn a GED otherwise. The Excel Center will help South Bend in its goal of cultivating new business and opportunities by strengthening our workforce and its growth potential.

1400 COUNTY-CITY BUILDING • 227 W. JEFFERSON BOULEVARD • SOUTH BEND, INDIANA 46601
PHONE 574/235-9261 • FAX 574/235-9892 • TTY 574/235-5567

The City of South Bend believes that the Excel Center will be a great benefit to our community. We fully support Goodwill's application for Adult Charter High Schools and look forward to helping secure its success.

Sincerely,

Mark W. Neal,
Deputy Mayor



STATE OF INDIANA
HOUSE OF REPRESENTATIVES
THIRD FLOOR STATE HOUSE
INDIANAPOLIS, INDIANA 46204

DAVID NIEZGODSKI
200 WEST WASHINGTON ST.
INDIANAPOLIS, INDIANA 46204

COMMITTEES:
AGRICULTURE AND RURAL DEVELOPMENT, RMM
WAYS AND MEANS
EMPLOYMENT, LABOR AND PENSIONS

August 4, 2014

Ms. Debie Coble
President/CEO
Goodwill Industries of Michiana, Inc.
1805 Western Ave.
P.O. Box 3846
South Bend, IN 46619

Dear Ms. Coble:

I am writing to express my support of Goodwill Industries of Michiana's Adult Charter High School application to create the Excel Center. The Excel Center will focus and reinforce resources for all school districts to educate those students who decided to drop out of high school prior to graduation.

In these economic times we need to do everything possible to create an environment that will help students with access to essential educational credentials, job training and experience that will develop life skills. In providing these supportive services it will help afford them opportunities for participation to transform their lives and futures. Gone are the days of being able to secure a well-paying job without a high school diploma. Our community needs to be progressive in securing a plan that will help these students not be overwhelmed with the thought of trying to return to a traditional high school. Adults need flexible high school options which allow them opportunities to gain knowledge on the job by using non-traditional approaches to education that are available to fit their schedules.

In order to provide our community with jobs we need educated individuals to fill those jobs. This is why I support this program and Goodwill's application for Adult Charter High Schools that will benefit our citizens, businesses and community.

Sincerely,

David L. Niezgodski

David Niezgodski
State Representative
House District 7

DN/kc

ST. JOSEPH COUNTY
CHAMBER OF COMMERCE

July 8, 2013

Debie Coble
President/CEO
Goodwill Industries of Michiana, Inc.
1805 Western Ave.
South Bend, IN 46619

Dear Ms. Coble,

On behalf of the St. Joseph County Chamber of Commerce, I would like to express our support of the application by Goodwill Industries of Michiana to create the Excel Center, a charter high school. We believe the Excel Center can help address the workforce and economic challenges created when individuals leave high school prior to graduation.

As the leading economic development organization in St. Joseph County, the Chamber recognizes the value of training and education in preparing the students of our community for the workforce of the future. A skilled workforce will make St. Joseph County more competitive in the battle for jobs. A high school diploma results in a 36% increase in earning power for each individual, which makes a positive impact on the economy of our County.

The companies that we represent recognize the need for education. We believe the Center will provide access to essential educational credentials, job training and experience, life skills training and supportive services that will give participants opportunities that are not otherwise available to them in our community.

Workers who do not have a high school education have very few opportunities with our employers, and attending a traditional high school may not be a viable option for adults who need more flexible options. We believe the Excel Center will provide alternatives that take into account knowledge gained on the job and use non-traditional approaches education, giving its students the first step toward obtaining a more secure future.

The Chamber believes the Center will greatly benefit our community and fully supports Goodwill's application for Adult Charter High Schools.

Sincerely,

Jeff Rea
President and CEO

UNIVERSITY OF
NOTRE DAME
PUBLIC AFFAIRS

Timothy Sexton
Associate Vice President

405 Main Building Notre Dame, Indiana 46556-4635
tel (574) 631-1785 email Timothy.D.Sexton.30@ND.EDU

July 15, 2014

Mr. Scott Bess
Chief Operating Officer
Goodwill Industries of Central Indiana, Inc.
1635 West Michingan Street
Indianapolis, IN 46222

Dear Mr. Scott Bess,

On behalf of the University of Notre Dame, I would like to convey our support of the application by Goodwill Industries of Michiana to create the Excel Center, a charter high school, in our area. Goodwill Industries of Michiana is one of the strongest not for profit organizations in our region and is led by a dedicated, dynamic leader.

The University of Notre Dame is an independent, national Catholic research university located adjacent to the city of South Bend, Indiana. As the largest employer in the region, a strong workforce is required for us to continue to succeed. The great majority of the entry level positions at the University require a high school diploma, thus providing an additional option for obtainment of a diploma would be welcomed.

I believe the Center will provide access to necessary educational credentials, job training and meaningful experience, life skills training and supportive services that will provide participants opportunities that are not otherwise available to them in our community.

Employees who do not have a high school education have very few opportunities with area employers and attending a traditional high school is often not a viable option for adults who require more flexible schedules. We believe the Excel Center will provide alternatives giving its students the first step toward a more secure future.

The University of Notre Dame believes our community will greatly benefit from the Excel Center and fully supports Goodwill's application for Adult Charter High Schools.

Sincerely,

Tim Sexton
Associate Vice President for Public Affairs
The University of Notre Dame

Indiana State Senate
Statehouse
200 W. Washington St.
Indianapolis, IN 46204

August 1, 2014

Debie M. Coble
Goodwill Industries of Michiana, Inc.
1805 Western Ave.
South Bend, IN 46619

Re: Charter School

Dear Debie:

This is a letter in support of Goodwill Industries of Michiana establishing a Charter School in our area to help address the workforce and economic challenges created when individuals leave high school prior to graduation. The decision to drop out significantly hinders the long-term ability to earn a stable income and too often leads to other social problems.

Goodwill's Charter School would provide access to essential educational credentials, job training and experience, life skills training, and supportive services that will afford an opportunity for participants to transform their lives and futures. The school will also directly impact our community by making our workforce more competitive in the knowledge-based economy. Gone are the days of being able to secure a well-paying job without a high school diploma. A high school diploma results in a significantly increased earning power for an individual, which will lead to increased revenues for the South Bend-Mishawaka area.

Many workers impacted by factory and store closings have not completed their high school educations and, thus, have fewer opportunities to replace hourly wages unless they obtain additional education. However, the thought of stepping back into a traditional high school and sitting next to their children and grandchildren is too big an obstacle to success. Adults need flexible high school options which take into account the knowledge gained on the job, use nontraditional approaches to education, and, are available to fit into their schedules.

The Charter School proposed by Goodwill Industries of Michiana, Inc., could have an enormous positive effect in addressing this difficult issue.If additional support is needed, please do not hesitate to contact me.

Sincerely yours,

Joe Zakas
State Senator

Attachment 17: Start-up Plan

PHASE 1: GETTING STARTED	RESPONSIBLE PARTIES	TIMELINE
Select School Director Candidates	B	Jan 16
Hire School Director	B	Feb 13
Develop recruitment, marketing and outreach plan for new students.	B, INIS, P	Feb-Jun 26
Identify community liaisons	M	Feb 13
Write and design initial information materials (brochures, general info sheet, Q&A Sheets, etc	INIS, M	Mar 13
Print and distribute information/brochures	M	Apr 13
Design and print other marketing materials	M, INIS	May-Jul 24
Organize community presentations	P	Apr 10
Customize language-appropriate student applications for South Bend	P, INIS	Apr 10
Organize recruitment campaign, make phone calls	P	Apr-Jun 26
Answer parent phone calls, run open houses	P	Apr-Jun 26
Sign up Sheets for Parents/Students	E	Apr 10
Register students, interview parents	E	Apr-Jul 24
INSTRUCTION & ASSESSMENT		
Plan for classroom/learning environment configuration	P& F	May 13
Complete plan for Excel Center curriculum	INIS, P	Jan-Feb 13
Arrange for regular ECA testing	P	May 13
FINANCIAL PLANNING		
Accommodate Excel Center in existing accounting, purchasing, payroll and state reporting systems	A, INIS	Jan 16
Modify five-year planning budget and business plan based on any new information from the State	B, A	May 15
Phase II: PREPARATION FOR OPENING		
ORGANIZATIONAL		
Revise and expand comprehensive school accountability plan, if necessary	P, INIS	May 15
Develop Emergency Plan	P, B	May 15
Develop Weather Notification Plan	P	Jun 26
INSTRUCTION AND ASSESMENT		
Review and amend instructional program plan	P	May 15
Review and amend curriculum/projects/units	P	Jun 26
Review and amend assessment plan	P	May 15
PLANNING FOR SPECIAL EDUCATION NEEDS		
Identify students whose applications indicated IEP's	P, SEI	Mar-Jul 24

Review and assess need for IEP's	P, SEI	Mar-Jul 24
Confer with parents/students regarding special education needs during registration period.	P, SEI	Mar-Jul 24
Devise plans for serving special education students	P, SEI	Mar-Jul 24
Coordinate schedule for special education students	P, SEI	Mar-Jul 24
Work with parents to develop or revise IEP's as needed.	P, SEI	Mar-Jul 24
Convey special education plans to special education teachers and other regular education teachers/advisors	P, SEI	Mar-Jul 24
Undertake complete ESL assessment	P	Mar-Jul 24
Establish framework for assignment for specific ESL programming	P	Mar-Jul 24
FACILITIES		
Select facility	B, F	Jan 16
Meet with landlord and architect to plan renovations (if needed)	B, F	Feb 6
Begin renovations	Construction	Feb-Jun 26
Arrange classrooms/instructional & work environments	F	Apr-Jun 26
Secure all inspections for fire, safety and other codes	F	Apr-Jun 26
STAFFING		
Plan recruitment strategy	P, INIS	Apr-May 15
Develop new staff selection process	P, INIS	May 13
Provide orientation for new faculty and staff	P, INIS	Jun 29
Advise staff on legal and regulatory compliance	P	Jun 29-Jul 7
Establish Year 1 staff development plan including para-professionals	P, INIS	Mar-Jun 26
Implement immediate staff development ideas	P, INIS	Jun 29-Jul 24
STUDENTS AND PARENTS		
Accept and review applications	OM	Apr-Jul 17
Monitor diversity and outreach	P	Jul 17
Conduct enrollment lottery if applications exceed	P, OM	Jun 10
Conduct registration and assessment	P and staff	Jun-Jul 21
Publish public notice of special education services	P	Jun 1
Send updates to parents and prospective students on a monthly basis	P	Apr-Jul 7
Conduct Family/Student Orientation	P and staff	Jul 8-9 & 20-21

FINANCE AND OPERATIONS		
Review current budget development and oversight policies	B, A	Apr 10
Full implementation of accounting system	A, INIS	May 15
Oversight and decision-making of accounting system	B, A	May 15
Review internal controls and fiscal policies	B, A, P	May 15
Research and recommend auditing options	A, INIS	May 15
Establish and maintain fiscal linkages with state	B, INIS	May 15
Develop long-term fiscal plans	B, A	May 15

SCHOOL OPENING		
School Begins Operations	All staff	Jul 8
Date of School Opening	All staff	**Jul 27**

Phase III: SCHOOL EXPANSION (2016)		
Community out reach	M	Jan
Select expansion location	B	Jan
Hold local hearing	B	Feb
Request approval from ICSB	B	Feb
Identify facility	B	Feb
See Phase 1 & 2		

Phase III: SCHOOL EXPANSION (2017)		
Community out reach	M	Jan
Select expansion location	B	Jan
Hold local hearing	B	Feb
Request approval from ICSB	B	Feb
Identify facility	B	Feb
See Phase 1 & 2		

Charter School Key

A = Accounting Department (Goodwill)
B= Board of Directors
F = Facilities Management (Goodwill)
INIS= INIschools
M = Marketing Department (Goodwill)
OM= Office Manager
P = School Director
SEI = Special Education Instructor

Attachment 18: Insurance Coverage

The following page provides an estimate of insurance coverage for The Excel Center.

Insurance / Risk Advisory / Employee Benefits

HORTON CASSADY NEESER & BRASSEUR

August 4, 2014

Mr. Guy Fisher
Goodwill EXCEL Charter High School
PO Box 3846
South Bend IN 46619

RE: Charter School Insurance Estimate for ICSB Application

Dear Mr. Fisher

The intent of this letter is to provide an indication only for your Charter School planning and approval purposes. Based on the exposure information you have provided us, and a conversation with our underwriter, I can provide you with the following insurance cost estimate for planning purposes. The estimate is based on Hanover Insurance's Educational Advantage Program. Please be advised this is not a bindable quote, and the actual terms and conditions will be determined during the application and underwriting process.

Commercial Package Policy (including Property, Inland Marine, General Liability, School Leader's Errors and Omissions, Sexual Abuse and Molestation, Non-Owned and Hired Auto and Employee Benefits Liability):
Annual Premium: $31,500

Student Accident
Annual Premium: $7,500

$250,000 Employee Dishonesty
Annual Premium: $2,500

$5,000,000 Umbrella Liability
Annual Premium: $13,500

Workers Compensation
Annual Premium: $4,160

Hopefully this is the information you need in order to complete your budget and Charter application. Should you require an actual indication in the future, please let me know, and we can begin the application and underwriting process.

Sincerely,

Thomas R. Cassady
Branch President - Indiana

Attachment 19: Budget and Staffing Workbook

School Name: The Excel Center

SCHOOL ENROLLMENT PROJECTIONS

Planned Number of Students																
ACADEMIC YEAR	**K**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**TOTAL**	**% ELL**	**% SPED**	**% FRL**
Year 1: 2015-2016														0			
Year 2: 2016-2017														0			
Year 3: 2017-2018														0			
Year 4: 2018-2019														0			
Year 5: 2019-2020														0			

Planned Number of Classes														
ACADEMIC YEAR	**K**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**TOTAL**
Year 1: 2015-2016										75	75	75	75	300
Year 2: 2016-2017										85	80	80	80	325
Year 3: 2017-2018										90	90	85	85	350
Year 4: 2018-2019										90	90	85	85	350
Year 5: 2019-2020										90	90	85	85	350

School Name: The Excel Center						
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
REVENUE						
State Revenue						
Basic Grant		$ 1,980,000	$ 2,112,000	$ 2,244,000	$ 2,310,000	$ 2,310,000
State Matching Funds for School Lunch Program		$ -	$ -	$ -	$ -	$ -
Professional Development		$ -	$ -	$ -	$ -	$ -
Technology Grants		$ -	$ -	$ -	$ -	$ -
Remediation Program		$ -	$ -	$ -	$ -	$ -
Full-Day Kindergarten		$ -	$ -	$ -	$ -	$ -
Gifted and Talented Program		$ -	$ -	$ -	$ -	$ -
Textbook Reimbursement		$ 15,000	$ 16,000	$ 17,000	$ 17,500	$ 17,500
Summer School		$ -	$ -	$ -	$ -	$ -
Other State Revenue (please describe)		$ -	$ -	$ -	$ -	$ -
Other State Revenue (please describe)		$ -	$ -	$ -	$ -	$ -
Federal Revenue						
Public Charter School Program (PCSP) Grant	$ 135,000	$ 250,000	$ 150,000			
Facilities Assistance Program Grant		$ -	$ -			
Public Law 101-476 (IDEA)		$ 40,000	$ 45,000	$ 45,000	$ 50,000	$ 50,000
Title I		$ -	$ -	$ -	$ -	$ -
Title II		$ -	$ -	$ -	$ -	$ -
Federal Lunch Program		$ -	$ -	$ -	$ -	$ -
Federal Breakfast Reimbursement		$ -	$ -	$ -	$ -	$ -
Other Revenue Federal sources (please describe)	$ -	$ -	$ -	$ -	$ -	$ -
Other Revenue Federal sources (please describe)	$ -	$ -	$ -	$ -	$ -	$ -
Other Revenue Federal sources (please describe)		$ -	$ -	$ -	$ -	$ -
Other Revenues						
Committed Philanthropic Donations	$ -	$ -	$ -	$ -	$ -	$ -
Before and After Care Fees		$ -	$ -	$ -	$ -	$ -
Interest Income		$ -	$ -	$ -	$ -	$ -
Other (please describe)	$ 125,000	$ 50,000	$ -	$ -	$ -	$ -
Other (please describe)	$ -	$ -	$ -	$ -	$ -	$ -
Other (please describe)	$ -	$ -	$ -	$ -	$ -	$ -
Other (please describe)	$ -	$ -	$ -	$ -	$ -	$ -
Total Revenue	$ 260,000	**$ 2,335,000**	**$ 2,323,000**	**$ 2,306,000**	**$ 2,377,500**	**$ 2,377,500**

EXPENDITURES						
Personnel Expenses						
Wages, Benefits and Payroll Taxes	$ 153,120	$ 1,105,949	$ 1,139,127	$ 1,324,543	$ 1,364,279	$ 1,405,208
Substitute Teachers		$ -	$ -	$ -	$ -	$ -
Professional Development	$ -	$ 20,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000
Bonuses		$ 25,000	$ 25,000	$ 30,000	$ 30,000	$ 30,000
Other (please describe)	$ -	$ -	$ -	$ -	$ -	$ -
Other (please describe)	$ -	$ -	$ -	$ -	$ -	$ -
Other (please describe)	$ -	$ -	$ -	$ -	$ -	$ -
Other (please describe)	$ -	$ -	$ -	$ -	$ -	$ -
Other (please describe)	$ -	$ -	$ -	$ -	$ -	$ -
Total Personnel Expenses	$ 153,120	$ 1,150,949	$ 1,174,127	$ 1,364,543	$ 1,404,279	$ 1,445,208
Instructional Supplies and Resources						
Textbooks	$ -	$ 7,500	$ 6,000	$ 6,000	$ 6,000	$ 6,000
Library, periodicals, etc	$ -	$ -	$ -	$ -	$ -	$ -
Technology	$ -	$ 25,000	$ 15,000	$ 15,000	$ 15,000	$ 15,000
Assessment materials	$ -	$ 12,500	$ 12,700	$ 13,500	$ 13,500	$ 13,500
Computers	$ -	$ 60,000	$ 12,000	$ 7,500	$ 7,500	$ 7,500
Software	$ -	$ 75,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000
Other classroom supplies	$ -	$ 10,000	$ 10,000	$ 8,000	$ 8,000	$ 8,000
Field trips, other unclassified items	$ -	$ -	$ -	$ -	$ -	$ -
Co-curricular & Athletics	$ -	$ -	$ -	$ -	$ -	$ -
Other (please describe)	$ -	$ 10,000	$ 40,000	$ 45,000	$ 50,000	$ 50,000
Other (please describe)	$ -	$ -	$ -	$ -	$ -	$ -
Other (please describe)	$ -	$ -	$ -	$ -	$ -	$ -
Other (please describe)	$ -	$ -	$ -	$ -	$ -	$ -
Other (please describe)	$ -	$ -	$ -	$ -	$ -	$ -
Total Instructional Supplies and Resources	$ -	$ 200,000	$ 120,700	$ 120,000	$ 125,000	$ 125,000
Support Supplies and Resources						
Administrative Computers	$ 7,500	$ 24,000	$ 5,000	$ 6,000	$ 4,000	$ 4,000
Administrative Software	$ 10,000	$ 20,000	$ 7,500	$ 7,500	$ 7,500	$ 7,500
Administration Dues, fees, misc expenses	$ -	$ 2,000	$ 2,000	$ 2,000	$ 2,000	$ 2,000
Office supplies	$ 2,500	$ 10,000	$ 10,000	$ 8,000	$ 8,000	$ 8,000
Other (please describe)	$ -	$ -	$ -	$ -	$ -	$ -
Other (please describe)	$ -	$ -	$ -	$ -	$ -	$ -
Other (please describe)	$ -	$ -	$ -	$ -	$ -	$ -
Other (please describe)	$ -	$ -	$ -	$ -	$ -	$ -
Other (please describe)	$ -	$ -	$ -	$ -	$ -	$ -

Total Support Supplies and Resources	$ 20,000	$ 56,000	$ 24,500	$ 23,500	$ 21,500	$ 21,500
Board Expenses						
Charter Board Services, including Board Training, retreats	$ -	$ -	$ -	$ -	$ -	$ -
Charter Board Supplies & Equipment	$ -	$ -	$ -	$ -	$ -	$ -
Charter Board Dues, fees, etc	$ -	$ -	$ -	$ -	$ -	$ -
Other (please describe)	$ -	$ -	$ -	$ -	$ -	$ -
Other (please describe)	$ -	$ -	$ -	$ -	$ -	$ -
Other (please describe)	$ -	$ -	$ -	$ -	$ -	$ -
Other (please describe)	$ -	$ -	$ -	$ -	$ -	$ -
Other (please describe)	$ -	$ -	$ -	$ -	$ -	$ -
Total Board Expenses	$ -	$ -	$ -	$ -	$ -	$ -
Professional Purchased or Contracted Services						
Legal Services	$ 5,000	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,500
Audit Services (compliant with SBOA requirements)	$ -	$ -	$ 15,000	$ 15,000	$ 15,000	$ 15,000
Payroll Services	$ 2,400	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000
Accounting Services	$ -	$ -	$ -	$ -	$ -	$ -
Printing/Newsletter/Annual Report Services	$ -	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000
Consultants	$ -	$ -	$ -	$ -	$ -	$ -
Internet Services	$ -	$ 12,000	$ 9,000	$ 9,000	$ 9,000	$ 9,000
Telephone/Telecommunication Services	$ -	$ 12,000	$ 9,000	$ 9,000	$ 9,000	$ 9,000
Total Insurance Costs (per ICSB requirements detailed in charter school application)	$ -	$ 12,000	$ 12,000	$ 12,000	$ 12,000	$ 12,000
Travel	$ 4,500	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000
Postage	$ -	$ 2,400	$ 2,400	$ 2,400	$ 2,400	$ 2,400
Special Education Services	$ -	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000
Student Information Services	$ -	$ 10,000	$ 2,500	$ 2,500	$ 2,500	$ 2,500
Food service	$ -	$ -	$ -	$ -	$ -	$ -
Transportation	$ -	$ 40,000	$ 45,000	$ 45,000	$ 50,000	$ 50,000
Nursing Services	$ -	$ -	$ -	$ -	$ -	$ -
INIschools Fees	$ 50,000	$ 287,100	$ 306,240	$ 320,000	$ 320,000	$ 320,000
Other (please describe)	$ -	$ -	$ -	$ -	$ -	$ -
Other (please describe)	$ -	$ -	$ -	$ -	$ -	$ -
Other (please describe)	$ -	$ -	$ -	$ -	$ -	$ -
tal Professional Purchased or Contracted Services	$ 61,900	$ 423,000	$ 448,640	$ 462,400	$ 467,400	$ 467,400
Facilities						

Rent, mortgage, or other facility cost	$ -	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000
Furniture & Equipment	$ -	$ 120,000	$ 40,000	$ 15,000	$ 15,000	$ 15,000
Gas/electric	$ -	$ 36,000	$ 36,000	$ 36,000	$ 36,000	$ 36,000
Water/Sewer	$ -	$ 4,800	$ 4,800	$ 4,800	$ 4,800	$ 4,800
Grounds Keeping	$ -	$ 6,000	$ 6,000	$ 6,000	$ 6,000	$ 6,000
Maintenance Services	$ -	$ 35,000	$ 35,000	$ 35,000	$ 35,000	$ 35,000
Custodial	$ -	$ 54,000	$ 54,000	$ 54,000	$ 54,000	$ 54,000
Waste disposal	$ -	$ 3,600	$ 3,600	$ 3,600	$ 3,600	$ 3,600
Debt Service for Facilities (Interest Only)	$ -	$ -	$ -	$ -	$ -	$ -
Other (please describe)	$ -	$ -	$ -	$ -	$ -	$ -
Other (please describe)	$ -	$ -	$ -	$ -	$ -	$ -
Other (please describe)	$ -	$ -	$ -	$ -	$ -	$ -
Other (please describe)	$ -	$ -	$ -	$ -	$ -	$ -
Total Facilities	$ -	$ 409,400	$ 329,400	$ 304,400	$ 304,400	$ 304,400
Other						
Contingency	$ -	$ -	$ -	$ -	$ -	$ -
Indiana Charter School Board Administrative Fee	$ -	$ 59,400	$ 63,360	$ 67,320	$ 69,300	$ 69,300
CMO/EMO Fee	$ -	$ -	$ -	$ -	$ -	$ -
Common School Fund Loan Interest Costs	$ -	$ -	$ -	$ -	$ -	$ -
Other (please describe)	$ -	$ -	$ -	$ -	$ -	$ -
Other (please describe)	$ -	$ -	$ -	$ -	$ -	$ -
Other (please describe)	$ -	$ -	$ -	$ -	$ -	$ -
Total Other	$ -	$ 59,400	$ 63,360	$ 67,320	$ 69,300	$ 69,300
Total Expenditures	$ 235,020	$ 2,298,749	$ 2,160,727	$ 2,342,163	$ 2,391,879	$ 2,432,808
Carryover/Deficit	$ 24,980	$ 36,251	$ 162,273	$ (36,163)	$ (14,379)	$ (55,308)
Cumulative Carryover/(Deficit)	$ 24,980	$ 61,231	$ 223,504	$ 187,341	$ 172,962	$ 117,654

Expected New School Annual Operating Budget and Cash Flow Projections -- YEAR 0 -- Pre-Opening Period

	Jun-14	Jul-14	Aug-14	Sept-14	Oct-14	Nov-14	Dec-14	TOTAL 2014	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	TOTAL FIRST HALF 2015
REVENUE															
Federal Revenue															
Public Charter School Program (PCSP) Grant (NOTE: this is a competitive grant. Funding is not guaranteed.)	-	-	-	-	-	-	-	-	35,335	23,557	23,557	23,557	23,557	5,437	135,000
Other Revenue Federal sources (please describe)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Revenue Federal sources (please describe)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Revenues															
Committed Philanthropic Donations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other (please describe)	-	-	-	-	50,000	-	-	50,000	50,000	-	-	-	-	25,000	75,000
Other (please describe)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other (please describe)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other (please describe)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue	**-**	**-**	**-**	**-**	**50,000**	**-**	**-**	**50,000**	**85,335**	**23,557**	**23,557**	**23,557**	**23,557**	**30,437**	**210,000**
EXPENDITURES															
Personnel Expenses															
Wages, Benefits and Payroll Taxes (TOTAL must match "Staffing Year 0")	-	-	-	-	-	-	-	-	35,335	23,557	23,557	23,557	23,557	23,557	153,120
Professional Development	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other (please describe)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other (please describe)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other (please describe)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other (please describe)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other (please describe)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Personnel Expenses	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	35,335	23,557	23,557	23,557	23,557	23,557	153,120
Instructional Supplies and Resources															
Textbooks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Library, periodicals, etc	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Technology	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Assessment materials	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Computers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Software	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other classroom supplies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Field trips, other unclassified items	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Co-curricular & Athletics	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other (please describe)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other (please describe)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other (please describe)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other (please describe)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other (please describe)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Instructional Supplies and Resources	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Support Supplies and Resources															
Administrative Computers	-	-	-	-	-	-	-	-	7,500	-	-	-	-	-	7,500
Administrative Software	-	-	-	-	-	-	-	-	10,000	-	-	-	-	-	10,000
Administration Dues, fees, misc expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Office supplies	-	-	-	-	-	-	-	-	2,500	-	-	-	-	-	2,500
Other (please describe)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other (please describe)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other (please describe)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other (please describe)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other (please describe)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Support Supplies and Resources	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	20,000	**-**	**-**	**-**	**-**	**-**	20,000

	Jun-14	Jul-14	Aug-14	Sept-14	Oct-14	Nov-14	Dec-14	TOTAL 2014	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	TOTAL FIRST HALF 2015
Board Expenses															
Charter Board Services, including Board Training, retreats	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Charter Board Supplies & Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Charter Board Dues, fees, etc	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other (please describe)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other (please describe)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other (please describe)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other (please describe)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other (please describe)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Board Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Professional Purchased or Contracted Services															
Legal Services	-	-	-	-	-	-	-	-	5,000	-	-	-	-	-	5,000
Audit Services (compliant with SBOA requirements)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Payroll Services	-	-	-	-	-	-	-	-	400	400	400	400	400	400	2,400
Accounting Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Printing/Newsletter/Annual Report Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Consultants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Internet Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Telephone/Telecommunication Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Insurance Costs (per ICSB requirements detailed in charter school application)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-	-	1,500		1,500		1,500		4,500
Postage	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Special Education Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Student Information Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Food service	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Nursing Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other (please describe)	-	-	-	-	50,000	-	-	50,000	-	-	-	-	-	-	-
Other (please describe)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other (please describe)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other (please describe)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Professional Purchased or Contracted Services	-	-	-	-	50,000	-	-	50,000	6,900	400	1,900	400	1,900	400	11,900
Facilities															
Rent, mortgage, or other facility cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Furniture & Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gas/electric	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water/ Sewer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grounds Keeping	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Maintenance Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Custodial	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste disposal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt Service for Facilities (Interest Only)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other (please describe)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other (please describe)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other (please describe)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other (please describe)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Facilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other															
Contingency	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Indiana Charter School Board Administrative Fee (0% in Year 0)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CMO/EMO Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other - INI Schools fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other (please describe)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other (please describe)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

	Jun-14	Jul-14	Aug-14	Sept-14	Oct-14	Nov-14	Dec-14	TOTAL 2014	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	TOTAL FIRST HALF 2015
Other (please describe)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	-	-	-	-	50,000	-	-	50,000	62,235	23,957	25,457	23,957	25,457	23,957	185,020
Net Income (Pre-Cash Flow Adjustments)	-	-	-	-	-	-	-	-	23,100	(400)	(1,900)	(400)	(1,900)	6,480	24,980
CASH FLOW ADJUSTMENTS															
OPERATING ACTIVITIES															
Example - Add Back Depreciation	-	-	-	-	-	-	-		-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-		-	-	-	-	-	-	-

Expected Charter School Staffing Needs -- Year 0 -- Pre-Opening Period

Please fill in the expected positions along with salary and benefit estimates. Insert rows as needed. Be certain to include all Administrative Staff positions, in addition to Teachers and positions such as Paraprofessional, Teaching Assistant, Counselor, Therapist, Nurse, etc. as may be appropriate for your school model.

Benefits Assumptions - Please describe how you calculated your benefits and what is included below					
7.65% for payroll taxes, 10.5% for TRF, 13.85% for group ins					
Position Description	**Number of Staff Per Position**	**Average Salary for the Position**	**Total Salary**	**Benefits and Payroll Taxes**	**TOTAL Salary and Benefits**
School Director - start Jan 2015	0.5	90,000	45,000	14,400	59,400
Lead Teachers (2) - start Jan 2015	1	55,000	55,000	17,600	72,600
Office Manager - start Jan 2015	0.5	32,000	16,000	5,120	21,120
			-		-
			-		-
			-		-
			-		-
			-		-
			-		-
			-		-
			-		-
			-		-
TOTAL			116,000	37,120	153,120

Expected New School Annual Operating Budget -- YEAR 1 -- Fiscal Year July 1-June 30			
REVENUE	**Amount**		**Notes**
State Revenue			
Adult Learners	$	1,980,000	**300 students @ $6,600 each**
State Matching Funds for School Lunch Program			
Professional Development			
Technology Grants			
Remediation Program			
Full-Day Kindergarten			
Gifted and Talented Program			
Textbook Reimbursement	$	15,000	estimated
Summer School			
Other State Revenue (please describe)			
Other State Revenue (please describe)			
Federal Revenue			
Public Charter School Program (PCSP) Grant	$	250,000	**NOTE: This is a competitive grant for planning & implementation. Funding is not guaranteed.**
Charter School Facilities Assistance Program Grant			
Public Law 101-476 (IDEA)	$	40,000	estimated
Title I			
Title II			
Federal Lunch Program			
Federal Breakfast Reimbursement			
Other Revenue Federal sources (please describe)			
Other Revenue Federal sources (please describe)			
Other Revenue Federal sources (please describe)			
Other Revenues			
Committed Philanthropic Donations			
Before and After Care Fees			
Interest Income			
Other (please describe)	$	50,000	
Other (please describe)			
Other (please describe)			
Other (please describe)			
Total Revenue	$	2,335,000	
EXPENDITURES			
Personnel Expenses			
Wages, Benefits and Payroll Taxes	$	1,105,949	Use staffing workbook
Substitute Teachers			
Professional Development	$	20,000	
Bonuses	$	25,000	
Other (please describe)			
Other (please describe)			
Other (please describe)			
Other (please describe)			
Other (please describe)			
Total Personnel Expenses	$	1,150,949	
Instructional Supplies and Resources			
Textbooks	$	7,500	
Library, periodicals, etc			
Technology	$	25,000	cabling
Assessment materials	$	12,500	TABE/COMPASS
Computers	$	60,000	Student computers
Software	$	75,000	Read 180, System 44, etc
Other classroom supplies	$	10,000	
Field trips, other unclassified items			

Co-curricular & Athletics			
Other (please describe)	$	10,000	certification courses
Other (please describe)			
Other (please describe)			
Other (please describe)			
Other (please describe)			
Total Instructional Supplies and Resources	$	200,000	
Support Supplies and Resources			
Administrative Computers	$	24,000	Staff computers
Administrative Software	$	20,000	
Administration Dues, fees, misc expenses	$	2,000	
Office supplies	$	10,000	
Other (please describe)			
Other (please describe)			
Other (please describe)			
Other (please describe)			
Other (please describe)			
Total Support Supplies and Resources	$	56,000	
Board Expenses			
Charter Board Services, including Board Training, retreats			
Charter Board Supplies & Equipment			
Charter Board Dues, fees, etc			
Other (please describe)			
Other (please describe)			
Other (please describe)			
Other (please describe)			
Other (please describe)			
Total Board Expenses	$	-	
Professional Purchased or Contracted Services			
Legal Services	$	2,500	
Audit Services (compliant with SBOA requirements)	$	-	
Payroll Services	$	5,000	
Accounting Services	$	-	
Printing/Newsletter/Annual Report Services	$	5,000	
Consultants			
Internet Services	$	12,000	
Telephone/Telecommunication Services	$	12,000	
Total Insurance Costs (per ICSB requirements detailed in charter school application)	$	12,000	
Travel	$	10,000	
Postage	$	2,400	
Special Education Services	$	25,000	
Student Information Services	$	10,000	
Food service			
Transportation	$	40,000	
Nursing Services			
Other - INI Schools fees	$	287,100	
Other (please describe)			
Other (please describe)			
Other (please describe)			
Total Professional Purchased or Contracted Services	$	423,000	
Facilities			
Rent, mortgage, or other facility cost	$	150,000	$10 per sf for 15,000 sq ft
Furniture & Equipment	$	120,000	Classroom and administrative furniture
Gas/electric	$	36,000	estimated
Water/ Sewer	$	4,800	estimated

Grounds Keeping	$	6,000	estimated
Maintenance Services	$	35,000	estimated
Custodial	$	54,000	estimated
Waste disposal	$	3,600	estimated
Debt Service for Facilities (Interest Only)			
Other (please describe)			
Other (please describe)			
Other (please describe)			
Other (please describe)			
Total Facilities	$	409,400	
Other			
Contingency			
Indiana Charter School Board Administrative Fee	$	59,400	**Assume 3% of Basic Grant (Row 6)**
CMO/EMO Fee			**Be certain to reflect the full amount of any fee, including the management fee and any pass-through fees. If pass-through fees are reflected elsewhere in the budget, please clearly indicate this in the Budget Narrative.**
Common School Fund Loan Interest Costs			
Other (please describe)			
Other (please describe)			
Other (please describe)			
Total Other	$	59,400	
Total Expenditures	$	2,298,749	
Carryover/Deficit	$	36,251	
Cumulative Carryover/(Deficit)	$	61,231	

Expected Charter School Staffing Needs -- Year 1

Please fill in the expected positions along with salary and benefit estimates. Insert rows as needed. Be certain to include all Administrative Staff positions, in addition to Teachers and positions such as Paraprofessional, Teaching Assistant, Counselor, Therapist, Nurse, etc. as may be appropriate for your school model.

Benefits Assumptions - Please describe how you calculated your benefits and what is included below					
7.65% for payroll taxes, 10.5% for TRF, 13.85% for group ins					
Position Description	**Number of Staff Per Position**	**Average Salary for the Position**	**Total Salary**	**Benefits and Payroll Taxes**	**TOTAL Salary and Benefits**
School Director	1	91,800	91,800	29,376	121,176
Lead Teachers	2	56,100	112,200	35,904	148,104
Teachers	6	42,000	252,000	80,640	332,640
Resource Specialist	2	33,000	66,000	21,120	87,120
Special Education	1	43,000	43,000	13,760	56,760
Coaches	3	33,000	99,000	31,680	130,680
College Transition Coordinator	1	40,000	40,000	12,800	52,800
Career Pathways Specialist	1	40,000	40,000	12,800	52,800
Drop In Center Director	1	30,000	30,000	9,600	39,600
Drop In Center Attendants	1.5	20,800	31,200	9,984	41,184
Office Manager	1	32,640	32,640	10,445	43,085
			-		-
TOTAL			837,840	268,109	1,105,949

Expected New School Annual Operating Budget -- YEAR 2 -- Fiscal Year July 1-June 30		
REVENUE	**Amount**	**Notes**
State Revenue		
Adult Learners	$ 2,112,000	**320 students @ $6,600 each**
State Matching Funds for School Lunch Program		
Professional Development		
Technology Grants		
Remediation Program		
Full-Day Kindergarten		
Gifted and Talented Program		
Textbook Reimbursement	$ 16,000	estimated
Summer School		
Other State Revenue (please describe)		
Other State Revenue (please describe)		
Federal Revenue		
Public Charter School Program (PCSP) Grant	$ 150,000	**NOTE: This is a competitive grant for planning & implementation. Funding is not guaranteed.**
Charter School Facilities Assistance Program Grant		
Public Law 101-476 (IDEA)	$ 45,000	estimated
Title I		
Title II		
Federal Lunch Program		
Federal Breakfast Reimbursement		
Other Revenue Federal sources (please describe)		
Other Revenue Federal sources (please describe)		
Other Revenue Federal sources (please describe)		
Other Revenues		
Committed Philanthropic Donations		
Before and After Care Fees		
Interest Income		
Other (please describe)		
Other (please describe)		
Other (please describe)		
Other (please describe)		
Total Revenue	$ 2,323,000	
EXPENDITURES		
Personnel Expenses		
Wages, Benefits and Payroll Taxes	$ 1,139,127	Use staffing workbook
Substitute Teachers		
Professional Development	$ 10,000	
Bonuses	$ 25,000	
Other (please describe)		
Other (please describe)		
Other (please describe)		
Other (please describe)		
Other (please describe)		
Total Personnel Expenses	$ 1,174,127	
Instructional Supplies and Resources		
Textbooks	$ 6,000	
Library, periodicals, etc		
Technology	$ 15,000	
Assessment materials	$ 12,700	
Computers	$ 12,000	
Software	$ 25,000	License renewals
Other classroom supplies	$ 10,000	
Field trips, other unclassified items		

Co-curricular & Athletics			
Other (please describe)	$	40,000	Certification courses
Other (please describe)			
Other (please describe)			
Other (please describe)			
Other (please describe)			
Total Instructional Supplies and Resources	$	120,700	
Support Supplies and Resources			
Administrative Computers	$	5,000	
Administrative Software	$	7,500	License renewals
Administration Dues, fees, misc expenses	$	2,000	
Office supplies	$	10,000	
Other (please describe)			
Other (please describe)			
Other (please describe)			
Other (please describe)			
Other (please describe)			
Total Support Supplies and Resources	$	24,500	
Board Expenses			
Charter Board Services, including Board Training, retreats			
Charter Board Supplies & Equipment			
Charter Board Dues, fees, etc			
Other (please describe)			
Other (please describe)			
Other (please describe)			
Other (please describe)			
Other (please describe)			
Total Board Expenses	$	-	
Professional Purchased or Contracted Services			
Legal Services	$	2,500	
Audit Services (compliant with SBOA requirements)	$	15,000	
Payroll Services	$	5,000	
Accounting Services	$	-	
Printing/Newsletter/Annual Report Services	$	5,000	
Consultants			
Internet Services	$	9,000	erate discount
Telephone/Telecommunication Services	$	9,000	erate discount
Total Insurance Costs (per ICSB requirements detailed in charter school application)	$	12,000	
Travel	$	10,000	
Postage	$	2,400	
Special Education Services	$	25,000	
Student Information Services	$	2,500	License renewal
Food service			
Transportation	$	45,000	
Nursing Services			
Other - INI Schools fees	$	306,240	
Other (please describe)			
Other (please describe)			
Other (please describe)			
Total Professional Purchased or Contracted Services	$	448,640	
Facilities			
Rent, mortgage, or other facility cost	$	150,000	$10 per sf for 15,000 sq ft
Furniture & Equipment	$	40,000	
Gas/electric	$	36,000	
Water/ Sewer	$	4,800	

Grounds Keeping	$	6,000	
Maintenance Services	$	35,000	
Custodial	$	54,000	
Waste disposal	$	3,600	
Debt Service for Facilities (Interest Only)			
Other (please describe)			
Other (please describe)			
Other (please describe)			
Other (please describe)			
Total Facilities	$	329,400	
Other			
Contingency			
Indiana Charter School Board Administrative Fee	$	63,360	**Assume 3% of Basic Grant (Row 6)**
CMO/EMO Fee			**Be certain to reflect the full amount of any fee, including the management fee and any pass-through fees. If pass-through fees are reflected elsewhere in the budget, please clearly indicate this in the Budget Narrative.**
Common School Fund Loan Interest Costs			
Other (please describe)			
Other (please describe)			
Other (please describe)			
Total Other	$	63,360	
Total Expenditures	$	2,160,727	
Carryover/Deficit	$	162,273	
Cumulative Carryover/(Deficit)	$	223,504	

Expected Charter School Staffing Needs -- Year 2

Please fill in the expected positions along with salary and benefit estimates. Insert rows as needed. Be certain to include all Administrative Staff positions, in addition to Teachers and positions such as Paraprofessional, Teaching Assistant, Counselor, Therapist, Nurse, etc. as may be appropriate for your school model.

Benefits Assumptions - Please describe how you calculated your benefits and what is included below					
7.65% for payroll taxes, 10.5% for TRF, 13.85% for group ins					
Position Description	**Number of Staff Per Position**	**Average Salary for the Position**	**Total Salary**	**Benefits and Payroll Taxes**	**TOTAL Salary and Benefits**
School Director	1	94,554	94,554	30,257	124,811
Lead Teachers	2	57,783	115,566	36,981	152,547
Teachers	6	43,260	259,560	83,059	342,619
Resource Specialist	2	33,990	67,980	21,754	89,734
Special Education	1	44,290	44,290	14,173	58,463
Coaches	3	33,990	101,970	32,630	134,600
College Transition Coordinator	1	41,200	41,200	13,184	54,384
Career Pathways Specialist	1	41,200	41,200	13,184	54,384
Drop In Center Director	1	30,900	30,900	9,888	40,788
Drop In Center Attendants	1.5	21,424	32,136	10,284	42,420
Office Manager	1	33,619	33,619	10,758	44,377
			-		-
TOTAL			862,975	276,152	1,139,127

Expected New School Annual Operating Budget -- YEAR 3 -- Fiscal Year July 1-June 30		
REVENUE	**Amount**	**Notes**
State Revenue		
Basic Grant	$ 2,244,000	**340 students @ $6,600 each**
State Matching Funds for School Lunch Program		
Professional Development		
Technology Grants		
Remediation Program		
Full-Day Kindergarten		
Gifted and Talented Program		
Textbook Reimbursement	$ 17,000	estimated
Summer School		
Other State Revenue (please describe)		
Other State Revenue (please describe)		
Federal Revenue		
Public Law 101-476 (IDEA)	$ 45,000	estimated
Title I		
Title II		
Federal Lunch Program		
Federal Breakfast Reimbursement		
Other Revenue Federal sources (please describe)		
Other Revenue Federal sources (please describe)		
Other Revenue Federal sources (please describe)		
Other Revenues		
Committed Philanthropic Donations		
Before and After Care Fees		
Interest Income		
Other (please describe)		
Other (please describe)		
Other (please describe)		
Other (please describe)		
Total Revenue	$ 2,306,000	
EXPENDITURES		
Personnel Expenses		
Wages, Benefits and Payroll Taxes	$ 1,324,543	Use staffing workbook
Substitute Teachers		
Professional Development	$ 10,000	
Bonuses	$ 30,000	
Other (please describe)		
Other (please describe)		
Other (please describe)		
Other (please describe)		
Other (please describe)		
Total Personnel Expenses	$ 1,364,543	
Instructional Supplies and Resources		
Textbooks	$ 6,000	
Library, periodicals, etc		
Technology	$ 15,000	
Assessment materials	$ 13,500	
Computers	$ 7,500	
Software	$ 25,000	License renewals
Other classroom supplies	$ 8,000	
Field trips, other unclassified items		
Co-curricular & Athletics		
Other (please describe)	$ 45,000	Certification courses
Other (please describe)		
Other (please describe)		

Other (please describe)			
Other (please describe)			
Total Instructional Supplies and Resources	$	120,000	
Support Supplies and Resources			
Administrative Computers	$	6,000	computers for new positions
Administrative Software	$	7,500	
Administration Dues, fees, misc expenses	$	2,000	
Office supplies	$	8,000	
Other (please describe)			
Other (please describe)			
Other (please describe)			
Other (please describe)			
Other (please describe)			
Total Support Supplies and Resources	$	23,500	
Board Expenses			
Charter Board Services, including Board Training, retreats			
Charter Board Supplies & Equipment			
Charter Board Dues, fees, etc			
Other (please describe)			
Other (please describe)			
Other (please describe)			
Other (please describe)			
Other (please describe)			
Total Board Expenses	$	-	
Professional Purchased or Contracted Services			
Legal Services	$	2,500	
Audit Services (compliant with SBOA requirements)	$	15,000	
Payroll Services	$	5,000	
Accounting Services			
Printing/Newsletter/Annual Report Services	$	5,000	
Consultants			
Internet Services	$	9,000	erate discount
Telephone/Telecommunication Services	$	9,000	erate discount
Total Insurance Costs (per ICSB requirements detailed in charter school application)	$	12,000	
Travel	$	10,000	
Postage	$	2,400	
Special Education Services	$	25,000	
Student Information Services	$	2,500	
Food service			
Transportation	$	45,000	
Nursing Services			
Other - INI Schools fees	$	320,000	
Other (please describe)			
Other (please describe)			
Other (please describe)			
Total Professional Purchased or Contracted Services	$	462,400	
Facilities			
Rent, mortgage, or other facility cost	$	150,000	
Furniture & Equipment	$	15,000	
Gas/electric	$	36,000	
Water/ Sewer	$	4,800	
Grounds Keeping	$	6,000	
Maintenance Services	$	35,000	
Custodial	$	54,000	
Waste disposal	$	3,600	

Debt Service for Facilities (Interest Only)			
Other (please describe)			
Other (please describe)			
Other (please describe)			
Other (please describe)			
Total Facilities	$	304,400	
Other			
Contingency			
Indiana Charter School Board Administrative Fee	$	67,320	**Assume 3% of Basic Grant (Row 6)**
CMO/EMO Fee			**Be certain to reflect the full amount of any fee, including the management fee and any pass-through fees. If pass-through fees are reflected elsewhere in the budget, please clearly indicate this in the Budget Narrative.**
Common School Fund Loan Interest Costs			
Other (please describe)			
Other (please describe)			
Other (please describe)			
Total Other	$	67,320	
Total Expenditures	$	2,342,163	
Carryover/Deficit	$	(36,163)	
Cumulative Carryover/(Deficit)	$	187,341	

Expected Charter School Staffing Needs -- Year 3

Please fill in the expected positions along with salary and benefit estimates. Insert rows as needed. Be certain to include all Administrative Staff positions, in addition to Teachers and positions such as Paraprofessional, Teaching Assistant, Counselor, Therapist, Nurse, etc. as may be appropriate for your school model.

Benefits Assumptions - Please describe how you calculated your benefits and what is included below					
7.65% for payroll taxes, 10.5% for TRF, 13.85% for group ins					
Position Description	**Number of Staff Per Position**	**Average Salary for the Position**	**Total Salary**	**Benefits and Payroll Taxes**	**TOTAL Salary and Benefits**
School Director	1	97,391	97,391	31,165	128,556
Lead Teachers	2	59,516	119,033	38,091	157,124
Teachers	7	44,558	311,905	99,809	411,714
Resource Specialist	3	35,010	105,029	33,609	138,638
Special Education	1	45,619	45,619	14,598	60,217
Coaches	4	35,010	140,039	44,812	184,851
College Transition Coordinator	1	42,436	42,436	13,580	56,016
Career Pathways Specialist	1	42,436	42,436	13,580	56,016
Drop In Center Director	1	31,827	31,827	10,185	42,012
Drop In Center Attendants	1.5	22,067	33,100	10,592	43,692
Office Manager	1	34,628	34,628	11,081	45,709
			-		-
TOTAL			1,003,442	321,101	1,324,543

Expected New School Annual Operating Budget -- YEAR 4 -- Fiscal Year July 1-June 30		
REVENUE	**Amount**	**Notes**
State Revenue		
Basic Grant	$ 2,310,000	**350 students @ $6,600 each**
State Matching Funds for School Lunch Program		
Professional Development		
Technology Grants		
Remediation Program		
Full-Day Kindergarten		
Gifted and Talented Program		
Textbook Reimbursement	$ 17,500	estimated
Summer School		
Other State Revenue (please describe)		
Other State Revenue (please describe)		
Federal Revenue		
Public Law 101-476 (IDEA)	$ 50,000	estimated
Title I		
Title II		
Federal Lunch Program		
Federal Breakfast Reimbursement		
Other Revenue Federal sources (please describe)		
Other Revenue Federal sources (please describe)		
Other Revenue Federal sources (please describe)		
Other Revenues		
Committed Philanthropic Donations		
Before and After Care Fees		
Interest Income		
Other (please describe)		
Other (please describe)		
Other (please describe)		
Other (please describe)		
Total Revenue	$ 2,377,500	
EXPENDITURES		
Personnel Expenses		
Wages, Benefits and Payroll Taxes	$ 1,364,279	Use staffing workbook
Substitute Teachers		
Professional Development	$ 10,000	
Bonuses	$ 30,000	
Other (please describe)		
Other (please describe)		
Other (please describe)		
Other (please describe)		
Other (please describe)		
Total Personnel Expenses	$ 1,404,279	
Instructional Supplies and Resources		
Textbooks	$ 6,000	
Library, periodicals, etc		
Technology	$ 15,000	
Assessment materials	$ 13,500	
Computers	$ 7,500	
Software	$ 25,000	
Other classroom supplies	$ 8,000	
Field trips, other unclassified items		
Co-curricular & Athletics		
Other (please describe)	$ 50,000	Certification courses
Other (please describe)		
Other (please describe)		

Other (please describe)			
Other (please describe)			
Total Instructional Supplies and Resources	$	125,000	
Support Supplies and Resources			
Administrative Computers	$	4,000	
Administrative Software	$	7,500	
Administration Dues, fees, misc expenses	$	2,000	
Office supplies	$	8,000	
Other (please describe)			
Other (please describe)			
Other (please describe)			
Other (please describe)			
Other (please describe)			
Total Support Supplies and Resources	$	21,500	
Board Expenses			
Charter Board Services, including Board Training, retreats			
Charter Board Supplies & Equipment			
Charter Board Dues, fees, etc			
Other (please describe)			
Other (please describe)			
Other (please describe)			
Other (please describe)			
Other (please describe)			
Total Board Expenses	$	-	
Professional Purchased or Contracted Services			
Legal Services	$	2,500	
Audit Services (compliant with SBOA requirements)	$	15,000	
Payroll Services	$	5,000	
Accounting Services			
Printing/Newsletter/Annual Report Services	$	5,000	
Consultants			
Internet Services	$	9,000	erate discount
Telephone/Telecommunication Services	$	9,000	erate discount
Total Insurance Costs (per ICSB requirements detailed in charter school application)	$	12,000	
Travel	$	10,000	
Postage	$	2,400	
Special Education Services	$	25,000	
Student Information Services	$	2,500	
Food service			
Transportation	$	50,000	
Nursing Services			
Other - INI Schools fees	$	320,000	
Other (please describe)			
Other (please describe)			
Other (please describe)			
Total Professional Purchased or Contracted Services	$	467,400	
Facilities			
Rent, mortgage, or other facility cost	$	150,000	
Furniture & Equipment	$	15,000	
Gas/electric	$	36,000	
Water/ Sewer	$	4,800	
Grounds Keeping	$	6,000	
Maintenance Services	$	35,000	
Custodial	$	54,000	
Waste disposal	$	3,600	

Debt Service for Facilities (Interest Only)			
Other (please describe)			
Other (please describe)			
Other (please describe)			
Other (please describe)			
Total Facilities	$	304,400	
Other			
Contingency			
Indiana Charter School Board Administrative Fee	$	69,300	**Assume 3% of Basic Grant (Row 6)**
CMO/EMO Fee			**Be certain to reflect the full amount of any fee, including the management fee and any pass-through fees. If pass-through fees are reflected elsewhere in the budget, please clearly indicate this in the Budget Narrative.**
Common School Fund Loan Interest Costs			
Other (please describe)			
Other (please describe)			
Other (please describe)			
Total Other	$	69,300	
Total Expenditures	$	2,391,879	
Carryover/Deficit	$	(14,379)	
Cumulative Carryover/(Deficit)	$	172,962	

Expected Charter School Staffing Needs -- Year 4

Please fill in the expected positions along with salary and benefit estimates. Insert rows as needed. Be certain to include all Administrative Staff positions, in addition to Teachers and positions such as Paraprofessional, Teaching Assistant, Counselor, Therapist, Nurse, etc. as may be appropriate for your school model.

Benefits Assumptions - Please describe how you calculated your benefits and what is included below					
7.65% for payroll taxes, 10.5% for TRF, 13.85% for group ins					
Position Description	**Number of Staff Per Position**	**Average Salary for the Position**	**Total Salary**	**Benefits and Payroll Taxes**	**TOTAL Salary and Benefits**
School Director	1	100,312	100,312	32,100	132,412
Lead Teachers	2	61,302	122,604	39,233	161,837
Teachers	7	45,895	321,262	102,804	424,065
Resource Specialist	3	36,060	108,180	34,618	142,798
Special Education	1	46,987	46,987	15,036	62,023
Coaches	4	36,060	144,240	46,157	190,397
College Transition Coordinator	1	43,709	43,709	13,987	57,696
Career Pathways Specialist	1	43,709	43,709	13,987	57,696
Drop In Center Director	1	32,782	32,782	10,490	43,272
Drop In Center Attendants	1.5	22,729	34,093	10,910	45,003
Office Manager	1	35,667	35,667	11,413	47,080
			-		-
TOTAL			1,033,545	330,734	1,364,279

Expected New School Annual Operating Budget -- YEAR 5 -- Fiscal Year July 1-June 30		
REVENUE	**Amount**	**Notes**
State Revenue		
Basic Grant	$ 2,310,000	**350 students @ $6,600 each**
State Matching Funds for School Lunch Program		
Professional Development		
Technology Grants		
Remediation Program		
Full-Day Kindergarten		
Gifted and Talented Program		
Textbook Reimbursement	$ 17,500	estimated
Summer School		
Other State Revenue (please describe)		
Other State Revenue (please describe)		
Federal Revenue		
Public Law 101-476 (IDEA)	$ 50,000	estimated
Title I		
Title II		
Federal Lunch Program		
Federal Breakfast Reimbursement		
Other Revenue Federal sources (please describe)		
Other Revenue Federal sources (please describe)		
Other Revenue Federal sources (please describe)		
Other Revenues		
Committed Philanthropic Donations		
Before and After Care Fees		
Interest Income		
Other (please describe)		
Other (please describe)		
Other (please describe)		
Other (please describe)		
Total Revenue	$ 2,377,500	
EXPENDITURES		
Personnel Expenses		
Wages, Benefits and Payroll Taxes	$ 1,405,208	Use staffing workbook
Substitute Teachers		
Professional Development	$ 10,000	
Bonuses	$ 30,000	
Other (please describe)		
Other (please describe)		
Other (please describe)		
Other (please describe)		
Other (please describe)		
Total Personnel Expenses	$ 1,445,208	
Instructional Supplies and Resources		
Textbooks	$ 6,000	
Library, periodicals, etc		
Technology	$ 15,000	
Assessment materials	$ 13,500	
Computers	$ 7,500	
Software	$ 25,000	
Other classroom supplies	$ 8,000	
Field trips, other unclassified items		
Co-curricular & Athletics		
Other (please describe)	$ 50,000	Certification courses
Other (please describe)		
Other (please describe)		

Other (please describe)			
Other (please describe)			
Total Instructional Supplies and Resources	$	125,000	
Support Supplies and Resources			
Administrative Computers	$	4,000	
Administrative Software	$	7,500	
Administration Dues, fees, misc expenses	$	2,000	
Office supplies	$	8,000	
Other (please describe)			
Other (please describe)			
Other (please describe)			
Other (please describe)			
Other (please describe)			
Total Support Supplies and Resources	$	21,500	
Board Expenses			
Charter Board Services, including Board Training, retreats			
Charter Board Supplies & Equipment			
Charter Board Dues, fees, etc			
Other (please describe)			
Other (please describe)			
Other (please describe)			
Other (please describe)			
Other (please describe)			
Total Board Expenses	$	-	
Professional Purchased or Contracted Services			
Legal Services	$	2,500	
Audit Services (compliant with SBOA requirements)	$	15,000	
Payroll Services	$	5,000	
Accounting Services			
Printing/Newsletter/Annual Report Services	$	5,000	
Consultants			
Internet Services	$	9,000	
Telephone/Telecommunication Services	$	9,000	
Total Insurance Costs (per ICSB requirements detailed in charter school application)	$	12,000	
Travel	$	10,000	
Postage	$	2,400	
Special Education Services	$	25,000	
Student Information Services	$	2,500	
Food service			
Transportation	$	50,000	
Nursing Services			
Other (please describe)	$	320,000	
Other (please describe)			
Other (please describe)			
Other (please describe)			
Total Professional Purchased or Contracted Services	$	467,400	
Facilities			
Rent, mortgage, or other facility cost	$	150,000	
Furniture & Equipment	$	15,000	
Gas/electric	$	36,000	
Water/ Sewer	$	4,800	
Grounds Keeping	$	6,000	
Maintenance Services	$	35,000	
Custodial	$	54,000	
Waste disposal	$	3,600	

Debt Service for Facilities (Interest Only)			
Other (please describe)			
Other (please describe)			
Other (please describe)			
Other (please describe)			
Total Facilities	$	304,400	
Other			
Contingency			
Indiana Charter School Board Administrative Fee	$	69,300	**Assume 3% of Basic Grant (Row 6)**
CMO/EMO Fee			**Be certain to reflect the full amount of any fee, including the management fee and any pass-through fees. If pass-through fees are reflected elsewhere in the budget, please clearly indicate this in the Budget Narrative.**
Common School Fund Loan Interest Costs			
Other (please describe)			
Other (please describe)			
Other (please describe)			
Total Other	$	69,300	
Total Expenditures	$	2,432,808	
Carryover/Deficit	$	(55,308)	

Cumulative Carryover/(Deficit)

Expected Charter School Staffing Needs -- Year 5

Please fill in the expected positions along with salary and benefit estimates. Insert rows as needed. Be certain to include all Administrative Staff positions, in addition to Teachers and positions such as Paraprofessional, Teaching Assistant, Counselor, Therapist, Nurse, etc. as may be appropriate for your school model.

Benefits Assumptions - Please describe how you calculated your benefits and what is included below					
7.65% for payroll taxes, 10.5% for TRF, 13.85% for group ins					
Position Description	**Number of Staff Per Position**	**Average Salary for the Position**	**Total Salary**	**Benefits and Payroll Taxes**	**TOTAL Salary and Benefits**
School Director	1	103,322	103,322	33,063	136,385
Lead Teachers	2	63,141	126,282	40,410	166,692
Teachers	7	47,271	330,900	105,888	436,787
Resource Specialist	3	37,142	111,425	35,656	147,081
Special Education	1	48,397	48,397	15,487	63,884
Coaches	4	37,142	148,567	47,541	196,109
College Transition Coordinator	1	45,020	45,020	14,407	59,427
Career Pathways Specialist	1	45,020	45,020	14,407	59,427
Drop In Center Director	1	33,765	33,765	10,805	44,570
Drop In Center Attendants	1.5	23,411	35,116	11,237	46,353
Office Manager	1	36,737	36,737	11,756	48,492
			-		-
TOTAL			1,064,551	340,656	1,405,208

Attachment 20: Budget Narrative

REVENUE

Revenue Assumptions

The Excel Center will open Year 1 with a capacity of 300 students. Student enrollment will grow to 325 students in Year 2, and to 350 students in Year 3 and beyond.

State Revenue

Adult Learner: State funding estimate made based on $6,600, per student state appropriation for adult dropout recovery high schools.

Lunch Revenue: The Excel Center does not plan to participate in the federal school lunch program.

Textbook Reimbursement: The Excel Center will receive roughly $15,000 – $17,500 in textbook reimbursement revenue each year.

Federal Revenue

Public Charter School Program (PCSP) Grant: The average award given by IDOE for the planning phase is $135,000, and the two-year implementation phase average is $400,000.

Title I: The Excel Center will not apply for Title I funds.

Public Law 101-476 (IDEA): Federal revenue for The Excel Center's special education program estimated at $40,000 in Year 1 and up to $50,000 in subsequent years.

Other Revenues

Other Revenue: The Excel Center will seek philanthropic dollars for start-up funding and Year 1 of operation. In the event that The Excel Center is unable to raise philanthropic dollars, or does not raise enough dollars, Goodwill Industries of Michiana, Inc. will loan The Excel Center up to $125,000 in Year 0 and $50,000 in Year 1.

EXPENDITURES

Personnel Expenses

Wages, Benefits, and Payroll Taxes: Wages are displayed for each of the positions included in The Excel Center. Benefits for wages and payroll taxes are calculated at 32% of salary (and includes spending on professional development). 3% increases for all staff positions are budgeted in each future year. Wages in Year 0 only account for the months' work before the school year starts July 1.

Professional Development: Includes ongoing education at local conferences and trainings, tuition reimbursement for college classes taken by staff, and for curriculum development. The current assumption includes approximately $1,000 for each staff person in the school.

Bonuses: Bonuses include teacher incentive pay for high performance.

Instructional Supplies and Resources

Textbooks: Projects $7,500 for textbooks (print materials) in Year 1; future years this amount is decreased to $6,000 for the purchase of new materials.

Library, Periodicals, etc: The Excel Center will not operate a library.

Technology: Technology expenses includes projectors and other media equipment.

Assessment Materials: Costs include administrative fees for administering TABE and COMPASS tests for students. Costs increase in future year due to increase in student count.

Computers: Projects costs for roughly 60 computers to be used in The Excel Center. Costs are decreased after Year 1, to cover the cost of maintenance and repairs.

Software: Software includes installed office software as well as instructional software accessible via the Web.

Other Classroom Supplies: Costs include binders, printing expenses and other materials used for classroom instruction.

Other (Postsecondary Education): Costs for students to attend Ivy Tech Community College to enroll in dual credit courses. The number of students academically prepared to attend Ivy Tech is expected to increase overtime and this assumption is reflected in the budget

Support Supplies and Resources
Administrative Computers: Year 0 costs include computers for select staff. Year 1 costs include computer expenses for the balance of the staff.

Administrative Software: Software grows in accordance with the number of new computers being purchased.

Office Supplies: Includes costs for student recruitment.

Board Expenses
Board expenses for training, developing, and supplies are all covered in-kind from Goodwill Industries.

Professional Purchased or Contracted Services
Legal: This includes miscellaneous legal fees for contract review and/or ad hoc needs.

Payroll Services: Payroll will be processed by Goodwill Industries of Michiana, Inc

Printing/Newsletter/Annual Report Services: Estimate includes costs for materials.

Internet Services and Telephone/Telecommunication Services: Costs for internet and telephone usage calculated based upon current usage at other Excel Center sites.

Insurance: Includes all required coverage. This is based on current costs for other Excel Centers in Indiana. Includes expenses for other forms of insurance coverage.

Travel: Travel allows staff to visit Excel Centers across the state and to attend trainings and conferences.

Postage: Postage rate based on current Excel Center postage usage.

Special Education Services: Costs incurred include testing and special services required to meet the instructional plans of special education students. This line item does not include staff expense.

Transportation: Assumes 50 percent of student body receives a Transpo bus pass an average of 10 months per year.

Other INIschools Fees: INIschools fees include fees for licensing The Excel Center school model, as well as administrative support services including accounting and bookkeeping, state reporting and compliance, special education services, data analytics and performance, curriculum support and ongoing technical assistance. Fees are based on the cost of the same services provided to other Excel Centers in Indiana.

Facilities Expense

Facility: Rent estimate is based on $10 per square foot. Total square feet of the facility is 15,000, making a yearly rent payment of $150,000.

Lease arrangement ensures that capital expenses are not necessary. Building maintenance and major repairs to the building are the responsibility of the lessor.

Furniture: Upfront investment for tables, desks and chairs, with on-going replacement costs and growth.

Utilities: This cost is based on estimates of other Excel Centers in Indiana.

Other Costs:

Indiana Charter School Board Administrative Fee: Fee is set at 3% of Adult Learner funds.

Attachment 21: Portfolio Summary

The following pages provide a summary of every school operated by Goodwill Education Initiatives, Inc.(GEI), which owns The Excel Center school model.

The Indianapolis Metropolitan High School

Year Opened: 2004
Location: 1635 W. Michigan St.
Indianapolis, IN 46222

Contact Information: Mr. Scott Bess, Superintendent
1635 W. Michigan St.
Indianapolis, IN 46222
Phone: (317) 524-4501

Authorizer Contact: Mayor of Indianapolis
Office of Education Innovation
200 E. Washington St.
Suite, 2501
Indianapolis, IN 46201
Phone: (317)327-3618

Note: The following enrollment and demographic data are based on the State of Indiana's Pupil Enrollment count, September 2013

Grade Levels: 9-12
Enrollment: 299
Free / Reduced Lunch: 87.6%
Race / Ethnicity
American Indian: 0.0%
Black: 77.6%
Asian: 0.3%
Hispanic: 3.3%
White: 14.4%
Multiracial: 4.3%
Special Education: 26.4%
English Language Learner: 1.3%

State Assessment Results:

		2009	2010	2011	2012	2013
	Accountability Grade	n/a	D	C	D	C
% of First-Time Test Takers to Pass	English 10 ECA	n/a	37%	48%	50%	51%
	Algebra I ECA	n/a	53%	79%	61%	63%
% of 10th Grade Cohort to Pass	English 10 ECA	n/a	n/a	n/a	38%	48%
	Algebra I ECA	n/a	n/a	n/a	72%	74%
Improvement	8th grade - 10th grade	n/a	n/a	n/a	-1%, 35%	9%, 33%
	10th grade - 12th grade	n/a	n/a	n/a	57%, 64%	84%, 100%
	Grad Rate	64%	61%	46%	66%	64%
	College & Career Readiness (# and %)	n/a	n/a	7, 15%	31, 35%	46, 56%

*College & Career Readiness is the percentage of graduates that have earned at least 3 transcripted colleged credits of earned an Industry Certification prior to graduation.

The Excel Center - Indianapolis

Year Opened: *The year each location opened is noted in parentheses, below.*

Locations:

(4 separate locations operate under 1 charter)

Michigan Street (2010)
1635 W. Michigan St.
Indianapolis, IN 46222

Decatur (2011)
5125 Decatur Blvd., Ste. B
Indianapolis, IN 46241

Meadows (2011)
3919 Meadows Dr.
Indianapolis, IN 46205

Franklin (2012)
2588 N. Franklin Rd.
Indianapolis, IN 46219

Contact Information:
Mr. Scott Bess, Superintendent
1635 W. Michigan St.
Indianapolis, IN 46222
Phone: (317) 524-4501

Authorizer Contact:
Mayor of Indianapolis
Office of Education Innovation
200 E. Washington St.
Suite 2501
Indianapolis, IN 46204
Phone: (317)327-3618

Note: The following enrollment and demographic data are based on the State of Indiana's Pupil Enrollment count, September 2013

Grade Levels:	9-12
Enrollment:	1,368
Free / Reduced Lunch:	77.6%
Race / Ethnicity	
American Indian:	0.4%
Black:	64.3%
Asian:	4.8%
Hispanic:	12.9%
White:	15.4%
Multiracial:	2.1%
Native Hawaiin/ Pacific Islander	0.1%

The Excel Center - Indianapolis

Special Education: 6.7%*

English Language Learner: 14.8%

State Assessment Results:

		2009	2010	2011	2012	2013
	*Accountability Grade***	n/a	n/a	C	F	F
% of First-Time Test Takers to Pass	English 10 ECA	n/a	n/a	n'size not met	45%	42%
	Algebra I ECA	n/a	n/a	n'size not met	52%	71%
% of Graduates to Pass***	English 10 ECA	n/a	n/a	n'size not met	86%	89%
	Algebra I ECA	n/a	n/a	n'size not met	84%	92%
Improvement	8th grade - 10th grade	n/a	n/a	n/a	n/a	n/a
	10th grade - 12th grade	n/a	n/a	n/a	n/a	n/a
	Grad Rate****	n/a	n/a	4	115	171
	College & Career Readiness (# and %)	n/a	n/a	n'size not met	66, 57%	101, 59%

*The oficial special education number only includes students who have not aged out of IDEA at age 22. Unofficial estimates place this number closer to 30%.

***Accountability Grades are not an accurate reflection of Excel Center performance due less than 20% of students belonging to an active cohort. The State Board of Education has acknowledged this and has setout to create an alternative accountability model for schools such as the Excel Center.*

***% of Graduates to Pass - due to the nature of the Excel Centers they do not have a 10th grade cohort; as a

****Grad Rate is not an accurate reflection of Excel Center graduates since less than 20% of students belong to an active cohort; instead the total number of graduates is a better indicator of graduate success

College & Career Readiness is the percentage of graduates that have earned at least 3 transcripted colleged credits of earned an Industry Certification prior to graduation.

The Excel Center - Anderson

Year Opened: 2012
Location: 630 Nichol Ave
Anderson, IN 46016

Contact Information: Mr. Scott Bess, Superintendent
1635 W. Michigan St.
Indianapolis, IN 46222
Phone: (317) 524-4501

Authorizer Contact: Indiana Charter School Board
143 W. Market St.
Suite 300
Indianapolis, IN 46204
Phone: (317) 232-0694

Note: The following enrollment and demographic data are based on the State of Indiana's Pupil Enrollment count, September 2013

Grade Levels: 9-12
Enrollment: 356
Free / Reduced Lunch: 69.1%
Race / Ethnicity
American Indian: 0.3%
Black: 38.2%
Asian: 0.6%
Hispanic: 5.6%
White: 50.6%
Multiracial: 4.8%
Special Education: 9.3%*
English Language Learner: 3.4%

State Assessment Results:

		2009	2010	2011	2012	2013
	Accountability Grade	n/a	n/a	n/a	n/a	n'size not met
% of First-Time Test Takers to Pass	English 10 ECA	n/a	n/a	n/a	n/a	64%
	Algebra I ECA	n/a	n/a	n/a	n/a	91%
% of Graduates to Pass**	English 10 ECA	n/a	n/a	n/a	n/a	95%
	Algebra I ECA	n/a	n/a	n/a	n/a	96%
Improvement	8th grade - 10th grade	n/a	n/a	n/a	n/a	n/a
	10th grade - 12th grade	n/a	n/a	n/a	n/a	n/a
	Grad Rate***	n/a	n/a	n/a	n/a	55
	College & Career Readiness (# and %)	n/a	n/a	n/a	n/a	41, 75%

The Excel Center - Anderson

*The oficial special education number only includes students who have not aged out of IDEA at age 22. Unofficial estimates place this number closer to 30%.

**% of Graduates to Pass - due to the nature of the Excel Centers they do not have a 10th grade cohort; as a result the percentage of graduates is a more accurate measure of "on-time" ECA passage.

***Grad Rate is not an accurate reflection of Excel Center graduates since less than 20% of students belong to an active cohort; instead the total number of graduates is a better indicator of graduate success

College & Career Readiness is the percentage of graduates that have earned at least 3 transcripted colleged credits of earned an Industry Certification prior to graduation.

The Excel Center - Lafayette

Year Opened: 2013
Location: 615 N. 18th St.
Lafayette, IN 47904

Contact Information: Mr. Scott Bess, Superintendent
1635 W. Michigan St.
Indianapolis, IN 46222
Phone: (317) 524-4501

Authorizer Contact: Indiana Charter School Board
143 W. Market St.
Suite 300
Indianapolis, IN 46204
Phone: (317) 232-0694

Note: The following enrollment and demographic data are based on the State of Indiana's Pupil Enrollment count, September 2013

Grade Levels: 9-12
Enrollment: 329
Free / Reduced Lunch: 73.3%
Race / Ethnicity
American Indian: 1.2%
Black: 22.2%
Asian: 0.3%
Hispanic: 13.7%
White: 60.5%
Multiracial: 2.1%
Special Education: 4.0%*
English Language Learner: 8.2%

State Assessment Results: **The Excel Center Lafayette was not open for any of the years below**

		2009	2010	2011	2012	2013
	Accountability Grade	n/a	n/a	n/a	n/a	n/a
% of First-Time Test Takers to Pass	English 10 ECA	n/a	n/a	n/a	n/a	n/a
	Algebra I ECA	n/a	n/a	n/a	n/a	n/a
% of Graduates to Pass	English 10 ECA	n/a	n/a	n/a	n/a	n/a
	Algebra I ECA	n/a	n/a	n/a	n/a	n/a
Improvement	8th grade - 10th grade	n/a	n/a	n/a	n/a	n/a
	10th grade - 12th grade	n/a	n/a	n/a	n/a	n/a
	Grad Rate	n/a	n/a	n/a	n/a	n/a
	College & Career Readiness** (# and %)	n/a	n/a	n/a	n/a	n/a

The Excel Center - Lafayette

*The oficial special education number only includes students who have not aged out of IDEA at age 22. Unofficial estimates place this number closer to 30%.

**College & Career Readiness is the percentage of graduates that have earned at least 3 transcripted colleged credits of earned an Industry Certification prior to graduation.

The Excel Center - Kokomo

Year Opened: 2013
Location: 101 W. Superior St.
Kokomo, IN 46901

Contact Information: Mr. Scott Bess, Superintendent
1635 W. Michigan St.
Indianapolis, IN 46222
Phone: (317) 524-4501

Authorizer Contact: Indiana Charter School Board
143 W. Market St.
Suite 300
Indianapolis, IN 46204
Phone: (317) 232-0694

Note: The following enrollment and demographic data are based on the State of Indiana's Pupil Enrollment count, September 2013

Grade Levels: 9-12
Enrollment: 326
Free / Reduced Lunch: 88.7%
Race / Ethnicity
Black: 27.0%
Hispanic: 3.1%
White: 66.9%
Multiracial: 3.1%
Special Education: 4.0%*
English Language Learner: 0.0%

State Assessment Results: **The Excel Center Kokomo was not open for any of the years below**

		2009	2010	2011	2012	2013
	Accountability Grade	n/a	n/a	n/a	n/a	n/a
% of First-Time Test Takers to Pass	English 10 ECA	n/a	n/a	n/a	n/a	n/a
	Algebra I ECA	n/a	n/a	n/a	n/a	n/a
% of Graduates to Pass	English 10 ECA	n/a	n/a	n/a	n/a	n/a
	Algebra I ECA	n/a	n/a	n/a	n/a	n/a
Improvement	8th grade - 10th grade	n/a	n/a	n/a	n/a	n/a
	10th grade - 12th grade	n/a	n/a	n/a	n/a	n/a
	Grad Rate	n/a	n/a	n/a	n/a	n/a
	College & Career Readiness** (# and %)	n/a	n/a	n/a	n/a	n/a

*The oficial special education number only includes students who have not aged out of IDEA at age 22. Unofficial estimates place this number closer to 30%.

The Excel Center - Kokomo

**College & Career Readiness is the percentage of graduates that have earned at least 3 transcripted colleged credits of earned an Industry Certification prior to graduation.

The Excel Center - Richmond

Year Opened: 2013
Location: 1215 S. J St.
Richmond, IN 47374

Contact Information: Mr. Scott Bess, Superintendent
1635 W. Michigan St.
Indianapolis, IN 46222
Phone: (317) 524-4501

Authorizer Contact: Indiana Charter School Board
143 W. Market St.
Suite 300
Indianapolis, IN 46204
Phone: (317) 232-0694

Note: The following enrollment and demographic data are based on the State of Indiana's Pupil Enrollment count, September 2013

Grade Levels: 9-12
Enrollment: 322
Free / Reduced Lunch: 63.4%
Race / Ethnicity
American Indian: 0.6%
Black: 17.4%
Asian: 0.3%
Hispanic: 1.9%
White: 74.8%
Multiracial: 5.0%
Special Education: 8.4%*
English Language Learner: 0.6%

State Assessment Results: **The Excel Center Richmond was not open for any of the years below**

		2009	2010	2011	2012	2013
	Accountability Grade	n/a	n/a	n/a	n/a	n/a
% of First-Time Test Takers to Pass	English 10 ECA	n/a	n/a	n/a	n/a	n/a
	Algebra I ECA	n/a	n/a	n/a	n/a	n/a
% of Graduates to Pass	English 10 ECA	n/a	n/a	n/a	n/a	n/a
	Algebra I ECA	n/a	n/a	n/a	n/a	n/a
Improvement	8th grade - 10th grade	n/a	n/a	n/a	n/a	n/a
	10th grade - 12th grade	n/a	n/a	n/a	n/a	n/a
	Grad Rate	n/a	n/a	n/a	n/a	n/a
	College & Career Readiness** (# and %)	n/a	n/a	n/a	n/a	n/a

The Excel Center - Richmond

*The oficial special education number only includes students who have not aged out of IDEA at age 22. Unofficial estimates place this number closer to 30%.

**College & Career Readiness is the percentage of graduates that have earned at least 3 transcripted colleged credits of earned an Industry Certification prior to graduation.

The Excel Center - West

Year Opened: 2013

Locations: 6000 W. 34th Street
Indianapolis, IN 46224

Contact Information: Mr. Scott Bess, Superintendent
1635 W. Michigan St.
Indianapolis, IN 46222
Phone: (317) 524-4501

Authorizer Contact: Mayor of Indianapolis
Office of Education Innovation
200 E. Washington St.
Suite 2501
Indianapolis, IN 46204
Phone: (317)327-3618

Note: The following enrollment and demographic data are based on the State of Indiana's Pupil Enrollment count, September 2013

Grade Levels: 9-12
Enrollment: 327
Free / Reduced Lunch: 65.7%
Race / Ethnicity
Black: 48.6%
Asian: 1.8%
Hispanic: 40.4%
White: 6.1%
Multiracial: 2.4%
Native Hawaiin/ Pacific Islander: 0.6%
Special Education: 4.0%*
English Language Learner: 33.6%

State Assessment Results: **The Excel Center West was not open for any of the years below**

		2009	2010	2011	2012	2013
	Accountability Grade	n/a	n/a	n/a	n/a	n/a
% of First-Time Test Takers to Pass	English 10 ECA	n/a	n/a	n/a	n/a	n/a
	Algebra I ECA	n/a	n/a	n/a	n/a	n/a
% of Graduates to Pass	English 10 ECA	n/a	n/a	n/a	n/a	n/a
	Algebra I ECA	n/a	n/a	n/a	n/a	n/a
Improvement	8th grade - 10th grade	n/a	n/a	n/a	n/a	n/a
	10th grade - 12th grade	n/a	n/a	n/a	n/a	n/a
	Grad Rate	n/a	n/a	n/a	n/a	n/a
	College & Career Readiness** (# and %)	n/a	n/a	n/a	n/a	n/a

The Excel Center - West

*The oficial special education number only includes students who have not aged out of IDEA at age 22. Unofficial estimates place this number closer to 30%.

**College & Career Readiness is the percentage of graduates that have earned at least 3 transcripted colleged credits of earned an Industry Certification prior to graduation.

Attachment 22: Indiana School Financials

On the following pages, please find:

- The last three years of audited financial statements for The Indianapolis Metropolitan High School
- The last three years of audited financial statements for The Excel Center (Marion County)[1]
- The most recent audited financial statement for The Excel Center – Anderson[2]
- The most recent internal financial statements including balance sheets and income statements for all schools[3]
- The last three years of audited financial statements for GEI

[1] Four Marion County Excel Center locations (Michigan Street, Decatur, Meadows, and Franklin) operate under one charter, therefore, their audited financial statements, balance sheets and income statements are combined.

[2] The Excel Center – Anderson opened in the fall of 2012.

[3] The Excel Center – West and The Excel Centers located in Kokomo, Lafayette, and Richmond opened in the fall of 2013 and do not have audited financials at the time of submission of this charter application.

GOODWILL EDUCATION INITIATIVES, INC. - INDIANAPOLIS METROPOLITAN HIGH SCHOOL

FINANCIAL STATEMENTS

Together with Independent Auditors' Report

JUNE 30, 2013 AND 2012

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INDIANAPOLIS METROPOLITAN HIGH SCHOOL
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Greenwalt CPAs, Inc.
5342 W. Vermont Street
Indianapolis, IN 46224
www.greenwaltcpas.com

GREENWALT CPAs

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Goodwill Education Initiatives, Inc.:

Report on the Financial Statements

We have audited the accompanying financial statements of Goodwill Education Initiatives, Inc. - Indianapolis Metropolitan High School (an Indiana public charter school), which comprise the statement of financial position as of June 30, 2013, 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 error or fraud.

Auditors' Responsibility

Our responsibility is to express an opinion on the 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 and *Guidelines for Examination of Entities Receiving Financial Assistance from Governmental Sources* and *Guidelines of Audits of Charter Schools performed by Private Examiners* established by the Indiana State Board of Accounts. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of 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 estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Goodwill Education Initiatives, Inc. - Indianapolis Metropolitan High School as of June 30, 2013, and the changes in its net assets and cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Goodwill Education Initiatives, Inc. - Indianapolis Metropolitan High School's 2012 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 15, 2013. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2012 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards as required by the *Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*, 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 17, 2014, on our consideration of Goodwill Education Initiatives, Inc. - ndianapolis Metropolitan High School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Greenwalt CPAs, Inc.

January 17, 2014

GOODWILL EDUCATION INITIATIVES, INC. -
INDIANAPOLIS METROPOLITAN HIGH SCHOOL
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2013 AND 2012

ASSETS

	2013	2012
CURRENT ASSETS		
Cash	$ 809,045	$ 265,791
Accounts receivable	97,373	1,943,386
Prepayments	1,290	1,307
Total current assets	907,708	2,210,484
PROPERTY AND EQUIPMENT		
Equipment	2,451,788	2,128,044
Vehicles	99,979	99,979
	2,551,767	2,228,023
Accumulated depreciation	(1,973,312)	(1,601,300)
Net property and equipment	578,455	626,723
TOTAL ASSETS	$ 1,486,163	$ 2,837,207

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable	$ 173,809	$ 262,428
Accrued liabilities	15,363	118,932
Total current liabilities	189,172	381,360
LONG-TERM LIABILITIES		
Common School Fund Loans	-	1,182,998
Total liabilities	189,172	1,564,358
COMMITMENTS AND CONTINGENCIES (NOTE 6 and 7)		
NET ASSETS		
Unrestricted	1,296,991	1,263,498
Temporarily restricted	-	9,351
Total net assets	1,296,991	1,272,849
TOTAL LIABILITIES AND NET ASSETS	$ 1,486,163	$ 2,837,207

GOODWILL EDUCATION INITIATIVES, INC. -
INDIANAPOLIS METROPOLITAN HIGH SCHOOL
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013
WITH SUMMARIZED COMPARATIVE INFORMATION FOR THE YEAR ENDED JUNE 30, 2012

	UNRESTRICTED	TEMPORARILY RESTRICTED	2013 TOTAL	2012 TOTAL
REVENUE				
State and Federal grants	$ 4,254,568	$ -	$ 4,254,568	$ 5,327,745
Student fees	46,219	-	46,219	47,797
Other income	132,870	-	132,870	137,869
Total revenue	4,433,657	-	4,433,657	5,513,411
SUPPORT				
Gifts and contributions	184,350	-	184,350	211,116
Gifts in-kind	815,860	-	815,860	957,000
Total support	1,000,210	-	1,000,210	1,168,116
NET ASSETS RELEASED FROM RESTRICTIONS	9,351	(9,351)	-	
Total revenue and support	5,443,218	(9,351)	5,433,867	6,681,527
EXPENSES				
High school instruction	2,125,078	-	2,125,078	2,554,653
Counseling services	190,748	-	190,748	334,591
Special education	247,136	-	247,136	397,332
Extra curricular activities	65,602	-	65,602	84,086
Staff training and development	79,451	-	79,451	181,083
Office of the Principal and administration	837,249	-	837,249	849,560
Business support services	82,504	-	82,504	171,757
Building and equipment maintenance	84,517	-	84,517	46,261
Transportation	68,485	-	68,485	113,542
Food service	96,607	-	96,607	208,494
Non-capital equipment costs	20,618	-	20,618	117,513
Interest expense	31,716	-	31,716	34,369
Depreciation	372,012	-	372,012	317,496
Graduate scholarships	169,044	-	169,044	134,772
In-kind rent	752,000	-	752,000	773,594
Other expenses	105,331	-	105,331	55,538
Total expenses	5,328,098	-	5,328,098	6,374,641
CHANGE IN NET ASSETS, BEFORE EXTRAORDINARY ITEM	115,120	(9,351)	105,769	306,886
EXTRAORDINARY ITEM:				
NET LOSS DUE TO CHANGE IN STATE REGULATION (NOTES 1 AND 3)	(81,627)	-	(81,627)	
CHANGE IN NET ASSETS, AFTER EXTRAORDINARY ITEM	33,493	(9,351)	24,142	306,886
NET ASSETS, BEGINNING OF YEAR	1,263,498	9,351	1,272,849	965,963
NET ASSETS, END OF YEAR	$ 1,296,991	$ -	$ 1,296,991	$ 1,272,849

See accompanying notes to financial statements.

GOODWILL EDUCATION INITIATIVES, INC. -
INDIANAPOLIS METROPOLITAN HIGH SCHOOL
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

INCREASE IN CASH

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 24,142	$ 306,886
Depreciation	372,012	317,496
Forgiveness of Common School Fund Loans and accrued interest	(1,182,998)	-
Write-off of Basic Grant receivable	1,399,236	-
(Increase) decrease in operating assets:		
Accounts receivable	446,777	(181,472)
Prepayments	17	11,114
Increase (decrease) in operating liabilities:		
Accounts payable	(88,619)	115,393
Accrued liabilities	(103,569)	50,195
Net cash provided by operating activities	866,998	619,612
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(323,744)	(531,777)
INCREASE IN CASH AND CASH EQUIVALENTS	543,254	87,835
CASH, BEGINNING OF YEAR	265,791	177,956
CASH, END OF YEAR	$ 809,045	$ 265,791
SCHEDULE OF NONCASH OPERATING ACTIVITIES		
In-kind rent and business support	$ 815,860	$ 957,000

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

DESCRIPTION OF ORGANIZATION

Goodwill Education Initiatives, Inc. - ndianapolis Metropolitan High School (the Met) is an Indiana public charter high school operating under the ownership and control of Goodwill Education Initiatives, Inc. (GEI). GEI, an Indiana non-profit corporation, provides educational opportunities designed to enable young people and adults to prepare for productive lives. GEI operates public charter high schools (the Met, the Excel Centers, and the Excel Center-Anderson, interchangeably referred to herein as "the schools") in central ndiana, under the provisions of the Indiana Charter School laws and the chartering authorities of the Mayor of Indianapolis and the Indiana Charter School Board. The Met operates under a charter issued by the Mayor of Indianapolis. GEI is a wholly-owned and controlled subsidiary of Goodwill Industries of Central Indiana, Inc. (Goodwill), also an Indiana non-profit corporation.

The Met occupies space at Goodwill's ndianapolis headquarters building. The Met occupies its space at no cost and recognized $752,000 and $773,594 of in-kind rent expense during the fiscal years ended June 30, 2013 and 2012, respectively. The Met also contracts with Goodwill for certain business support services, as further described in Note 5. For the fiscal years ended June 30, 2013 and 2012, the Met recognized $63,860 and $183,406 of in-kind business support service expense, respectively.

The schools receive the majority of their funding from the Indiana Department of Education. Their revenues are supplemented with funds from the United States Department of Education, private grants, and gifts. The Met completed its ninth year of operation on June 30, 2013 and student enrollment for the most recently completed school year approximated 330 students.

The Met primarily serves underprivileged, at risk students in grades 9 through 12 in Indianapolis. Demographically, more than 80% of the Met's students qualify for free or reduced lunch, 84% identify themselves as minority students, 25% have special needs, and the majority of incoming students arrive at the Met two or more grade levels behind in reading and math skills. Since inception, the Met has graduated over 400 students and 65% of those graduates have gone on to some form of post-secondary education or training, and remain in school two years after graduation. The Met's objectives include sustaining a graduation rate of 75% and having 75% of its graduates go on to college.

BASIS OF ACCOUNTING

The accompanying financial statements were prepared on the accrual basis of accounting. 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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of support, revenues and expenses during the reporting period. For annual financial reporting purposes, the Met uses a fiscal year that begins on July 1 and ends the following June 30.

SUMMARIZED COMPARATIVE INFORMATION

The financial statements include certain prior year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Met's financial statements for the year ended June 30, 2012, from which the summarized information was derived.

1. Summary of Significant Accounting Policies (Continued)

Cash

The Met considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. There were no cash equivalents at June 30, 2013 and 2012. The Met maintains cash balances at a commercial bank. Accounts at the banks are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. At June 30, 2013 and 2012 the Met maintained cash in excess of the FDIC coverage limits.

Accounts Receivable

Accounts receivable are unsecured and are due from Indiana governmental entities and private funders over periods of time up to thirty days from the statement of financial position date.

Accounts receivable are stated at the amount determined by public statute or by the underlying private funding agreements. Generally, there is not significant risk of loss of these amounts due since they are statutorily determined and obligated. However, there is some risk that public funding from the State of Indiana could be reduced from amounts previously determined during periods of prolonged economic downturn. Management is unable to determine the likelihood of reduced funding, and has not recorded a reserve related thereto. Prior to June 30, 2013, the Indiana Department of Education funded charter schools on a six-month arrearage basis. In fiscal year 2013, the State of Indiana amended the manner in which it funds charter schools, eliminating the former six-month lag. Beginning July, 2013, The Met receives its State funding on a current basis. The effect of this change in funding resulted in the write-off of the amounts receivable under the prior funding schedule. The amount of the write-off, which is reflected in the Statement of Activities, was $1,399,236.

Property and Equipment

Property and equipment are recorded at historical cost. Depreciation is computed on the straight-line method over estimated useful lives ranging from 3 to 10 years for equipment. The Met does not own any real property.

Net Assets

The Met maintains the following classifications of net assets:

Unrestricted

These include revenue and expenses from the regular operations of the Met, which are at the discretion of management and the GEI Board of Directors.

Temporarily Restricted

These include donations and grant revenues used to meet expenses of current operations in accordance with restrictions specified by the donors or grantors. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

1. Summary of Significant Accounting Policies (Continued)

Contributions

Contributions are recognized when the donor makes an unconditional promise to give to the Met and are recorded at their fair values as revenues and assets in the period received. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily restricted net assets. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Advertising

Advertising and printing expenses totaled $30,125 and $29,582 for fiscal years 2013 and 2012, respectively. The Met's policy is to record advertising expenditures in the period in which they are incurred.

Functional Expense

A summary of expenses by functional classification for the year ended June 30 is as follows:

Program activities:	2013	2012
Classroom instruction	$ 3,814,787	$ 4,511,122
Student counseling	190,748	334,591
Special education services	247,136	397,332
Total program activities	4,252,071	5,243,045
Supporting activities:		
Program support	$ 600,754	658,541
Administrative support	475,273	473,055
Total support activities	1,076,027	1,131,596
Total functional expense	$ 5,328,098	$ 6,374,641

Subsequent Events

Subsequent events have been considered through January 17, 2014, which was the date the financial statements were available to be issued. See Note 8.

2. TAX STATUS

GEI is an Indiana non-profit corporation and is exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code. However, if income was generated from certain activities not directly related to GEI's tax-exempt purposes, such income would be subject to taxation as unrelated business income. GEI is not considered a private foundation as defined in Section 509(a) of the Internal Revenue Code.

Accounting Standards for Income Taxes provide detailed guidance for the financial statement recognition, measurement and disclosure of uncertain tax positions recognized in an enterprise's financial statements. GEI's management team regularly evaluates its activities to determine that they are in compliance with its tax-exempt purpose. Currently, GEI's management does not believe it is engaged in any activities that would generate unrelated business income or create an uncertain tax position. GEI is no longer subject to examination by taxing authorities for fiscal years before 2009.

3. LONG TERM DEBT

In prior years, the Met borrowed from the Indiana Common School Fund to fund its charter school operations and costs associated with enrollment growth. The outstanding balance on the loans from the Indiana Common School Fund was $1,182,998 at June 30, 2012. In fiscal year 2013, the Indiana legislature enacted legislation that eliminated all charter school Common School Fund debt, along with associated accrued interest. The amount of the debt forgiveness of $1,182,998 and associated interest of $134,611 is reflected in the Statement of Activities.

4. RETIREMENT PLAN

The Met employees are employed and paid by GEI. Certain Met employees (licensed teachers, counselors and certain administrative staff) are eligible to participate in the Indiana Teachers Retirement Fund (TRF). By statute, employers are required to contribute 7.5% of an employee's pretax gross income to TRF. Employers may also elect to contribute an additional 3% in lieu of the employee's own contributions. GEI has elected to make the voluntary contribution on behalf of its eligible employees, including employees of the Met. The Met contributed $176,336 and $192,488 to TRF on behalf of its employees for fiscal years 2013 and 2012, respectively. Met employees not eligible for TRF may elect to participate in Goodwill's retirement plan. Goodwill maintains a discretionary thrift plan which allows eligible employees to contribute up to 15% of pre-tax gross income, subject to certain IRS limitations. Goodwill matches 100% of eligible employees' pre-tax contributions up to 3% of gross income, and 50% of the next 3% of gross income. Goodwill may also make additional discretionary contributions to the plan. Employer matching contributions vest after three years or in the event of death or disability. Employer discretionary contributions vest after five years or in the event of death or disability. The Met's expense relating to contributions to the Goodwill thrift plan for the fiscal years 2013 and 2012 was $7,722 and $10,765, respectively.

5. RELATED PARTY TRANSACTIONS

The Met is owned and operated by GEI. GEI provides employees, certain school-specific administrative services, and general management and oversight of the Met. GEI charges the Met for its expenses related to the services provided. No markup is added to the fees charged to the schools. During fiscal years 2013 and 2012, the Met reimbursed $236,496 and $193,366 to GEI for administrative services, respectively.

5. RELATED PARTY TRANSACTIONS (CONTINUED)

From time to time, Goodwill provides interest-free loans and cash subsidies directly to the Met. At June 30, 2013 and 2012, the Met had no borrowings from Goodwill. During fiscal years 2013 and 2012, Goodwill provided cash subsidies to the Met totaling $30,000 and $112,500, respectively. The subsidies are recorded as Gifts and Contributions revenue on the Statement of Activities.

Goodwill also provides business support services (accounting, marketing, human resources, facilities, technology and general management) to the Met. Goodwill charges a portion of these costs to the schools without markup. The Met paid $60,000 and $45,000 to Goodwill for business support services in fiscal years 2013 and 2012, respectively. Goodwill also provides space at its Indianapolis headquarters campus to the Met at no charge. The non-billed portion of the support services and contributed space is considered an in-kind contribution and is recorded as revenue in the Statement of Activities. In fiscal years 2013 and 2012, Goodwill provided $815,860 and $957,000 of in-kind business services and contributed space, respectively. These in-kind contributions are treated as non-cash transactions and are excluded from the accompanying statements of cash flows.

Goodwill also pays certain operating expenses, including certain employee benefits, of the Met, for which the Met fully reimburses Goodwill. No markup is charged. In fiscal years 2013 and 2012 the Met paid Goodwill $363,873 and $764,734 for these expenses, respectively.

At June 30, 2013 and 2012, the Met owed Goodwill $13,265 and $78,514, respectively, for business support services and reimbursable operating expenses, which is included in Accounts Payable on the Statement of Financial Position. In addition, the Met owed GEI $155,544 at June 30, 2013 for expenses incurred.

Goodwill Industries Foundation of Central Indiana, Inc. (the Foundation) is an Indiana not-for-profit corporation related to Goodwill. The Foundation provides grants to the Met for school startup, new initiatives and college scholarships for qualifying Met graduates. During fiscal years 2013 and 2012, the Met received $184,350 and $182,079, respectively, of grant revenue from the Foundation. This revenue is included in Gifts and Contributions on the Statement of Activities.

6. FUTURE GRANT AUDITS

Under the terms of state and federal grants awarded to the Met, periodic audits are required and certain costs may be challenged as to allow ability under the terms of the grants. Such audits could lead to reimbursement to the grantor. Management believes the likelihood that material costs incurred by the Met will be disallowed is remote.

7. SELF-INSURANCE

The Met employees participate in Goodwill's health care benefits plan. Goodwill self-insures for employee and dependent medical benefits up to a per-individual annual maximum of $100,000, and an aggregate maximum of approximately $6.6 million. Goodwill purchases reinsurance which pays individual claims that exceed $100,000 per year, up to a per-individual maximum of $2 million, and up to $1 million beyond the aggregate self-insured maximum. The reinsurer reviews claims annually and upon renewal of the reinsurance policy each year may establish higher specific maximums on selected individuals with high claims risks. Goodwill purchases claims administration services from a third party administrator. Self-insured medical expenses and related administrative costs for the Met related to Goodwill's health care plan were $291,470 and $435,522 for the fiscal years ended June 30, 2013 and 2012, respectively.

8. SUBSEQUENT EVENTS

Subsequent to June 30, 2013, GEI renegotiated its existing bank line of credit. The new line expires September 30, 2015, provides for maximum borrowings of $2.5 million. At June 30, 2013 the interest rate on the line of credit was at the bank's commercial rate (prime) less 1.00% (2.25%). During January 2014, the agreement was further amended and the line of credit now bears interest at the one-month LIBOR rate plus 1.75% (1.92% at January 17, 2014). After the line was secured, GEI borrowed $840,000 to finance startup costs, working capital and capital expenditures for its four new Excel Centers. The Met's portion of the total amount borrowed was $0. The line of credit includes a non-use fee of 0.15% on the unused balance. Goodwill serves as a guarantor on the line of credit.

GOODWILL EDUCATION INITIATIVES, INC. -
INDIANAPOLIS METROPOLITAN HIGH SCHOOL
SCHEULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	Federal CFDA Number	Agency or Pass-Through Number	Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
Indiana Department of Education:			
Child Nutrition Cluster			
National School Lunch Program	10.555	SY 2013	$ 84,910
U.S. DEPARTMENT OF EDUCATION			
Indiana Department of Education:			
Title I, Part A Cluster			
Title I Grants to Local Educational Agencies	84.010	SY 2011 - 2012	260,075
Title I Grants to Local Educational Agencies	84.010	SY 2012 - 2013	1,924
Total for Title I, Part A Cluster			261,999
Education Jobs	84.410	SY 2011 - 2012	8,215
Special Education Cluster			
Special Education - Grants to States	84.027	2011 - 2014	65,755
Improving Teacher Quality State Grants	84.367	2011 - 2013	24,497
Teacher Incentive Fund Cluster			
Teacher Incentive Fund	84.374	2011 - 2013	130,761
School Improvement Grants Cluster			
1003g SIG Professional Development Support	84.377A	SY 2011 - 2012	46,697
School Improvement Grants, Recovery Act - ARRA	84.388A	SY 2011 - 2012	106,394
School Improvement Grants, Recovery Act - ARRA	84.388A	SY 2012 - 2013	643,567
Total for School Improvement Grants Cluster			796,658
			$ 1,372,795

NOTE TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes federal grant activity of the Met and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in preparation of, the basic financial statements.

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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*

Independent Auditors' Report

To the Board of Directors of
Goodwill Education Initiatives, Inc.:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Goodwill Education Initiatives, Inc. - Indianapolis Metropolitan High School (the Met) which comprise the statement of financial position as of June 30, 2013, and the related statement of activities and cash flows for the year ended, and the related notes to the financial statements, and have issued our report thereon dated January 17, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we consider the Met's internal control over financial reporting (internal control) to determine the 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 the Met's internal control. Accordingly, we do not express an opinion on the effectiveness of the Met'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, n internal control that is less severe that a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting 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 the Met's financial statements are free of 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 determination of financial statement amounts. 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Greenwalt CPAs, Inc.

January 17, 2014

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GREENWALT CPAs

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Goodwill Education Initiatives, Inc.:

Report on Compliance for Each Major Federal Program

We have audited Goodwill Education Initiatives, Inc. - Indianapolis Metropolitan High School's (the Met) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Met's major federal programs for the year ended June 30, 2013. The Met's major federal programs are identified in the summary of audit results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Met's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America; and OMB Circular A-133, *Audits of States, Local Governments, and Nor-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Met's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion. However, our audit does not provide a legal determination on the Met's compliance.

Opinion

In our opinion, the Met complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on of its major federal programs for the year ended June 30, 2013.

Internal Control Over Compliance

Management of the Met is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Met's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the Met's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Greenwalt CPAs, Inc.

January 7, 2014

GOODWILL EDUCATION INITIATIVES, INC. -
INDIANAPOLIS METROPOLITAN HIGH SCHOOL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2013

A. SUMMARY OF AUDIT RESULTS

1. Type of auditors' report issued: Unmodified

2. Internal control over financial reporting:
   Material weakness(es) identified? _____yes ___X___no
   Significant deficiency(ies) identified? _____yes ___X___none reported

3. Noncompliance material to financial statements noted? _____yes ___X___no

4. Internal control over major programs:
   Material weakness(es) identified? _____yes ___X___no
   Significant deficiency(ies) identified? _____yes ___X___none reported

5. Type of auditors' report issued on compliance for major programs: Unmodified

6. Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133? _____yes ___X___no

7. Identification of major program:

CFDA Number	Name of Federal Program or Cluster
	School Improvement Grants Cluster
84.377A	1003g SIG Professional Development Support
84.388A	School Improvement Grants, Recovery Act - ARRA
84.388A	School Improvement Grants, Recovery Act - ARRA

8. The threshold for distinguishing between Type A and B programs was $300,000.

9. Auditee qualified as low-risk auditee? _____yes ___X___no

B. FINDINGS - FINANCIAL STATEMENT AUDIT

None

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAM AUDIT

None

C. PRIOR FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAM AUDIT

SIGNIFICANT DEFICIENCY

2012-01

Condition: Two of the Met's reimbursement based grants had revenues in excess of expenses at June 30, 2012. The excess had occurred as a result of expense reclassifications subsequent to the request for reimbursement and an inadvertent advance from the granting agency. However, the Met had incurred allowable expenses under the grants, with the exception of $9,351. This resulted in an audit adjustment to release $37,200 of revenue from restriction.

Criteria: The Met's financial reports and claim reimbursement requests should be reviewed by the Controller prior to submission in order to verify that expenses have been properly allocated to the grant and that misstatements have not occurred within the entity's financial reporting.

Cause: Expenses were reclassified after request for reimbursement.

Effect: The reclassifications resulted in an overstatement of temporarily restricted net assets at June 30, 2012.

Recommendation: We recommend that management review of the monthly financial results and expense allocations occur prior to submitting the request for reimbursement to the State.

View of Responsible Officials: We concur with the facts in this finding and would clarify that a number of issues combined to create this situation. We have since reconciled these grants with the Indiana Department of Education without penalty. We have also added a highly qualified school controller who has and will continue to ensure full compliance with grant budgets, timing and funding. We believe this is an isolated incident and will not recur, given the steps we have taken to improve the quality of the school accounting function.

Status: The corrective action plan was implemented and no issues were reported during 2013.

The reports presented herein were prepared in addition to another report prepared for the School as listed below:

Supplemental Audit Report of the Goodwill Education Initiatives, Inc. - Indianapolis Metropolitan High School.

INDIANAPOLIS METROPOLITAN HIGH SCHOOL

FINANCIAL STATEMENTS

Together with Independent Auditors' Report

JUNE 30, 2012

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INDIANAPOLIS METROPOLITAN HIGH SCHOOL
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Goodwill Education Initiatives, Inc.:

We have audited the accompanying statement of financial position of Indianapolis Metropolitan High School (an Indiana public charter school) as of June 30, 2012, and the related statements of activities, and cash flows for the year then ended. These financial statements are the responsibility of Goodwill Education Initiatives, Inc.'s (GEI) management. 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* ssued by the Comptroller General of the United States and *Guidelines for Examination of Entities Receiving Financial Assistance from Governmental Sources* and *Guidelines for the Audits of Charter Schools Performed by Private Examiners* established by the Indiana State Board of Accounts. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Indianapolis Metropolitan High School as of June 30, 2012 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 15, 2013, on our consideration of Indianapolis Metropolitan High School'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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit of the financial statements of Indianapolis Metropolitan High School was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic 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 financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Greenwalt C.P.A.s, Inc.

January 15, 2013

INDIANAPOLIS METROPOLITAN HIGH SCHOOL
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2012

ASSETS

CURRENT ASSETS	
Cash and cash equivalents	$ 265,791
Charter school accounts receivable	1,943,386
Prepayments	1,307
Total current assets	2,210,484
PROPERTY AND EQUIPMENT	
Equipment	2,128,044
Vehicles	99,979
	2,228,023
Accumulated depreciation	(1,601,300)
Net property and equipment	626,723
TOTAL ASSETS	$ 2,837,207

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Accounts payable	$ 262,428
Accrued liabilities	118,932
Total current liabilities	381,360
LONG-TERM LIABILITIES	
Common School Fund Growth Loans	1,182,998
Total liabilities	1,564,358
COMMITMENTS AND CONTINGENCIES (NOTE 6)	
NET ASSETS	
Unrestricted	1,263,498
Temporarily restricted	9,351
Total net assets	1,272,849
TOTAL LIABILITIES AND NET ASSETS	$ 2,837,207

INDIANAPOLIS METROPOLITAN HIGH SCHOOL
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012

	Unrestricted	Temporarily Restricted	TOTAL
REVENUE			
State and Federal grants	$ 5,318,394	$ 9,351	$ 5,327,745
Student fees	47,797	-	47,797
Other income	137,869	-	137,869
Total revenue	5,504,060	9,351	5,513,411
SUPPORT			
Gifts and contributions	211,116	-	211,116
Gifts in-kind	957,000	-	957,000
Total support	1,168,116	-	1,168,116
Total revenue and support	6,672,176	9,351	6,681,527
EXPENSES			
High school instruction	2,554,653	-	2,554,653
Counseling services	334,591	-	334,591
Special Education	397,332	-	397,332
Extra curricular activities	84,086	-	84,086
Staff training and development	181,083	-	181,083
Office of the Principal and administration	849,560	-	849,560
Business support services	171,757	-	171,757
Building and equipment maintenance	46,261	-	46,261
Transportation	113,542	-	113,542
Food service	208,494	-	208,494
Non-capital equipment costs	117,513	-	117,513
Interest expense	34,369	-	34,369
Depreciation	317,496	-	317,496
Graduate scholarships	134,772	-	134,772
In-kind rent	773,594	-	773,594
Other expenses	55,538	-	55,538
Total expenses	6,374,641	-	6,374,641
CHANGE IN NET ASSETS	297,535	9,351	306,886
NET ASSETS, BEGINNING OF YEAR	965,963	-	965,963
NET ASSETS, END OF YEAR	$ 1,263,498	$ 9,351	$ 1,272,849

See accompanying notes to financial statements.

INDIANAPOLIS METROPOLITAN HIGH SCHOOL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2012

INCREASE IN CASH AND CASH EQUIVALENTS

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	$ 306,886
Depreciation	317,496
(Increase) decrease in operating assets:	
Charter school accounts receivable	(181,472)
Prepayments	11,114
Increase in operating liabilities:	
Accounts payable	115,393
Accrued liabilities	50,195
Net cash provided by operating activities	619,612
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of property and equipment	(531,777)
INCREASE IN CASH AND CASH EQUIVALENTS	87,835
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	177,956
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 265,791
SCHEDULE OF NONCASH OPERATING ACTIVITIES	
In-kind rent and business support	$ 957,000

See accompanying notes to financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

DESCRIPTION OF ORGANIZATION

The Indianapolis Metropolitan High School (the Met) is an Indiana public charter high school operating under the ownership and control of Goodwill Education Initiatives, Inc. (GEI). GEI, an Indiana non-profit corporation, provides educational opportunities designed to enable young people and adults to prepare for productive adult lives. GEI operates public charter high schools (the Met and the Excel Centers, interchangeably referred to herein as "the schools") in central Indiana, under the provisions of the Indiana Charter School laws and the chartering authorities of the Mayor of Indianapolis and the Indiana Charter School Board. GEI is a wholly-owned and controlled subsidiary of Goodwill Industries of Central Indiana, Inc. (Goodwill), also an Indiana non-profit corporation.

The Met occupies space at Goodwill's Indianapolis headquarters building. The Met occupies its space at no cost and recognized $773,594 of in-kind rent expense during the year ended June 30, 2012. The Met also contracts with Goodwill for certain business support services, as further described in Note 5. For the year ended June 30, 2012, the Met recognized $183,406 of in-kind business support service expense.

The schools receive the majority of their funding from the Indiana Department of Education. Their revenues are supplemented with funds from the United States Department of Education, private grants, and gifts. The Met is in its ninth year of operation and student enrollment for the most recently completed school year approximated 431 students.

The Met primarily serves underprivileged, at risk students in grades 9 through 12 in Indianapolis. Demographically, more than 80% of the Met's students qualify for free or reduced lunch, 84% identify themselves as a minority student, 25% have special needs, and the majority of incoming students arrive at the Met two or more grade levels behind in reading and math skills. Since inception, the Met has graduated 350 students and 235 of those graduates have gone on to some form of post-secondary education or training. The Met's objectives include sustaining a graduation rate of 75% and having 75% of its graduates go on to college.

BASIS OF ACCOUNTING

The accompanying financial statements were prepared on the accrual basis of accounting. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of support, revenues and expenses during the reporting period. For annual financial reporting purposes, the Met uses a fiscal year that begins on July 1 and ends the following June 30.

CASH AND CASH EQUIVALENTS

The Met considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. There were no cash equivalents at June 30, 2012. The Met maintains cash balances at a commercial bank. Accounts at the banks are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to $250,000.

At June 30, 2012 the Met maintained cash and cash equivalents in excess of the FDIC coverage limits.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

ACCOUNTS RECEIVABLE

Accounts receivable are unsecured and are due from Indiana governmental entities and private funders over periods of time up to six months from the statement of financial position date.

Accounts receivable are stated at the amount determined by public statute or by the underlying private funding agreements. Generally, there is not significant risk of loss of these amounts due since they are statutorily determined and obligated. However, there is some risk that public funding from the State of Indiana could be reduced from amounts previously determined during periods of prolonged economic downturn. Management is unable to determine the likelihood of reduced funding, and has not recorded a reserve related thereto.

PROPERTY AND EQUIPMENT

Property and equipment are recorded at historical cost. Depreciation is computed on the straight-line method over estimated useful lives ranging from 3 to 10 years for equipment. The Met does not own any real property.

NET ASSETS

The Met maintains the following classifications of net assets:

Unrestricted

These include revenue and expenses from the regular operations of the Met, which are at the discretion of management and the GEI Board of Directors.

Temporarily Restricted

These include donations and grant revenues used to meet expenses of current operations in accordance with restrictions specified by the donors or grantors. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

CONTRIBUTIONS

Contributions are recognized when the donor makes an unconditional promise to give to the Met and are recorded at their fair values as revenues and assets in the period received. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily restricted net assets. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

ADVERTISING

Advertising and printing expenses totaled $29,582 in fiscal year 2012. The Met's policy is to record advertising expenditures in the period in which they are incurred.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

FUNCTIONAL EXPENSE

A summary of expenses by functional classification for the year ended June 30 is as follows:

Program activities:		
Classroom instruction	$	4,427,034
Student counseling		334,592
Special education services		397,334
		84,085
Total program activities		5,243,045
Supporting activities:		
Program support	$	658,541
Administrative support		473,055
Total support activities		1,131,596
Total functional expense	$	6,374,641

SUBSEQUENT EVENTS

Subsequent events have been considered through January 15, 2013, which was the date the financial statements were available to be issued. See Note 9.

2. TAX STATUS

GEI is an Indiana non-profit corporation and is exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code. However, if income was generated from certain activities not directly related to GEI's tax-exempt purposes, such income would be subject to taxation as unrelated business income. GEI is not considered a private foundation as defined in Section 509(a) of the Internal Revenue Code.

Accounting Standards for Income Taxes provide detailed guidance for the financial statement recognition, measurement and disclosure of uncertain tax positions recognized in an enterprise's financial statements. GEI's management team regularly evaluates its activities to determine that they are in compliance with its tax-exempt purpose. Currently, GEI's management does not believe it is engaged in any activities that would generate unrelated business income or create an uncertain tax position. GEI is no longer subject to examination by taxing authorities for fiscal years before 2008.

3. LONG TERM DEBT

In prior years, the Met borrowed from the Indiana Common School Fund to fund its charter school operations and costs associated with enrollment growth. Loan repayments, including interest, are deducted monthly from state public tuition receipts. The outstanding balance on the loans from the Indiana Common School Fund was $1,182,998 at June 30, 2012. In 2009, the Indiana legislature enacted a moratorium on repayments of Common School Fund loans by charter schools for two years. Accordingly, the Met elected to suspend its loan and interest repayments. The 2011 Indiana legislative session extended the loan moratorium through June 30, 2013. Management is unable to determine the likelihood that the loan moratorium will be extended beyond that date. Interest on the loans continues to accrue during the moratorium. Accrued interest on the loans was $103,106 at June 30, 2012.

3. LONG TERM DEBT, CONTINUED

Details of the borrowings from the Indiana Common School Fund are as follows:

Year of Issuance	*Original Borrowing*	*Interest Rate*	*Term of Loan*	*Amount Outstanding as of June 30, 2012*
2004	$453,020	4%	20 years	$362,416
2005	$305,111	4%	20 years	$268,234
2006	$260,253	4%	20 years	$234,228
2010	$381,744	1%	3 years	$318,120
Total	$1,400,128			$1,182,998

Maturities of the long-term debt are as follows for the years ending June 30:

2013	$ -
2014	178,167
2015	178,167
2016	114,543
2017	50,919
Thereafter	661,202
	$ 1,182,998

4. RETIREMENT PLAN

The Met employees are employed and paid by GEI. Certain Met employees (licensed teachers, counselors and certain administrative staff) are eligible to participate in the Indiana Teachers Retirement Fund (TRF). By statute, employers are required to contribute 7.5% of an employee's pretax gross income to TRF. Employers may also elect to contribute an additional 3% in lieu of the employee's own contributions. GEI has elected to make the voluntary contribution on behalf of its eligible employees, including employees of the Met. In fiscal year 2012, the Met contributed $192,488 to TRF on behalf of its employees. Met employees not eligible for TRF may elect to participate in Goodwill's retirement plan. Goodwill maintains a discretionary thrift plan which allows eligible employees to contribute up to 15% of pre-tax gross income, subject to certain IRS limitations. Goodwill matches 100% of eligible employees' pre-tax contributions up to 3% of gross income, and 50% of the next 3% of gross income. Goodwill may also make additional discretionary contributions to the plan. Employer matching contributions vest after three years or in the event of death or disability. Employer discretionary contributions vest after five years or in the event of death or disability. The Met's expense relating to contributions to the Goodwill thrift plan for the fiscal years ended June 30, 2012 was $10,765.

5. RELATED PARTY TRANSACTIONS

The Met is owned and operated by GEI. GEI provides employees, certain school-specific administrative services, and general management and oversight of the Met. GEI charges the Met for its expenses related to the services provided. No markup is added to the fees charged to the schools. During fiscal year 2012, the Met reimbursed $173,366 to GEI for administrative services.

From time to time, Goodwill provides interest-free loans and cash subsidies directly to the Met. At June 30, 2012, the Met had no borrowings from Goodwill. During fiscal year 2012, Goodwill provided cash subsidies to the Met totaling $112,500. The subsidies are recorded as Gifts and Contributions revenue on the Statement of Activities.

Goodwil. also provides business support services (accounting, marketing, human resources, technology and general management) to the Met. Goodwill charges a portion of these costs to the schools without markup. The Met paid $45,000 to Goodwill for business support services in fiscal year 2012. Goodwill also provides space at its Indianapolis headquarters campus to the Met at no charge. The non-billed portion of the support services and contributed space is considered an in-kind contribution and is recorded as revenue in the Statement of Activities. In fiscal year 2012, Goodwill provided $957,000 of in-kind business services and contributed space. These in-kind transactions are treated as non-cash transactions and are excluded from the accompanying statements of cash flows.

Goodwill also pays certain operating expenses, including certain employee benefits, of the Met, for which the Met fully reimburses Goodwill. No markup is charged. In fiscal year 2012, the Met paid Goodwill $764,734 for these expenses.

At June 30, 2012, the Met owed Goodwill $78,514 for business support services and reimbursable operating expenses, which is included in Accounts Payable on the Statement of Financial Position.

Goodwill Industries Foundation of Central Indiana, Inc. (the Foundation) is an Indiana not-for-profit corporation related to Goodwill. The Foundation provides grants to the Met for school startup, new initiatives and college scholarships for qualifying Met graduates. During fiscal year 2012, the Met received $182,079 of grant revenue from the Foundation. This revenue is included in Gifts and Contributions on the Statement of Activities.

6. FUTURE GRANT AUDITS

Under the terms of state and federal grants awarded to the Met, periodic audits are required and certain costs may be challenged as to allowability under the terms of the grants. Such audits could lead to reimbursement to the grantor. Management believes the likelihood that material costs incurred by the Met will be disallowed is remote.

7. SELF-INSURANCE

The Met employees participate in Goodwill's health care benefits plan. Goodwill self-insures for employee and dependent medical benefits up to a per-individual annual maximum of $100,000, and an aggregate maximum of approximately $6.6 million. Goodwill purchases reinsurance which pays individual claims that exceed $100,000 per year, up to a per-individual maximum of $2 million, and up to $1 million beyond the aggregate self-insured maximum. The reinsurer reviews claims annually and upon renewal of the reinsurance policy each year may establish higher specific maximums on selected individuals with high claims risks. Goodwill purchases claims administration services from a third party administrator. Self-insured medical expenses and related administrative costs for the Met related to Goodwill's health care plan were $435,522 for the fiscal year ended June 30, 2012.

8. SUBSEQUENT EVENTS

Subsequent to June 30, 2012, GEI entered into a bank line of credit from a commercial bank. The line expires September 30, 2013, provides for maximum borrowings of $1.5 million and bears interest at the bank's commercial rate (equal to the Prime rate) less one percent (a total of 2.25% as of December 3, 2012). After the line was secured, GEI borrowed $740,000 to finance startup costs, working capital, and capital expenditures for the Met and the Excel Centers. The Met's portion of the total amount borrowed was $180,000 and has since been repaid in full. The line of credit includes a non-use fee of 0.15% on the unused balance. Goodwill serves as a guarantor on the line of credit.

At the start of the 2012-13 school year in July 2012, the Met's student official enrollment declined from 431 to 330. This will result in a public funding decrease of approximately $670,000 on an annual basis, commencing in January, 2013 and continuing through December 2013. The Met's operating plans for the 2012-13 school year include the impact of this funding reduction.

INDIANAPOLIS METROPOLITAN HIGH SCHOOL
SCHEULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2012

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	Federal CFDA Number	Agency or Pass-Through Number	Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
Indiana Department of Education:			
Child Nutrition Cluster			
School Breakfast Program	10.553	SY 2012	$ 22,001
National School Lunch Program	10.555	SY 2012	98,107
Total for Child Nutrition Cluster			120,108
U.S. DEPARTMENT OF EDUCATION			
Indiana Department of Education:			
Title I, Part A Cluster			
Education Jobs	84.010	SY 2011	94,234
Title I Grants to Local Educational Agencies	84.010A	SY 2010-2011	15,061
Title I Grants to Local Educational Agencies	84.010A	SY 2011-2012	211,492
Title I School Improvement Grant	84.010A	Project	78,804
Total for Title I, Part A Cluster			399,591
Special Education - Grants to States	84.027	14212-504-PN01	80,349
Innovative, Title V	84.298	FY09	5,414
Improving Teacher Quality State Grants	84.367	SY 2011	51,413
Teacher Incentive Fund	84.374	SY 2011 - 2012	70,346
School Improvement Grants Cluster			
1003g SIG Professional Development Support	84.377	SY 2012	49,547
School Improvement Grants, Recovery Act - ARRA	84.388	2010 - 2011	29,445
School Improvement Grants, Recovery Act - ARRA	84.388	2011 - 2012	709,470
Total for School Improvement Grants Cluster			788,462
Special Education Grant - ARRA	84.389	11-9670	7,415
			$ 1,523,098

NOTE TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes federal grant activity of the Met and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in preparation of, the basic consolidated financial statements.

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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
Goodwill Education Initiatives, Inc.:

We have audited the financial statements of Indianapolis Metropolitan High School (the Met) as of and for the year ended June 30, 2012. 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 of America.

Internal Control Over Financial Reporting

Management of the Met is responsible for establishing and maintaining internal control over financial reporting. In planning and performing our audit, we considered the Met's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Met's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Met's internal control over financial reporting.

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.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined previously. However, we identified a deficiency in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency in internal control over financial reporting at 2012-01. 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.

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the Met's financial statements are free of 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 determination of financial statement amounts. 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*.

The Met's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the Met's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Board of Directors, management, specific legislative or regulatory bodies, federal awarding agencies, and pass-through entities and s not intended to be and should not be used by anyone other than these specified parties.

Greenwalt CPA's, Inc.

January 15, 2013

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Directors of
Goodwill Education Initiatives, Inc.:

COMPLIANCE

We have audited the compliance of Indianapolis Metropolitan High School (the Met) with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Met's major federal programs for the year ended June 30, 2012. The Met's major federal programs are identified in the summary of audit results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Met's management. Our responsibility is to express an opinion on the Met's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Met's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Met's compliance with those requirements.

In our opinion, the Met complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

Internal Control Over Compliance

The management of the Met is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Met's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the Met's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Board of Directors, management, specific legislative or regulatory bodies, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Greenwalt CPAs, Inc.

January 15, 2013

A. SUMMARY OF AUDIT RESULTS

1. Type of auditors' report issued: unqualified

2. Internal control over financial reporting:
   Material weakness(es) identified? _____yes ___X___no
   Significant deficiency(ies) identified? ___X___yes _____none reported

3. Noncompliance material to financial statements noted? _____yes ___X___no

4. Internal control over major programs:
   Material weakness(es) identified? _____yes ___X___no
   Significant deficiency(ies) identified? _____yes ___X___none reported

5. Type of auditors' report issued on compliance for major programs: Unqualified

6. Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133? _____yes ___X___no

7. The program tested as a major program was the School Improvements Cluster and Title I Cluster CDFA 84.010A

8. The threshold for distinguishing between Type A and B programs was $300,000.

9. Auditee qualified as low-risk auditee? _____yes ___X___no

B. FINDINGS - FINANCIAL STATEMENT AUDIT

SIGNIFICANT DEFICIENCY

2012-01

Condition: Two of the Met's reimbursement based grants had revenues in excess of expenses at June 30, 2012. The excess had occurred as a result of expense reclassifications subsequent to the request for reimbursement and an inadvertent advance from the granting agency. However, the Met had incurred allowable expenses under the grants, with the exception of $9,351. This resulted in an audit adjustment to release $37,200 of revenue from restriction.

Criteria: The Met's financial reports and claim reimbursement requests should be reviewed by the Controller prior to submission in order to verify that expenses have been properly allocated to the grant and that misstatements have not occurred within the entity's financial reporting.

Cause: Expenses were reclassified after request for reimbursement.

Effect: The reclassifications resulted in an overstatement of temporarily restricted net assets at June 30, 2012.

Recommendation: We recommend that management review of the monthly financial results and expense allocations occur prior to submitting the request for reimbursement to the State.

View of Responsible Officials: We concur with the facts in this finding and would clarify that a number of issues combined to create this situation. We have since reconciled these grants with the Indiana Department of Education without penalty. We have also added a highly qualified school controller who has and will continue to ensure full compliance with grant budgets, timing and funding. We believe this is an isolated incident and will not recur, given the steps we have taken to improve the quality of the school accounting function.

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAM AUDIT

None

B40207

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

INDIANAPOLIS METROPOLITAN HIGH SCHOOL
MARION COUNTY, INDIANA

July 1, 2009 to June 30, 2011

FILED
03/19/2012

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SCHEDULE OF OFFICIALS

Office	Official	Term
Treasurer	Daniel J. Riley	07-01-09 to 06-30-12
Business Manager/ Assistant Treasurer	Tina Sherrard	07-01-09 to 06-30-12
Principal/Chief Operating Officer (COO)	Scott Bess	07-01-09 to 06-30-12
Chairman of the School Board	Fred C. Tucker III	07-01-09 to 12-31-10
	C. Perry Griffith, Jr.	01-01-10 to 06-30-12
President of Goodwill Education Initiatives	James McClelland	07-01-09 to 06-30-12

STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENT
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

TO: THE OFFICIALS OF THE INDIANAPOLIS METROPOLITAN
HIGH SCHOOL, MARION COUNTY, INDIANA

We have audited the accompanying Financial Statement of the Indianapolis Metropolitan High School (School Corporation), for the years ended June 30, 2010 and 2011. This financial statement is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on this financial statement 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 Statement is free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control over reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Financial Statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the School Corporation prepares its Financial Statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting noted above is a different basis than that used in the prior year.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the School Corporation for the years ended June 30, 2010 and 2011, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated February 9, 2012, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the financial statement. Such information has been subjected to the auditing procedures applied in the audit of the financial statement and, in our opinion, is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances – Regulatory Basis, Schedule of Capital Assets, and Schedule of Long-Term Debt are presented for additional analysis and are not required parts of the financial statement. The Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances – Regulatory Basis, Schedule of Capital Assets, and Schedule of Long-Term Debt have not been subjected to the auditing procedures applied by us in the audit of the financial statement and, accordingly, we express no opinion on them.

The School Corporation's response to the Audit Results and Comments identified in our audit is described in the accompanying section of the report entitled Official Response. We did not audit the School Corporation's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the School Corporation's management, School Board, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

February 9, 2012

STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
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INDIANAPOLIS, INDIANA 46204-2769

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENT PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

TO: THE OFFICIALS OF THE INDIANAPOLIS METROPOLITAN HIGH SCHOOL, MARION COUNTY, INDIANA

We have audited the financial statement of the Indianapolis Metropolitan High School (School Corporation), for the years ended June 30, 2010 and 2011, and have issued our report thereon dated February 9, 2012. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School Corporation's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over financial reporting.

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 combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free of 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 determination of financial statement amounts. 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.

The School Corporation's response to the findings identified in our audit is described in the accompanying section of the report entitled Official Response and Corrective Action Plan. We did not audit the School Corporation's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the School Corporation's management, School Board, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

February 9, 2012

FINANCIAL STATEMENT

The financial statement and accompanying notes were approved by management of the School Corporation. The financial statement and notes are presented as intended by the School Corporation.

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INDIANAPOLIS METROPOLITAN HIGH SCHOOL
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Years Ended June 30, 2010 and 2011

	Cash and Investments 07-01-09	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-10	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-11
General	$ 71,015	$ 2,953,462	$ 3,168,327	$ (11,556)	$ (155,406)	$ 4,198,185	$ 3,880,949	$ (11,898)	$ 149,932
School Lunch	12,114	151,174	139,909	-	23,379	160,399	183,773	-	5
Textbook Rental	6,363	20,769	1,695	-	25,437	59,856	7,769	-	77,524
Alternative Education	-	3,126	-	-	3,126	-	3,126	-	-
Ruth Lilly Grant	13,790	-	-	-	13,790	-	13,790	-	-
Miscellaneous Programs	8,600	25,497	28,422	-	5,675	75,906	69,533	-	12,048
Gifts and Donations	75,280	361,991	434,357	-	2,914	315,270	318,184	-	-
Title I 2008-2009	25,346	20,000	45,346	-	-	-	-	-	-
Title I 2009-2010	-	281,165	226,312	-	54,853	14,999	69,455	(397)	-
Title I 2010-2011	-	-	-	-	-	242,169	249,958	397	(7,392)
Title I School Improvement	-	-	-	-	-	460,393	524,417	-	(64,024)
Innovative Education Program Strategies Title V (Part A)	-	50,000	44,586	-	5,414	-	-	-	5,414
IDEA Special Education 2009-2010	-	71,577	71,577	-	-	-	-	-	-
IDEA Special Education 2010-2011	-	-	-	-	-	76,207	71,758	-	4,449
Improving Teaching Quality, No Child Left, Title II, Part A	-	33,316	-	-	33,316	-	33,316	-	-
Fiscal Stabilization - Education	-	72,534	72,534	-	-	-	-	-	-
Title I - Grants to LEAs	-	170,044	100,113	-	69,931	74,400	144,331	-	-
Special Education - Part B	-	44,790	44,790	-	-	44,793	44,793	-	-
Education Technology	-	147,000	142,127	-	4,873	-	4,873	-	-
School Lunch Equipment	-	14,540	14,540	-	-	-	-	-	-
Totals	$ 212,508	$ 4,420,985	$ 4,534,635	$ (11,556)	$ 87,302	$ 5,722,577	$ 5,620,025	$ (11,898)	$ 177,956

The notes to the financial statement are an integral part of this statement.

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

School Corporation, as used herein, shall include, but is not limited to, school townships, school towns, school cities, consolidated school corporations, joint schools, metropolitan school districts, township school districts, county schools, united schools, school districts, cooperatives, educational service centers, community schools, community school corporations, and charter schools.

The School Corporation was established under the laws of the State of Indiana. The School Corporation operates under a Board of School Trustees form of government and provides educational services.

The accompanying financial statement presents the financial information for the School Corporation (primary government).

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

C. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

D. Receipts

Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts include the following sources:

Local sources which include taxes, revenue from local governmental units other than school corporations, transfer tuition, transportation fees, investment income, food services, school corporation activities, revenue from community services activities, and other revenue from local sources.

State sources which include distributions from the State of Indiana to be used by the School Corporation for various purposes. Included in state sources are unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

Federal sources which include distributions from the federal government to be used by the School Corporation for various purposes. Included in federal sources are unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

Temporary loans which include money received from a loan obtained to pay current expenses prior to the receipt of revenue from taxes levied for that purpose. These loans, sometimes designated tax anticipation warrants, must be repaid from the next semiannual distribution of local property taxes levied for such fund.

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statement. The aggregate disbursements include the following uses:

Instruction which includes outflows for regular programs, special programs, adult and continuing education programs, summer school programs, enrichment programs, remediation, and payments to other governmental units.

Support services which include outflows for support services related to students, instruction, general administration, and school administration. It also includes outflows for central services, operation and maintenance of plant services, and student transportation.

Noninstructional services which include outflows for food service operations and community service operations.

Facilities acquisition and construction which includes outflows for the acquisition, development, construction, and improvement of new and existing facilities.

Debt services which include fixed obligations resulting from financial transactions previously entered into by the School Corporation. It includes all expenditures for the reduction of the principal and interest of the School Corporation's general obligation indebtedness.

Nonprogrammed charges which include outflows for donations to foundations, securities purchased, indirect costs, scholarships, and self-insurance payments.

F. Other financing sources and uses

Other financing sources and uses are presented in the aggregate on the face of the financial statement. The aggregate other financing sources and uses include the following:

Transfers in which includes money received by one fund as a result of transferring money from another fund. The transfers are used for cash flow purposes as provided by various statutory provisions.

Transfers out which includes money paid by one fund to another fund. The transfers are used for cash flow purposes as provided by various statutory provisions.

G. Fund Accounting

Separate funds are established, maintained, and reported by the School Corporation. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the School Corporation. The money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the School Corporation in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

Note 2. Budgets

The operating budget is initially prepared and approved at the local level. The fiscal officer of the School Corporation submits a proposed operating budget to the governing board for the following calendar year. The budget is subject to final approval by the School Corporation's chartering agency.

Note 3. Deposits and Investments

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana at year end should be entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statutes authorize the School Corporation to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 4. Risk Management

The School Corporation may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the School Corporation to set aside money for claim settlements. The self-insurance fund would be included in the financial statements. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks. These risks may also be mitigated by the School Corporation by recording as a disbursement and replacement items purchased.

Note 5. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the Indiana Public Retirement System (INPRS) Board, most requirements of the system, and give the School Corporation authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

INPRS administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Indiana Public Retirement System
1 North Capital Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of INPRS.

B. Teachers' Retirement Fund

Plan Description

The Indiana Teachers' Retirement Fund (TRF) is a defined benefit pension plan. TRF is a cost-sharing multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All employees engaged in teaching or in the supervision of teaching in the public schools of the State of Indiana are eligible to participate in TRF. State statute (IC 5-10.2) governs, through the Indiana Public Retirement System (INPRS) Board, most requirements of the system, and gives the School Corporation authority to contribute to the plan. The TRF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The School Corporation may elect to make the contributions on behalf of the member.

INPRS issues a publicly available financial report that includes financial statements and required supplementary information for the TRF plan as a whole and for its participants. That report may be obtained by contacting:

Indiana Public Retirement System
1 North Capital Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 286-3544

Funding Policy and Annual Pension Cost

The School Corporation contributes the employer's share to TRF for certified employees employed under a federally funded program and all the certified employees hired after July 1, 1995. The School Corporation currently receives partial funding, through the school funding formula, from the State of Indiana for this contribution. The employer's share of contributions for certified personnel who are not employed under a federally funded program and were hired before July 1, 1995, is considered to be an obligation of, and is paid by, the State of Indiana.

SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the School Corporation's Financial Reports can be found on the Indiana Department of Education website: http://mustang.doe.state.in.us/TRENDS/fin.cfm. This website is maintained by the Indiana Department of Education. More current financial information is available from the School Corporation Treasurer's office.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the Financial Reports of the School Corporation which are referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the audit. This is a common occurrence in any financial statement audit. The financial information presented in this report is audited information, and the accuracy of such information can be determined by reading the opinion given in the Independent Auditor's Report.

The supplementary information presented was prepared and/or approved by management of the School Corporation. It is presented as intended by the School Corporation.

INDIANAPOLIS METROPOLITAN HIGH SCHOOL
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended June 30, 2010

	General	School Lunch	Textbook Rental	Alternative Education	Ruth Lilly Grant	Miscellaneous Programs	Gifts and Donations	Title I 2008-2009	Title I 2009-2010
Cash and investments - beginning	$ 71,015	$ 12,114	$ 6,363	$ -	$ 13,790	$ 8,600	$ 75,280	$ 25,346	$ -
Receipts:									
Local sources	64,363	44,672	-	-	-	25,497	361,991	-	-
State sources	2,889,099	11,482	20,769	3,126	-	-	-	-	-
Federal sources	-	95,020	-	-	-	-	-	20,000	281,165
Total receipts	2,953,462	151,174	20,769	3,126	-	25,497	361,991	20,000	281,165
Disbursements:									
Current:									
Instruction	1,330,429	-	1,695	-	-	3,092	183,330	45,200	223,853
Support services	1,556,102	120	-	-	-	(27)	133,004	-	2,459
Noninstructional services	70,579	139,789	-	-	-	25,357	6,387	146	-
Facilities acquisition and construction	158,527	-	-	-	-	-	62,355	-	-
Debt services	50,095	-	-	-	-	-	2,968	-	-
Nonprogrammed charges	2,595	-	-	-	-	-	46,313	-	-
Total disbursements	3,168,327	139,909	1,695	-	-	28,422	434,357	45,346	226,312
Excess (deficiency) of receipts over disbursements	(214,865)	11,265	19,074	3,126	-	(2,925)	(72,366)	(25,346)	54,853
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	(11,556)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(11,556)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(226,421)	11,265	19,074	3,126	-	(2,925)	(72,366)	(25,346)	54,853
Cash and investments - ending	$ (155,406)	$ 23,379	$ 25,437	$ 3,126	$ 13,790	$ 5,675	$ 2,914	$ -	$ 54,853

INDIANAPOLIS METROPOLITAN HIGH SCHOOL
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended June 30, 2010
(Continued)

	Innovative Education Program Strategies Title V (Part A)	IDEA Special Education 2009-2010	Improving Teaching Quality No Child Left Title II, Part A	Fiscal Stabilization Education	Title I Grants to LEAs	Special Education Part B	Education Technology	School Lunch Equipment	Totals
Cash and investments - beginning	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 212,508
Receipts:									
Local sources	-	-	-	-	-	-	-	-	496,523
State sources	-	-	-	-	-	-	-	-	2,924,476
Federal sources	50,000	71,577	33,316	72,534	170,044	44,790	147,000	14,540	999,986
Total receipts	50,000	71,577	33,316	72,534	170,044	44,790	147,000	14,540	4,420,985
Disbursements:									
Current:									
Instruction	18,186	-	-	6,185	3,583	5,549	-	-	1,821,102
Support services	12,000	69,557	-	55,779	838	5,075	142,127	-	1,977,034
Noninstructional services	-	-	-	9,500	-	-	-	14,540	266,298
Facilities acquisition and construction	14,400	2,020	-	1,070	95,692	34,166	-	-	368,230
Debt services	-	-	-	-	-	-	-	-	53,063
Nonprogrammed charges	-	-	-	-	-	-	-	-	48,908
Total disbursements	44,586	71,577	-	72,534	100,113	44,790	142,127	14,540	4,534,635
Excess (deficiency) of receipts over disbursements	5,414	-	33,316	-	69,931	-	4,873	-	(113,650)
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	(11,556)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	(11,556)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	5,414	-	33,316	-	69,931	-	4,873	-	(125,206)
Cash and investments - ending	$ 5,414	$ -	$ 33,316	$ -	$ 69,931	$ -	$ 4,873	$ -	$ 87,302

INDIANAPOLIS METROPOLITAN HIGH SCHOOL
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended June 30, 2011

	General	School Lunch	Textbook Rental	Alternative Education	Ruth Lilly Grant	Miscellaneous Programs	Gifts and Donations	Title I 2009-2010	Title I 2010-2011
Cash and investments - beginning	$ (155,406)	$ 23,379	$ 25,437	$ 3,126	$ 13,790	$ 5,675	$ 2,914	$ 54,853	$ -
Receipts:									
Local sources	448,926	52,365	-	-	-	75,906	315,270	-	-
State sources	3,242,515	214	59,856	-	-	-	-	-	-
Federal sources	-	107,820	-	-	-	-	-	14,999	242,169
Temporary loans	506,744	-	-	-	-	-	-	-	-
Total receipts	4,198,185	160,399	59,856	-	-	75,906	315,270	14,999	242,169
Disbursements:									
Current:									
Instruction	1,600,015	-	7,769	-	-	61,211	97,321	66,224	186,006
Support services	1,857,477	50	-	3,126	-	62	15,113	-	23,395
Noninstructional services	6,925	183,723	-	-	-	8,260	44,606	-	13
Facilities acquisition and construction	174,417	-	-	-	13,790	-	50,996	3,231	40,544
Debt services	188,966	-	-	-	-	-	-	-	-
Nonprogrammed charges	53,149	-	-	-	-	-	110,148	-	-
Total disbursements	3,880,949	183,773	7,769	3,126	13,790	69,533	318,184	69,455	249,958
Excess (deficiency) of receipts over disbursements	317,236	(23,374)	52,087	(3,126)	(13,790)	6,373	(2,914)	(54,456)	(7,789)
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	397
Transfers out	(11,898)	-	-	-	-	-	-	(397)	-
Total other financing sources (uses)	(11,898)	-	-	-	-	-	-	(397)	397
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	305,338	(23,374)	52,087	(3,126)	(13,790)	6,373	(2,914)	(54,853)	(7,392)
Cash and investments - ending	$ 149,932	$ 5	$ 77,524	$ -	$ -	$ 12,048	$ -	$ -	$ (7,392)

INDIANAPOLIS METROPOLITAN HIGH SCHOOL
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended June 30, 2011
(Continued)

	Title I School Improvement	Innovative Education Program Strategies Title V (Part A)	IDEA Special Education 2010-2011	Improving Teaching Quality No Child Left Title II, Part A	Title I Grants to LEAs	Special Education Part B	Education Technology	Totals
Cash and investments - beginning	$ -	$ 5,414	$ -	$ 33,316	$ 69,931	$ -	$ 4,873	$ 87,302
Receipts:								
Local sources	-	-	-	-	-	-	-	892,467
State sources	-	-	-	-	-	-	-	3,302,585
Federal sources	460,393	-	76,207	-	74,400	44,793	-	1,020,781
Temporary loans	-	-	-	-	-	-	-	506,744
Total receipts	460,393	-	76,207	-	74,400	44,793	-	5,722,577
Disbursements:								
Current:								
Instruction	395,171	-	-	33,316	35,750	1,574	-	2,484,357
Support services	83,407	-	70,291	-	13,575	6,073	4,873	2,077,442
Noninstructional services	3,316	-	-	-	-	-	-	246,843
Facilities acquisition and construction	42,523	-	1,467	-	95,006	37,146	-	459,120
Debt services	-	-	-	-	-	-	-	188,966
Nonprogrammed charges	-	-	-	-	-	-	-	163,297
Total disbursements	524,417	-	71,758	33,316	144,331	44,793	4,873	5,620,025
Excess (deficiency) of receipts over disbursements	(64,024)	-	4,449	(33,316)	(69,931)	-	(4,873)	102,552
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	397
Transfers out	-	-	-	-	-	-	-	(12,295)
Total other financing sources (uses)	-	-	-	-	-	-	-	(11,898)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(64,024)	-	4,449	(33,316)	(69,931)	-	(4,873)	90,654
Cash and investments - ending	$ (64,024)	$ 5,414	$ 4,449	$ -	$ -	$ -	$ -	$ 177,956

INDIANAPOLIS METROPOLITAN HIGH SCHOOL
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS
June 30, 2011

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

	Ending Balance
Other:	
Capital assets, not being depreciated:	
Machinery and equipment	$ 1,696,246

INDIANAPOLIS METROPOLITAN HIGH SCHOOL
SUPPLEMENTARY INFORMATION
SCHEDULE OF LONG-TERM DEBT
June 30, 2011

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year	Fund/ Department
Notes and loans payable:			
Common School Loan #1 04 A020	$ 181,208	$ -	General
Common School Loan #2 05 A029	52,286	-	General
Common School Loan #3 05 A042	68,208	-	General
Common School Loan #4 06	122,205	-	General
Common School Loan #4 06 A074	112,022	-	General
Common School Loan #1 04 A021	181,208	-	General
Common School Loan #2 05 A030	55,926	-	General
Common School Loan #3 05 A043	91,815	-	General
Common School Loan Met Growth Loan A0185	318,120	-	General
Total debt	$ 1,182,998	$ -	

CELLULAR PHONES – ADDITIONAL CHARGES

The School Corporation paid for cellular phones for administrators, teachers, and other school staff during the audit period. Monthly statements for cellular phones for four months during 2009-2010 were presented late in the audit and were not reviewed. We reviewed 20 monthly cellular statements and observed additional charges, over the allowable monthly usage, totaling $8,041 assessed and paid. Additional charges included: calls to information totaling $616, international text messages totaling $4, 3rd party charges (applications, downloads, monthly automated texting services) totaling $362, equipment and retail totaling $6,538, and excessive text messages (over the limit) totaling $521. Additionally, late fees in the amount of $416 were paid on the monthly statements reviewed.

As of April 2011, which was the last monthly cellular phone statement presented, a total of 64 cellular phones were paid for by the School Corporation. The School Corporation did not have a formal policy in place to address who would be provided cellular phones, allowable usage, or additional charges.

Every effort should be made by the governmental unit to avoid unreasonable or excessive costs. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit.

Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

CREDIT CARDS

During 2010-2011, the School Corporation used several credit cards to make purchases. Some credit card statements were not presented for audit. We reviewed credit card statements that were attached to paid claims totaling $90,423. A vendor history provided by the School Corporation reported payments to the credit card vendor totaling $105,000. Documentation for the remaining $14,577 in credit card payments was not presented for audit. Also, sufficient supporting documentation was not provided for 9 of the 16 credit card claims reviewed. The following deficiencies were noted:

- Credit card purchases totaling $13,445 did not have original receipts or invoices or were supported only by the credit card slip which did not include itemization of the purchases.

- Credit cards were used for sales tax, gift cards, prepaid credit cards, and student/family assistance. The total amount of sales tax paid was $764; however additional amounts may have been paid on other purchases that did not have supporting documentation.

- Gift cards and prepaid credit cards totaling $2,445 were purchased for student and staff incentives and awards. However, documentation was not provided to determine who received the gift cards and prepaid credit cards.

- Credit cards were also used for student/family assistance through a barrier removal program operated by the School Corporation. Credit cards were used to pay utility bills, a car payment, gas cards, and gift cards which did not always have enough information to verify the credit card purchases were for the proper amounts or credited to the proper student/family. Credit card purchases related to the barrier removal program totaled $4,123.

In addition to the credit cards noted above, the School Corporation also used a gas card in which finance charges were paid. Finance charges totaling $73 were paid during 2010-2011.

The State Board of Accounts will not take exception to the use of credit cards by a governmental unit provided the following criteria are observed:

(1) The governing board must authorize credit card use through an ordinance or resolution, which has been approved in the minutes.

(2) Issuance and use should be handled by an official or employee designated by the board.

(3) The purposes for which the credit card may be used must be specifically stated in the ordinance or resolution.

(4) When the purpose for which the credit card has been issued has been accomplished, the card should be returned to the custody of the responsible person.

(5) The designated responsible official or employee should maintain an accounting system or log which would include the names of individuals requesting usage of the cards, their position, estimated amounts to be charged, fund and account numbers to be charged, date the card is issued and returned, etc.

(6) Credit cards should not be used to bypass the accounting system. One reason that purchase orders are issued is to provide the fiscal officer with the means to encumber and track appropriations to provide the governing board and other officials with timely and accurate accounting information and monitoring of the accounting system.

(7) Payment should not be made on the basis of a statement or a credit card slip only. Procedures for payments should be no different than for any other claim. Supporting documents such as paid bills and receipts must be available. Additionally, any interest or penalty incurred due to late filing or furnishing of documentation by an officer or employee should be the responsibility of that officer or employee.

(8) If properly authorized, an annual fee may be paid. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

Governmental funds generally are exempt from the payment of sales tax on qualifying purchases. Respective tax agencies should always be contacted concerning tax exemptions and payments. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the governmental unit.

Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit.

Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee.

(Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

FUND SOURCES AND USES - BARRIER REMOVAL PROGRAM

The General Fund and Gifts and Donations Fund were used to provide assistance to students and their families through a barrier removal program. Based on documentation presented for audit, disbursements for this program included payments for utility bills, rent, a car payment, clothing, food, gas cards, and gifts cards to various stores. General Fund receipts consist of state and local sources. Local sources consisted primarily of refunds and reimbursements. The General Fund did not receive any specific funding that would support the use of General Funds to operate the program. The barrier removal coordinator for 2010-2011 kept an electronic log of assistance payments for the school year; however, we were not able to verify all the transactions on the log to the financial records. Records related to the program were not presented for the 2009-2010 school year. The transactions were recorded in two different funds and multiple line items which did not always include enough description to identify the transactions. Therefore, we were not able to determine the total amount of disbursements for this program for the audit period.

Sources and uses of funds should be limited to those authorized by the enabling statute, ordinance, resolution, or grant agreement. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

INTERNAL CONTROLS OVER THE AUTHORIZATION OF SALARIES AND WAGES

Internal controls over payroll disbursements were not adequate. Salaries and wages during the audit period were not established by a formal salary resolution or schedule approved and signed by the governing board. The total amount budgeted for salaries and wages was approved by the governing board; however, individual salaries and wages were not approved by the governing board.

Salaries and wages were determined by Goodwill Industries and offer letters were sent to employees. After employees accepted the offers, "Employee Status Change Forms" were prepared and signed by the Principal and sent to the Business Manager/Assistant Treasurer who entered the information into the payroll system. New "Employee Status Change Forms" were to be completed for any changes in salaries and wages. Two employees tested were paid amounts that did not agree with the "Employee Status Change Forms" presented for audit. There is no evidence that anyone other than the Principal authorized salaries and wages.

Failure to maintain adequate controls over the authorization of salaries and wages could result in incorrect or unauthorized compensation being paid to employees.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution, or salary schedule adopted by the governing body unless otherwise authorized by statute. Compensation should be made in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 13)

Indiana Code 5-15-6-3(f) concerning destruction of public records, states in part: "Original records may be disposed of only with the approval of the commission according to guidelines established by the commission."

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

AVERAGE DAILY MEMBERSHIP (ADM) - SUPPORTING DOCUMENTATION

School Corporation records to support the ADM claimed by the School Corporation for the September 18, 2009 and September 17, 2010 count dates were not presented for audit. Documentation presented for audit included electronic files that were generated from information obtained from the Department of Education's (DOE) website. Therefore, ADM could not be verified to the schools records.

Indiana Code 5-15-6-3(f) concerning destruction of public records, states in part: "Original records may be disposed of only with the approval of the commission according to guidelines established by the commission."

Officials should maintain records (enrollment cards, rosters, reporting forms, etc.) which substantiate the number of students claimed for ADM. The building level official (Principal, Assistant Principal, etc.) responsible for reporting ADM to the School Corporation Central Office, should provide a written certification of ADM to properly document responsibility. The certification should at a minimum include a statement detailing the names and location of the records used (these records must be retained for public inspection and audit) to substantiate ADM claimed. (The School Administrator and Uniform Compliance Guidelines, Volume 163, September 2003, and Volume 182, June 2008)

TEXTBOOK REIMBURSEMENT CLAIMS

Textbook Reimbursement Claims presented for the audit period were not properly calculated. The claims included disbursements for educational materials that were not textbooks or consumables. Additionally, the amounts included were for the total invoice amounts paid. The 2010-2011 claim included all the costs reported on the 2009-2010 claim plus current year disbursements for educational materials. Reimbursement amounts should be calculated based on a per pupil cost for textbooks and consumables for each grade and multiplied by the number of eligible students to determine the amount to be included as costs on the claim for reimbursement. Sufficient information was not provided to determine the correct reimbursement amounts for 2009-2010 and 2010-2011.

Political subdivisions are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings, and filing requirements concerning reports and other procedural matters of federal and state agencies, including opinions of the Attorney General of the State of Indiana, and court decisions. Governmental units should file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

Governmental units have a responsibility to collect amounts owed to the governmental unit pursuant to procedures authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

SUPPLEMENTAL AUDIT OF

FEDERAL AWARDS

STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

TO: THE OFFICIALS OF THE INDIANAPOLIS METROPOLITAN HIGH SCHOOL, MARION COUNTY, INDIANA

Compliance

We have audited the compliance of the Indianapolis Metropolitan High School (School Corporation) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the years ended June 30, 2010 and 2011. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on the School Corporation's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the School Corporation's compliance with those requirements.

In our opinion, the School Corporation complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the years ended June 30, 2010 and 2011.

Internal Control Over Compliance

Management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the School Corporation's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over compliance.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
(Continued)

A deficiency in internal control over compliance 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, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying Schedule of Findings and Questioned Costs as item 2011-1. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

The School Corporation's response to the finding identified in our audit is described in the accompanying Official Response and Corrective Action Plan. We did not audit the School Corporation's response and, accordingly, we express no opinion on the response.

This report is intended solely for the information and use of the School Corporation's management, School Board, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

February 9, 2012

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The Schedule of Expenditures of Federal Awards and accompanying notes presented were prepared by management of the School Corporation. The schedule and notes are presented as intended by the School Corporation.

INDIANAPOLIS METROPOLITAN HIGH SCHOOL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2010 and 2011

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-10	Total Federal Awards Expended 06-30-11
U.S. DEPARTMENT OF AGRICULTURE				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553	FY10	$ 23,392	$ -
		FY11	-	19,156
Total for program			23,392	19,156
National School Lunch Program	10.555	FY10	71,878	-
		FY11	-	77,816
Total for program			71,878	77,816
Total for cluster			95,270	96,972
ARRA - Child Nutrition Discretionary Grants Limited Availability	10.579			
School Lunch Equipment		FY10	14,540	-
Total for federal grantor agency			109,810	96,972
U.S. DEPARTMENT OF EDUCATION				
Pass-Through Indiana Department of Education				
Title I, Part A Cluster				
Title I Grants to Local Educational Agencies	84.010	09-9670	45,346	-
		10-9670	226,312	69,455
		11-9670	-	249,958
Total for program			271,658	319,413
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	84.389	10-9670	100,113	144,331
Total for cluster			371,771	463,744
Special Education Cluster				
Special Education - Grants to States	84.027	FY10	71,577	-
		FY11	-	71,758
Total for program			71,577	71,758
ARRA - Special Education - Grants to States, Recovery Act	84.391	FY10	44,790	44,793
Total for cluster			116,367	116,551

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

INDIANAPOLIS METROPOLITAN HIGH SCHOOL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2010 and 2011
(Continued)

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-10	Total Federal Awards Expended 06-30-11
U.S. DEPARTMENT OF EDUCATION (continued)				
Pass-Through Indiana Department of Education (continued)				
Educational Technology State Grants Cluster				
ARRA - Education Technology State Grants, Recovery Act	84.386	FY10	142,127	4,873
Total for cluster			142,127	4,873
School Improvement Grants Cluster				
ARRA - School Improvement Grants, Recovery Act	84.388	FY11	-	524,417
Total for cluster			-	524,417
State Fiscal Stabilization Fund Cluster				
ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	84.394	FY10	72,534	-
Total for cluster			72,534	-
State Grants for Innovative Programs	84.298	FY10	44,586	-
Improving Teacher Quality State Grants	84.367	FY10	-	-
		FY11	-	33,316
Total for program			-	33,316
Total for federal grantor agency			747,385	1,142,901
Total federal awards expended			$ 857,195	$ 1,239,873

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

INDIANAPOLIS METROPOLITAN HIGH SCHOOL
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Indianapolis Metropolitan High School (School Corporation) and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statement. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

Circular A-133 requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of $500,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with Indiana Code (IC 5-11-1 et seq.), audits of school corporations shall be conducted biennially. Such audits shall include both years within the biennial period.

Note 2. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2010 and 2011. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2010	2011
School Breakfast Program	10.553	$ 61	$ 1,325
National School Lunch Program	10.555	188	5,228

INDIANAPOLIS METROPOLITAN HIGH SCHOOL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	no
Significant deficiency identified?	no
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	no
Significant deficiency identified?	yes
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	yes

Identification of Major Programs:

Name of Federal Program or Cluster
Title I Part A Cluster
School Improvement Cluster

Dollar threshold used to distinguish between Type A and Type B programs: $300,000

Auditee qualified as low-risk auditee? No

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Finding and Questioned Costs

FINDING 2011-1 - INTERNAL CONTROLS OVER CASH MANAGEMENT

Federal Agency: U.S. Department of Education
Federal Program: Title I, Part A Cluster
CFDA Number: 84.010, 84.389
Federal Award Number and Year (or Other Identifying Number): 10-9670, 11-9670
Pass-Through Entity: Indiana Department of Education

Proper internal controls were not in place to ensure that surplus cash was not on hand. Amounts received by the School Corporation for the Title I, Part A Cluster Grant were drawn down in advance. School Corporation Officials were required to review needs and draw funds as needed in accordance with federal guidelines. A schedule of draw downs was included in the application for grant funds. The cash balances of the Title I grants exceeded the allowable cash balance based on estimated future requirements for 8 of the 12 months in 2009-2010. The total cash balance of all Title I grants at June 30, 2010, as reported to the Indiana Department of Education, was $124,784, which was approximately 26 percent of the total Title I grants received during 2009-2010. The estimated cash needs in the few months subsequent to year end did not substantiate the need for this amount of cash. Cash drawdown requests were not revised to ensure there would not be excess cash on hand throughout the school years. In 2010-2011, the method used for draw downs changed and resulted in a negative total cash balance of $7,392 for June 30, 2011.

Due to the magnitude of noncompliance and weaknesses in internal controls, we have determined this to be a significant deficiency.

34 CFR 80.20 (b)(7) states:

> "Procedures for minimizing the time elapsing between the transfer of funds from the U.S. Treasury and disbursement by grantees and subgrantees must be followed whenever advance payment procedures are used. Grantees must establish reasonable procedures to ensure the receipt of reports on subgrantees' cash balances and cash disbursements in sufficient time to enable them to prepare complete and accurate cash transactions reports to the awarding agency. When advances are made by letter-of-credit or electronic transfer of funds methods, the grantee must make drawdowns as close as possible to the time of making disbursements. Grantees must monitor cash drawdowns by their subgrantees to assure that they conform substantially to the same standards of timing and amount as apply to advances to the grantees."

Surplus cash indicates noncompliance with the cash management requirement as set forth by the grant agreement. Additionally, failure to minimize the cash on hand may cause future funding to be reduced by the pass-through agency.

We recommended that School Corporation Officials develop and implement procedures and controls to ensure that the time between the receipt and disbursement of federal funds is minimized according to the grant requirements.

INDIANAPOLIS METROPOLITAN HIGH SCHOOL
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

Indianapolis Metropolitan high school

Relationships • Relevance • Rigor

February 6, 2012

FEDERAL FINDING 2011-1, INTERNAL CONTROLS OVER CASH MANAGEMENT

Corrective Action Plan

Address cash management of Title 1 funding

Corrective Action Statement for ISBA Auditor

In the matter of the Title 1 funds cash management the Indianapolis Metropolitan High School received funding in advance during the 2009-10 school year. The total amount of the grant was taken and divided out for a 12 month period. The timing of the purchases for Netbooks for each student enrolled in the high school did not match up with the grant money. During the 2010-11 school year, the method used to draw down funds changed to a reimbursement based system, which eliminated the issue found. School funds are now spent in advance and then reimbursed from the Department of Education. It is believed that this method will eliminate any reoccurrence of this problem.

Signed

Tina Sherrard

Director of Business Services
Goodwill Education Initiative
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INDIANAPOLIS METROPOLITAN HIGH SCHOOL
EXIT CONFERENCE

The contents of this report were discussed on February 9, 2012, with Daniel J. Riley, Treasurer; Tina Sherrard, Business Manager/Assistant Treasurer; C. Perry Griffith, Jr., Chairman of the School Board; Scott Bess, Principal/Chief Operating Officer (COO); and James McClelland, President of Goodwill Education Initiatives. The Official Response has been made a part of this report and may be found on pages 40 through 42.

Indianapolis Metropolitan high school

Relationships • Relevance • Rigor

February 14, 2012

Indiana State Board of Accounts
302 West Washington Street Room E418
Indianapolis, Indiana 46204-2765

RE: Goodwill Education Initiatives, Inc.
Indianapolis Metropolitan High School
Written Response to SBOA Audit Results and Comments

State Board of Accounts,

Goodwill Education Initiatives, Inc. and The Indianapolis Metropolitan High School appreciate the opportunity to respond to SBOA's audit results and comments. We also appreciate the courtesy and expediency with which your staff conducted the biennial audit of the Metropolitan High School.

Audit Comment : CELLULAR PHONES – ADDITIONAL CHARGES

Management Response:
We concur with SBOA that certain charges identified by SBOA in their review of monthly cell phone bills can be reduced or eliminated. The nature of our student population and our education model are such that we have asked our staff to be available to our students well beyond the hours of a regular school day. Students often communicate with their teachers and counselors via voice and text. We have taken steps to significantly reduce the number of school-paid cell phones, as the phone contracts expire in calendar year 2012. In addition, we take advantage of educational rates, or e-rates, for items like cell phones, computers, etc. SBOA's findings reflect the undiscounted charges on the cell phone invoices. After applicable e-rate discounts, the net amount paid for cell phones is reduced significantly – more than 80% - from the amounts reflected in SBOA's findings. Still, we will continue to exercise prudence in issuing additional cell phones, and we will carefully monitor ongoing usage.

Audit Comment: CREDIT CARDS

Management Response:
We have found the use of corporate purchasing cards (p-cards) to be a convenient, efficient way for staff to make purchases for field trips, events, non-recurring items, etc. The p-card program we utilize allows us to set transaction and account limits, set geographic boundaries, and control the types of transactions cardholders can make. Each cardholder signs a p-card policy which indicates proper use of and documentation requirements for p-card purchases. In addition, the same individuals are provided with a copy of the current Indiana ST-105 (sales tax exemption certificate) for the school. They are instructed to present the exemption certificate with all purchases, p-card or otherwise. We concur with SBOA's findings that the documentation supporting p-card purchases is sometimes inconsistent, and

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sales taxes have been incorrectly paid on occasion. We have re-emphasized our internal documentation requirements, and will revoke p-card privileges for individuals who do not comply with our policies.

SBOA also commented on the use of gift cards as incentives for students and staff, and that controls can be improved for tracking gift card recipients and the reasons for the awards. We will implement a complete inventory system for incentive gift cards so that we can easily track the number and dollar value of cards purchased and the distribution of the gift cards to recipients.

Audit Comments: BARRIER REMOVAL PROGRAM

Management Response:
A number of our students have extraordinarily difficult home lives and face many challenges in their educational lives. Quite often, such students are unable to do school work, study, read, or even come to school due to crises in their homes and personal lives. To the extent we are able, we will assist a student and/or his or her family by helping remove a barrier to their education. Assistance with rent, utilities, transportation or clothing often allows a student to stay in or return to school and continue their education and progress towards graduation. We are not aware of a prohibition against using general fund dollars to provide occasional assistance to students and families in dire need of help.
Audit Comments: INTERNAL CONTROLS OVER THE AUTHORIZATION OF SALARIES AND WAGES

Management Response:
SBOA is accustomed to seeing formal salary resolutions and/or salaries governed by collective bargaining agreements. Because Indianapolis Metropolitan does not have collective bargaining arrangements, salaries are approved by the Board of Directors via the annual budget process. When the annual budget is finalized and submitted to the Board for review and approval, a key element of the budget package is a list of current and budgeted salaries for existing employees, and projected salaries for new positions. The board considers the budget as a whole, and based on its review and questions regarding the detailed information and assumptions contained therein, approves it in its entirety for the coming school year. Within the approved budget, school leadership has the ability to manage salaries as it sees fit, recognizing and rewarding performance (and adjusting as needed where lack of performance is evident). It has been the Board's philosophy, and school leadership's intent, to manage within the total approved budget for each school year. Going forward, the Board will consider in greater detail the budgeted salaries schedule that lists all existing and new positions. The Board will also designate the Chief Operating Officer and Treasurer or Assistant Treasurer (in the Treasurer's absence) to sign off on all salary adjustments during a school year.

Audit Comments: AVERAGE DAILY MEMBERSHIP (ADM) – SUPPORTING DOCUMENTATION

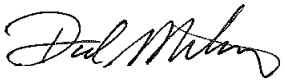
Management Response:
It is our understanding that SBOA and the Indiana Department of Education (DOE) differ in their interpretations regarding what constitutes adequate supporting documentation for ADM. We followed DOE's prescribed compliance requirements for substantiating our ADM. Going forward the SBOA would like to see a report, generated from our student management system, of the students reported per grade level with written remarks of any adjustments or corrections made before final submission of our count-day ADM. The report should have the superintendent's signature in addition to the ADM signature page that verifies the students submitted matches the final count submitted. This process will be implemented and followed for future school years.

Audit Comments: TEXTBOOK REIMBURSEMENT CLAIMS

Management Response:
We concur with SBOA that calculations used for determining textbook reimbursement were not fully consistent with DOE procedures. As stated by the SBOA auditor, instructions for textbook reimbursement are not entirely clear, and that findings are frequently cited for schools new to the process or with personnel who are new to the process. While the full cost of some textbook materials (including certain computer software fees) can be included with the full purchase price applied across our free/reduced student population, we now understand that other items must have the cost spread out over five years. Our business management staff will work directly with the Department of Education finance staff to reconcile our filing in error with the correct calculations and to receive in depth training on the proper preparation of the reimbursement report.

We look forward to working with the SBOA team in the future.

Regards,



Daniel J. Riley
Treasurer, Goodwill Education Initiatives, Inc.

GOODWILL EDUCATION INITIATIVES, INC. - THE EXCEL CENTER

FINANCIAL STATEMENTS

Together with Independent Auditors' Report

JUNE 30, 2013 AND 2012

GREENWALT CPAs

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GOODWILL EDUCATION INITIATIVES, INC. -
THE EXCEL CENTER
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JUNE 30, 2013 AND 2012

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GREENWALT CPAs

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Goodwill Education Initiatives, Inc.:

Report on the Financial Statements

We have audited the accompanying financial statements of Goodwill Education Initiatives, Inc. - The Excel Center (an Indiana public charter school), which comprise the statement of financial position as of June 30, 2013, 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 error or fraud.

Auditors' Responsibility

Our responsibility is to express an opinion on the 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 of America *and Guidelines for Examination of Entities Receiving financial Assistance from Governmental Sources* and *Guidelines of Audits of Charter Schools performed by Private Examiners* established by the Indiana State Board of Accounts. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 presentat on of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Goodwill Education Initiatives, Inc. - The Excel Center as of June 30, 2013, and the changes in its net assets and cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Goodwill Education Initiatives, Inc. - The Excel Center's 2012 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 15, 2013. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2012 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards as required by *Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*, 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 17, 2014, on our consideration of the Goodwill Education Initiatives, Inc. - Excel Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is 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 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 Goodwill Education Initiatives, Inc. - The Excel Center's internal control over financial reporting and compliance.

Greenwalt CPAs, Inc.

January 17, 2014

GOODWILL EDUCATION INITIATIVES, INC. - THE EXCEL CENTER
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2013 AND 2012

ASSETS

	2013	2012
CURRENT ASSETS		
Cash	$ 1,242,952	$ 177,632
Accounts receivable	14,350	2,836,689
Prepayments	47,849	101,898
Total current assets	1,305,151	3,116,219
PROPERTY AND EQUIPMENT		
Equipment	1,879,205	1,522,489
Leasehold improvements	13,614	-
Accumulated depreciation	(832,320)	(319,164)
Net property and equipment	1,060,499	1,203,325
TOTAL ASSETS	$ 2,365,650	$ 4,319,544

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable	$ 238,555	$ 435,994
Accrued liabilities	65,523	94,604
Current portion of long-term debt	-	88,071
Total current liabilities	304,078	618,669
LONG-TERM LIABILITIES		
Common School Fund Loans	-	2,549,057
Total liabilities	304,078	3,167,726
COMMITMENTS AND CONTINGENCIES (NOTES 4, 7 AND 8)		
NET ASSETS		
Unrestricted	2,042,344	868,332
Temporarily restricted	19,228	283,486
Total net assets	2,061,572	1,151,818
TOTAL LIABILITIES AND NET ASSETS	$ 2,365,650	$ 4,319,544

See accompanying notes to financial statements.

GOODWILL EDUCATION INITIATIVES, INC. - THE EXCEL CENTER

STATEMENTS OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2013 WITH SUMMARIZED COMPARATIVE INFORMATION FOR 2012

	UNRESTRICTED	TEMPORARILY RESTRICTED	2013 TOTAL	2012 TOTAL
REVENUE				
State and Federal grants	$ 10,084,032	$ -	$ 10,084,032	$ 5,828,302
Other income	8,856	-	8,856	20,607
Total revenue	10,092,888	-	10,092,888	5,848,909
SUPPORT				
Gifts and contributions	432,306	19,228	451,534	1,259,515
Gifts in-kind	247,925	-	247,925	52,500
Total support	680,231	19,228	699,459	1,312,015
NET ASSETS RELEASED FROM RESTRICTIONS	283,486	(283,486)	-	-
Total revenue and support	11,056,605	(264,258)	10,792,347	7,160,924
EXPENSES				
High school instruction	1,953,603	-	1,953,603	1,766,638
Counseling services	1,556,945	-	1,556,945	1,149,969
Special education	506,873	-	506,873	303,543
Child care services	298,630	-	298,630	186,273
Staff training and development	65,791	-	65,791	65,440
Office of the Principal and administration	2,241,189	-	2,241,189	1,501,814
Business support services	270,394	-	270,394	346,828
Building and equipment rent	576,368	-	576,368	372,484
Building and equipment maintenance	340,392	-	340,392	118,573
Transportation	188,611	-	188,611	151,393
Food service	106,705	-	106,705	31,920
Non-capital equipment costs	131,962	-	131,962	60,920
Interest expense	82,092	-	82,092	61,502
Depreciation	513,157	-	513,157	269,948
Other expenses	62,914	-	62,914	34,206
Total expenses	8,895,626	-	8,895,626	6,421,451
CHANGE IN NET ASSETS, BEFORE EXTRAORDINARY ITEM	2,160,979	(264,258)	1,896,721	739,473
EXTRAORDINARY ITEM:				
NET LOSS DUE TO CHANGE IN STATE REGULATION (NOTES 1 AND 3)	(986,967)	-	(986,967)	-
CHANGE IN NET ASSETS, AFTER EXTRAORDINARY ITEM	1,174,012	(264,258)	909,754	739,473
NET ASSETS, BEGINNING OF YEAR	868,332	283,486	1,151,818	412,345
NET ASSETS, END OF YEAR	$ 2,042,344	$ 19,228	$ 2,061,572	$ 1,151,818

See accompanying notes to financial statements.

GOODWILL EDUCATION INITIATIVES, INC. - THE EXCEL CENTER
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

INCREASE IN CASH AND CASH EQUIVALENTS

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 909,754	$ 739,473
Depreciation	513,157	269,948
Forgiveness of Common School Fund Loans and accrued interest	(3,444,507)	-
Write-off of Basic Grant Receivable	4,525,085	-
Decrease (increase) in operating assets:		
Accounts receivable	(1,702,746)	(1,640,484)
Prepayments	54,049	(97,585)
Increase (decrease) in operating liabilities:		
Accounts payable	(197,439)	396,784
Accrued liabilities	(29,081)	94,604
Other long-term liabilities	-	(100,000)
Net cash provided by (used in) operating activities	628,272	(337,260)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(370,331)	(1,303,381)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings on common school loans	807,379	1,761,412
INCREASE IN CASH AND CASH EQUIVALENTS	1,065,320	120,771
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	177,632	56,861
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 1,242,952	$ 177,632
SCHEDULE OF NON-CASH OPERATING ACTIVITIES		
In-kind business support	$ 247,925	$ 52,500

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

DESCRIPTION OF ORGANIZATIONS

Goodwill Education Initiatives, Inc. - The Excel Center (The Excel Center) is an Indiana public charter high school operating under the ownership and control of Goodwill Education Initiatives, Inc. (GEI). GEI, an Indiana non-profit corporation, provides educational opportunities designed to enable young people and adults to prepare for productive adult lives. GEI operates public charter high schools (The Excel Center, the Excel Center-Anderson and the Indianapolis Metropolitan High School, interchangeably referred to herein as "the schools") in central Indiana, under the provisions of the Indiana Charter School laws and the chartering authorities of the Mayor of Indianapolis and the Indiana Charter School Board. The Excel Center operates under a charter issued by the Mayor of Indianapolis. GEI is a wholly-owned subsidiary of Goodwill Industries of Central Indiana, Inc. (Goodwill), also an Indiana non-profit corporation.

The Excel Center operated in four locations in Indianapolis during fiscal year 2013, leasing space at Goodwill's Indianapolis headquarters building and in three other locations. In addition to leasing space, the Excel Center contracts with Goodwill for certain business support services, as further described in Note 6.

The Excel Center receives the majority of its funding from the Indiana Department of Education. Its revenues are supplemented with funds from the United States Department of Education, private grants, and gifts. The Excel Center commenced initial operations in September 2010 with an enrollment of 306 adults who previously dropped out of high school and are seeking their high school diplomas rather than a GED. Due to high demand for Excel Center services, it expanded to three additional locations. Enrollment has grown to more than 1,200 students.

Since its inception, the Excel Center has graduated 336 students. Demographics of Excel Center students include 83% minorities and over 80% in poverty, defined as being eligible for free or reduced lunch. Excel Center students range in age from 17 to over 60, with the average age of 27 and median age of 23. All students have varying degrees of academic credits and capabilities when they enroll, with most needing significant remediation. Excel Center students connect with a life coach who helps them navigate the barriers that stand in the way of their educational attainment. Demand for Excel Center services continues to grow, and as a result GEI opened four additional Excel Center facilities in central Indiana in fiscal year 2014 (three under the chartering authority of the Indiana Charter School Board and one through the Indianapolis Mayor's office).

BASIS OF ACCOUNTING

The accompanying financial statements were prepared on the accrual basis of accounting. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of support, revenues and expenses during the reporting period. For annual financial reporting purposes, the Excel Center uses a fiscal year that begins on July 1 and ends the following June 30.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

SUMMARIZED COMPARATIVE INFORMATION

The financial statements include certain prior year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with The Excel Center's financial statements for the year ended June 30, 2012, from which the summarized information was derived.

CASH

The Excel Center considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. There were no cash equivalents at June 30, 2013 and 2012. The Excel Center maintains cash balances at a commercial bank. Accounts at the banks are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. At June 30, 2013 and at times during the year, the Excel Center maintained cash and cash equivalents in excess of the FDIC coverage limits.

ACCOUNTS RECEIVABLE

Accounts receivable are unsecured and are due from Indiana governmental entities and private funders over periods of time up to thirty days from the statement of financial position date.

Accounts receivable are stated at the amount determined by public statute or by the underlying private funding agreements. Generally, there is not significant risk of loss of these amounts due since they are statutorily determined and obligated. However, there is some risk that public funding from the State of Indiana could be reduced from amounts previously determined during periods of prolonged economic downturn. Management is unable to determine the likelihood of reduced funding, and has not recorded a reserve related to such risk. Prior to June 30, 2013, the Indiana Department of Education funded charter schools on a six-month arrearage basis. In fiscal year 2013, the State of Indiana amended the manner in which it funds charter schools, eliminating the former six-month lag. Beginning in July, 2013, The Excel Center receives its State funding on a current basis. The effect of this change in funding resulted in the writeoff of the amounts receivable under the prior funding schedule. The amount of the writeoff, which is reflected in the Statement of Activities, was $4,525,085.

PROPERTY AND EQUIPMENT

Property and equipment are recorded at historical cost. Depreciation is computed on the straight-line method over estimated useful lives ranging from 3 to 10 years for equipment. Leasehold additions and improvements are depreciated over the remaining life of the related lease. Leasehold additions and improvements are capitalized and expenditures for normal maintenance and repairs are expensed as incurred. The Excel Center does not own any real property.

NET ASSETS

The Excel Center maintains the following classifications of net assets:

Unrestricted

These include revenue and expenses from the regular operations of the Excel Center, which are at the discretion of management and the GEI Board of Directors.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Temporarily Restricted

These include donations and grant revenues used to meet expenses of current operations in accordance with restrictions specified by the donors or grantors. Temporarily restricted net assets are available for the Reading Remediation program and the Harmony Student System program.

ADVERTISING

Advertising and printing expenses totaled $24,081 and $30,414 for the years ended June 30, 2013 and 2012, respectively. The Excel Center's policy is to record advertising expenditures in the period in which they are incurred.

CONTRIBUTIONS

Contributions are recognized when the donor makes an unconditional promise to give to the Excel Center and are recorded at their fair values as revenues and assets in the period received. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily restricted net assets. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

FUNCTIONAL EXPENSES

A summary of expenses by functional classification for the year ended June 30 is as follows:

Program activities:	2013	2012
Classroom instruction	$ 3,809,239	$ 2,934,596
Student counseling	1,556,945	1,149,969
Special education services	506,873	303,544
Total program activities	5,873,058	4,388,109
Supporting activities:		
Program support	$ 1,454,537	1,137,920
Administrative support	1,568,031	895,422
Total support activities	3,022,568	2,033,342
Total functional expense	$ 8,895,626	$ 6,421,451

SUBSEQUENT EVENTS

Subsequent events have been considered through January 17, 2014, which was the date the financial statements were available to be issued. See Note 10.

2. TAX STATUS

GEI is an Indiana non-profit corporation and is exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code. However, if income was generated from certain activities not directly related to GEI tax-exempt purposes, such income would be subject to taxation as unrelated business income. GEI is not considered a private foundation as defined in Section 509(a) of the Internal Revenue Code.

Accounting Standards for Income Taxes provide detailed guidance for the financial statement recognition, measurement and disclosure of uncertain tax positions recognized in an enterprise's financial statements. GEI's management team regularly evaluates its activities to determine that they are in compliance with its tax-exempt purpose. Currently, GEI's management does not believe it is engaged in any activities that would generate unrelated business income or create an uncertain tax position. GEI is no longer subject to examination by taxing authorities for fiscal years before 2009.

3. LONG TERM DEBT

In fiscal years 2011 and 2012, the Excel Center borrowed from the Indiana Common School Fund to fund its charter school operations and costs associated with enrollment growth. During fiscal year 2013, the Excel Center borrowed an additional $815,413 from the Indiana Common School Fund. The outstanding balance on the loans from the Indiana Common School Fund was $2,637,128 at June 30, 2012. In fiscal year 2013, the Indiana legislature enacted legislation that eliminated all charter school Common School Fund debt, along with associated accrued interest. The amount of the debt forgiveness $3,444,507 and associated interest $93,611 is reflected in the Statement of Activities.

4. LEASES

The Excel Center leases space from Goodwill and from third parties. The leases are treated as operating leases and have terms that correspond to the duration of the Excel Centers' charter. Aggregate rent expense for fiscal years 2013 and 2012, including common area maintenance charges, totaled $552,576 and $348,575, respectively. Certain leases contain renewal options that allow the Excel Center, at its discretion, to extend the leases for additional terms. The Excel Center's management is unable to determine at this time whether it will exercise its lease renewal options.

Future minimum lease commitments are as follows for the years ending June 30:

2014	$	739,397
2015		582,397
2016		582,397
2017		585,647
2018		173,469
Thereafter		601,715
	$	3,265,022

5. RETIREMENT PLAN

The Excel Center employees are employed and paid by GEI. Certain Excel Center employees (licensed teachers, counselors and certain administrative staff) are eligible to participate in the Indiana Teachers Retirement Fund (TRF). By statute, employers are required to contribute 7.5% of an employee's pretax gross income to TRF. Employers may also elect to contribute an additional 3% in lieu of the employee's own contributions. The Excel Center contributed $211,023 and $151,172 to TRF on behalf of its employees as of June 30, 2013 and 2012, respectively. Excel Center employees not eligible for TRF may elect to participate in Goodwill's retirement plan. Goodwill maintains a discretionary thrift plan which allows eligible employees to contribute up to 15% of pre-tax gross income, subject to certain IRS limitations. Goodwill matches 100% of eligible employees' pre-tax contributions up to 3% of gross income, and 50% of the next 3% of gross income. Goodwill may also make additional discretionary contributions to the plan. Employer matching contributions vest after three years or in the event of death or disability. Employer discretionary contributions vest after five years or in the event of death or disability. The Excel Center's expense relating to contributions to the Goodwill thrift plan for the fiscal years 2013 and 2012 was $32,450 and $14,854, respectively.

6. RELATED PARTY TRANSACTIONS

The Excel Center is owned and operated by GEI. GEI provides employees, certain school-specific administrative services, and general management and oversight of the Excel Center. GEI charges the Excel Center for its expenses related to the services provided. No markup is added to the fees charged to the schools. During fiscal years 2013 and 2012, the Excel Center reimbursed $736,651 and $423,220, to GEI for administrative services, respectively.

From time to time, Goodwill provides interest-free loans and cash subsidies directly to the Excel Center. At June 30, 2013 and 2012, the Excel Center had no borrowings from Goodwill. During fiscal years 2013 and 2012, Goodwill provided cash subsidies to the Excel Center totaling $0 and $112,500, respectively. The subsidies are recorded as Gifts and Contributions on the Statement of Activities.

Goodwill also provides business support services (accounting, marketing, human resources, facilities, technology and general management) to the Excel Center. Goodwill charges a portion of these costs to the school without markup. The Excel Center paid $240,000 and $141,808, respectively, to Goodwill for business support services in fiscal years 2013 and 2012. The non-billed portion of the support services is considered an in-kind contribution. In fiscal years 2013 and 2012, the Excel Center received $247,925 and $52,500 from Goodwill as in-kind business support services, respectively. These in-kind transactions are treated as non-cash transactions and are excluded from the accompanying statement of cash flows.

Goodwill also pays certain operating expenses, including certain employee benefits, of the Excel Center, for which the Excel Center fully reimburses Goodwill. In fiscal years 2013 and 2012, the Excel Center paid Goodwill $1,090,564 and $857,875 for these expenses, respectively.

At June 30, 2013 and 2012, the Excel Center owed Goodwill $64,343 and $165,796, respectively, for business support services and reimbursable operating expenses, which is included in Accounts Payable on the Statement of Financial Position. In addition, the Excel Centers owed GEI $174,212 at June 30, 2013 for expenses incurred.

7. FUTURE GRANT AUDITS

Under the terms of state and federal grants awarded to the Excel Center, periodic audits are required and certain costs may be challenged as to whether they are allowable under the terms of the grants. Such audits could lead to reimbursement to the grantor. Management believes the likelihood that material costs incurred by the Excel Center will be disallowed is remote.

8. SELF-INSURANCE

The Excel Center employees participate in Goodwill's health care benefits plan. Goodwill self-insures for employee and dependent medical benefits up to a per-individual annual maximum of $100,000, and an aggregate maximum of approximately $6 6 million. Goodwill purchases reinsurance which pays individual claims that exceed $100,000 per year, up to a per-individual maximum of $2 million, and up to $1 million beyond the aggregate self-insured maximum. The reinsurer reviews claims annually and upon renewal of the reinsurance policy each year may establish higher specific maximums on selected individuals with high claims risks. Goodwill purchases claims administration services from a third party administrator. Self-insured medical expenses and related administrative costs for the Excel Center related to Goodwill's health care plan were $764,997 and $544,063 for the fiscal years 2013 and 2012, respectively.

9. RECLASSIFICATION

Certain balances in the prior year financial statements have been retroactively reclassified for comparative purposes to conform to the presentation in the current year financial statements. These reclassifications had no impact on net assets.

10. SUBSEQUENT EVENTS

Subsequent to June 30, 2013, GEI renegotiated its existing bank line of credit. The new line expires September 30, 2015, provides for maximum borrowings of $2.5 million. At June 30, 2013 the interest rate on the line of credit was at the bank's commercial rate (prime) less 1.00% (2.25%). During January 2014, the agreement was further amended and the line of credit now bears interest at the one-month LIBOR rate plus 1.75% (1.92% at January 17, 2014). After the line was secured, GEI borrowed $840,000 to finance startup costs, working capital and capital expenditures for its four new Excel Centers. The Excel Center's portion of the total amount borrowed was $0. The line of credit includes a non-use fee of 0.15% on the unused balance. Goodwill serves as a guarantor on the line of credit.

Subsequent to June 30, 2013, GEI opened four additional Excel Center locations in Central Indiana, creating a total of nine Excel Centers. This growth brings the total number of students served in Excel Centers to nearly 3,000.

Effective July 1, 2013, the State of Indiana legislated that charter schools primarily serving adults, like The Excel Center and GEI's other Excel Centers, shall be funded from a Special Appropriation in the biennial Indiana state budget. This legislative change provided adequate funding for GEI's nine Excel Centers for fiscal years 2014 and 2015. The change does not currently allow additional growth beyond GEI's nine Excel Centers. GEI's management intends to participate actively with legislators and other interested parties to ensure adequate funding will be provided to sustain the existing Excel Centers and fund additional growth in the next biennial legislative session. Management cannot predict the outcome of such efforts.

GOODWILL EDUCATION INITIATIVES, INC. - THE EXCEL CENTER
SCHEULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	Federal CFDA Number	Agency or Pass-Through Number	Federal Expenditures
U.S. DEPARTMENT OF EDUCATION			
Indiana Department of Education			
Special Education Cluster			
Special Education - Grants to States	84.027	SY 2011 - 2013	$ 15,061
Special Education - Grants to States	84.027	SY 2012 - 2014	142,470
Total for Special Education Cluster			157,531
Indiana Department of Education			
Charter Schools Program			
Federal Implementation Grant Year 1	84.282	A58-2-12SS-0233	262,400
Facilities Grant	84.282D	SY 2012 - 2013	411,994
Total for Charter Schools Program			674,394
Total for U.S. Department of Education			831,925
U.S. DEPARTMENT OF LABOR			
Indianapolis Public Industry Council			
Community Based Job Training Grant	17.269	SO509-CB-10	71,500
			$ 903,425

NOTE TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes federal grant activity of The Excel Center and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in preparation of, the basic financial statements.

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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*

Independent Auditors' Report

To the Board of Directors of
Goodwill Education Initiatives, Inc.:

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 Goodwill Education Initiatives, Inc. - The Excel Center (The Excel Center), which comprise the statement of financial position as of June 30, 2013, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 17, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered The Excel Center's internal control over financial reporting (internal control) to determine the 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 The Excel Center's internal control. Accordingly, we do not express an opinion on the effectiveness of The Excel Center'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. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as finding 2013-01, that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether The Excel Center's financial statements are free of 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 determination of financial statement amounts. 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*.

The Excel Center's Response to Findings

The Excel Center's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The Excel Center's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

This report is intended 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Greenwalt CPAs, Inc.

January 17, 2014

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REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND REPORT ON INTERNAL CONTROL CVER COMPLIANCE

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Goodwill Education Initiatives. Inc.:

Report on Compliance for Each Major Federal Program

We have audited Goodwill Education Initiatives, Inc. - The Excel Center's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on the Excel Center's major federal program for the year ended June 30, 2013. The Excel Center's major federal program is identified in the summary of audit results section of the accompany ng schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of The Excel Center's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Excel Center's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on The Excel Center's compliance.

Opinion on Each Major Federal Program

In our opinion, The Excel Center complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on of its major federal program for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Excel Center's interral control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Excel Center is internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Greenwalt CPAs, Inc.

January 7, 2014

GOODWILL EDUCATION INITIATIVES, INC. - THE EXCEL CENTER
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2013

A. SUMMARY OF AUDIT RESULTS

1. Type of auditors' report issued: Unmodified

2. Internal control over financial reporting:
   Material weakness(es) identified? _____yes ___X___no
   Significant deficiency(ies) identified? ___X___yes _____none reported

3. Noncompliance material to financial statements noted? _____yes ___X___no

4. Internal control over major programs:
   Material weakness(es) identified? _____yes ___X___no
   Significant deficiency(ies) identified? _____yes ___X___none reported

5. Type of auditors' report issued on compliance for major programs: Unmodified

6. Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133? _____yes ___X___no

7. Identification of major program:

CFDA Number	Name of Federal Program or Cluster
	Charter Schools Program:
84.282	Federal Implementation Grant Year 1
84.282D	Facilities Grant

8. The threshold for distinguishing between Type A and B programs was $300,000.

9. Auditee qualified as low-risk auditee? _____yes ___X___no

B. FINDINGS - FINANCIAL STATEMENT AUDIT

SIGNIFICANT DEFICIENCY

2013-01

Condition: The Schedule of Expenditures of Federal Awards (SEFA) which was prepared by the client did not include the Community Based Job Training grant.

Criteria: All grant documents should be reviewed to determine if they have derived from a federal source and require inclusion within the Schedule of Expenditures of Federal Awards.

Cause: The initial SEFA provided by The Excel Center was incomplete.

Effect: A new SEFA was provided by management which included all programs subject to OMB Circular A-133.

Recommendation: We recommend that management review all grant documents to determine if the funding is derived from a federal source.

View of Responsible Officials: As noted above, the oversight involving one grant inadvertently omitted from the original SEFA was corrected and procedures have been established to update the SEFA upon the recognition of any new or renewed Federal grant. Management does not expect this type of omission to recur.

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAM AUDIT
None

THE EXCEL CENTER

FINANCIAL STATEMENTS

Together with Independent Auditors' Report

JUNE 30, 2012

GREENWALT CPAs

We Deliver Peace of Mind

THE EXCEL CENTER
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Notes to Schedule of Expenditures of Federal Awards 13

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Supplemental Audit Report in Accordance with *Guidelines for the Audits of Charter Schools Performed By Private Examiners* ..... Issued as separate report

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Goodwill Education Initiatives, Inc.:

We have audited the accompanying statement of financial position of The Excel Center (an Indiana public charter school) as of June 30, 2012, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of Goodwill Education Initiatives, Inc.'s (GEI) management. 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 and *Guidelines for Examination of Entities Receiving Financial Assistance from Governmental Sources* and *Guidelines for the Audits of Charter Schools Performed by Private Examiners* established by the Indiana State Board of Accounts. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Excel Center as of June 30, 2012 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 15, 2013, on our consideration of The Excel Center'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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

In accordance with *Guidelines for the Audits of Charter Schools Performed by Private Examiners* established by the Indiana State Board of Accounts, we have also issued in a separate report the Supplemental Audit Report dated January 15, 2013.

Our audit of the financial statements of The Excel Center was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Greenwalt CPAs, Inc.

January 15, 2013

THE EXCEL CENTER
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2012

ASSETS

CURRENT ASSETS	
Cash and cash equivalents	$ 177,632
Charter school accounts receivable	2,836,689
Prepayments	101,898
Total current assets	3,116,219
PROPERTY AND EQUIPMENT	
Equipment	1,522,489
Accumulated depreciation	(319,164)
Net property and equipment	1,203,325
TOTAL ASSETS	$ 4,319,544

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Accounts payable	$ 435,994
Accrued liabilities	94,604
Current portion of long-term debt	88,071
Total current liabilities	618,669
LONG-TERM LIABILITIES	
Common School Fund Growth Loans	2,549,057
Total liabilities	3,167,726
COMMITMENTS AND CONTINGENCIES (NOTES 4, 7 AND 8)	
NET ASSETS	
Unrestricted	868,332
Temporarily restricted	283,486
Total net assets	1,151,818
TOTAL LIABILITIES AND NET ASSETS	$ 4,319,544

See accompanying notes to financial statements.

THE EXCEL CENTER
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012

	Unrestricted	Temporarily Restricted	Total
REVENUE			
State and Federal grants	$ 5,828,302	$ -	$ 5,828,302
Other income	20,607	-	20,607
Total revenue	5,848,909	-	5,848,909
SUPPORT			
Gifts and contributions	976,029	283,486	1,259,515
Gifts in-kind	52,500		52,500
Total support	1,028,529	283,486	1,312,015
Total revenue and support	6,877,438	283,486	7,160,924
EXPENSES			
High school instruction	1,766,638	-	1,766,638
Counseling services	1,149,969	-	1,149,969
Special Education	303,543	-	303,543
Child care services	186,273	-	186,273
Staff training and development	65,440	-	65,440
Office of the Principal and administration	1,501,814	-	1,501,814
Business support services	346,828	-	346,828
Building and equipment rent	372,484	-	372,484
Building and equipment maintenance	118,573	-	118,573
Transportation	151,393	-	151,393
Food service	17,389	-	17,389
Non-capital equipment costs	60,920	-	60,920
Interest expense	61,502	-	61,502
Depreciation	269,948	-	269,948
Other expenses	48,737	-	48,737
Total expenses	6,421,451	-	6,421,451
CHANGE IN NET ASSETS	455,987	283,486	739,473
NET ASSETS, BEGINNING OF YEAR	412,345	-	412,345
NET ASSETS, END OF YEAR	$ 868,332	$ 283,486	$ 1,151,818

See accompanying notes to financial statements.

THE EXCEL CENTER
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2012

INCREASE IN CASH AND CASH EQUIVALENTS

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	$ 739,473
Depreciation	269,948
Increase in operating assets:	
Charter school accounts receivable	(1,640,484)
Prepayments	(97,585)
Increase (decrease) in operating liabilities:	
Accounts payable	396,784
Accrued liabilities	94,604
Other long-term liabilities	(100,000)
Net cash used in operating activities	(337,260)
CASH FLOWS FROM INVESTING ACTIVITIES	
Capital expenditures	(1,303,381)
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from borrowings on common school loans	1,761,412
INCREASE IN CASH AND CASH EQUIVALENTS	120,771
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	56,861
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 177,632
SCHEDULE OF NON-CASH OPERATING ACTIVITIES	
In-kind business support	$ 52,500

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

DESCRIPTION OF ORGANIZATIONS

The Excel Center is an Indiana public charter high school operating under the ownership and control of Goodwill Education Initiatives, Inc. (GEI). GEI, an Indiana non-profit corporation, provides educational opportunities designed to enable young people and adults to prepare for productive adult lives. GEI operates public charter high schools (the Met and the Excel Center, interchangeably referred to herein as "the schools") in central Indiana, under the provisions of the Indiana Charter School laws and the chartering authorities of the Mayor of Indianapolis and the Indiana Charter School Board. GEI is a wholly-owned subsidiary of Goodwill Industries of Central Indiana, Inc. (Goodwill), also an Indiana non-profit corporation.

The Excel Center operated in three locations in Indianapolis during fiscal year 2012, leasing space at Goodwill's Indianapolis headquarters building and in two other locations. In addition to leasing space, the Excel Center contracts with Goodwill for certain business support services, as further described in Note 6.

The Excel Center receives the majority of its funding from the Indiana Department of Education. Its revenues are supplemented with funds from the United States Department of Education, private grants, and gifts. The Excel Center commenced initial operations in September 2010 with an enrollment of 306 adults who previously dropped out of high school and are seeking their high school diplomas rather than a GED. Due to high demand for Excel Center services, it expanded to three locations in fiscal year 2012 and enrollment grew to more than 800 students. Two additional Excel Center locations were opened subsequent to the statement of financial position date of these financial statements. Combined enrollment at the five sites now exceeds 1,500 primarily adult students.

Since its inception, the Excel Center has graduated 122 students. Demographics of Excel Center students include 83% minorities and over 80% in poverty. Excel Center students range in age from 17 to over 60, with the average age of 27 and median age of 23. All students have varying degrees of academic credits and capabilities when they enroll. Excel Center students attend classes and connect with a life coach who helps them navigate the barriers that stand in the way of their educational attainment. Demand for Excel Center services continues to grow, and as a result GEI intends to open additional facilities in central Indiana in fiscal year 2014.

BASIS OF ACCOUNTING

The accompanying financial statements were prepared on the accrual basis of accounting. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of support, revenues and expenses during the reporting period. For annual financial reporting purposes, the Excel Center uses a fiscal year that begins on July 1 and ends the following June 30.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

CASH AND CASH EQUIVALENTS

The Excel Center considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. There were no cash equivalents at June 30, 2012. The Excel Center maintains cash balances at a commercial bank. Accounts at the banks are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. At June 30, 2012 and at times during the year, the Excel Center maintained cash and cash equivalents in excess of the FDIC coverage limits.

ACCOUNTS RECEIVABLE

Accounts receivable are unsecured and are due from Indiana governmental entities and private funders over periods of time up to six months from the statement of financial position date.

Accounts receivable are stated at the amount determined by public statute or by the underlying private funding agreements. Generally, there is not significant risk of loss of these amounts due since they are statutorily determined and obligated. However, there is some risk that public funding from the State of Indiana could be reduced from amounts previously determined during periods of prolonged economic downturn. Management is unable to determine the likelihood of reduced funding, and has not recorded a reserve related to such risk.

PROPERTY AND EQUIPMENT

Property and equipment are recorded at historical cost. Depreciation is computed on the straight-line method over estimated useful lives ranging from 3 to 10 years for equipment. Leasehold additions and improvements are depreciated over the remaining life of the related lease. Leasehold additions and improvements are capitalized and expenditures for normal maintenance and repairs are expensed as incurred. The Excel Center does not own any real property.

NET ASSETS

The Excel Center maintains the following classifications of net assets:

Unrestricted

These include revenue and expenses from the regular operations of the Excel Center, which are at the discretion of management and the GEI Board of Directors.

Temporarily Restricted

These include donations and grant revenues used to meet expenses of current operations in accordance with restrictions specified by the donors or grantors. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

ADVERTISING

Advertising and printing expenses totaled $30,414 in 2012. The Excel Center's policy is to record advertising expenditures in the period in which they are incurred.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

CONTRIBUTIONS

Contributions are recognized when the donor makes an unconditional promise to give to the Excel Center and are recorded at their fair values as revenues and assets in the period received. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily restricted net assets. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

FUNCTIONAL EXPENSES

A summary of expenses by functional classification for the year ended June 30 is as follows:

Program activities:		
Classroom instruction	$	2,934,596
Student counseling		1,149,969
Special education services		303,544
Total program activities		4,388,109
Supporting activities:		
Program support	$	1,137,920
Administrative support		895,423
Total support activities		2,033,343
Total functional expense	$	6,421,451

SUBSEQUENT EVENTS

Subsequent events have been considered through January 15, 2013, which was the date the financial statements were available to be issued. See Note 9.

2. TAX STATUS

GEI is an Indiana non-profit corporation and is exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code. However, if income was generated from certain activities not directly related to GEI tax-exempt purposes, such income would be subject to taxation as unrelated business income. GEI is not considered a private foundation as defined in Section 509(a) of the Internal Revenue Code.

Accounting Standards for Income Taxes provide detailed guidance for the financial statement recognition, measurement and disclosure of uncertain tax positions recognized in an enterprise's financial statements. GEI's management team regularly evaluates its activities to determine that they are in compliance with its tax-exempt purpose. Currently, GEI's management does not believe it is engaged in any activities that would generate unrelated business income or create an uncertain tax position. GEI is no longer subject to examination by taxing authorities for fiscal years before 2008.

3. LONG TERM DEBT

In fiscal years 2011 and 2012, the Excel Center borrowed from the Indiana Common School Fund to fund its charter school operations and costs associated with enrollment growth. Loan repayments, including interest, are deducted monthly from state public tuition receipts. The outstanding balance on the loans from the Indiana Common School Fund was $2,637,128 at June 30, 2012. In 2009, the Indiana legislature enacted a moratorium on repayments of Common School Fund loans by charter schools for two years. Accordingly, The Excel Center elected to suspend its loan and interest repayments. The 2011 Indiana legislative session extended the loan moratorium through June 30, 2013. Management is unable to determine the likelihood that the loan moratorium will be extended beyond that date. Interest on the loans continues to accrue during the moratorium. Accrued interest on the loans was $61,502 at June 30, 2012. Details of the borrowings from the Indiana Common School Fund are as follows:

Year of Issuance	*Original Borrowing*	*Interest Rate*	*Term of Loan*	*Amount Outstanding as of June 30, 2012*
2010	$ 898,170	4%	20 years	$ 875,716
2011	$1,761,412	4%	20 years	$1,761,412
Total	$2,659,582			$2,637,128

Maturities of the long-term debt are as follows for the years ending June 30:

2013	$ 88,071
2014	132,979
2015	132,979
2016	132,979
2017	132,979
Thereafter	2,017,141
	$ 2,637,128

4. LEASES

The Excel Center leases space from Goodwill and from third parties. The leases are treated as operating leases and have terms that correspond to the duration of the Excel Center's charter. Aggregate rent expense for fiscal year 2012, including common area maintenance charges, totaled $348,575. Certain leases contain renewal options that allow the Excel Center, at its discretion, to extend the leases for additional terms. The Excel Center's management is unable to determine at this time whether it will exercise its lease renewal options.

4. LEASES, CONTINUED

Future minimum lease commitments are as follows for the years ending June 30:

2013	$ 724,632
2014	582,397
2015	582,397
2016	582,397
2017	558,997
Thereafter	788,834
	$ 3,819,654

5. RETIREMENT PLAN

Excel Center employees are employed and paid by GEI. Certain Excel Center employees (licensed teachers, counselors and certain administrative staff) are eligible to participate in the Indiana Teachers Retirement Fund (TRF). By statute, employers are required to contribute 7.5% of an employee's pretax gross income to TRF. Employers may also elect to contribute an additional 3% in lieu of the employee's own contributions. In fiscal year 2012, the Excel Center contributed $151,172 to TRF on behalf of its employees. Excel Center employees not eligible for TRF may elect to participate in Goodwill's retirement plan. Goodwill maintains a discretionary thrift plan which allows eligible employees to contribute up to 15% of pre-tax gross income, subject to certain IRS limitations. Goodwill matches 100% of eligible employees' pre-tax contributions up to 3% of gross income, and 50% of the next 3% of gross income. Goodwill may also make additional discretionary contributions to the plan. Employer matching contributions vest after three years or in the event of death or disability. Employer discretionary contributions vest after five years or in the event of death or disability. The Excel Center's expense relating to contributions to the Goodwill thrift plan for the fiscal year ended June 30, 2012 was $14,854.

6. RELATED PARTY TRANSACTIONS

The Excel Center is owned and operated by GEI. GEI provides employees, certain school-specific administrative services, and general management and oversight of the Excel Center. GEI charges the Excel Center for its expenses related to the services provided. No markup is added to the fees charged to the schools. During fiscal year 2012, the Excel Center reimbursed $423,220 to GEI for administrative services.

From time to time, Goodwill provides interest-free loans and cash subsidies directly to the Excel Center. At June 30, 2012, the Excel Center had no borrowings from Goodwill. During fiscal year 2012, Goodwill provided cash subsidies to the Excel Center totaling $112,500. The subsidies are recorded as Gifts and Contributions on the Statement of Activities.

6. RELATED PARTY TRANSACTIONS, CONTINUED

Goodwill also provides business support services (accounting, marketing, human resources, technology and general management) to the Excel Center. Goodwill charges a portion of these costs to the school without markup. The Excel Center paid $141,808 to Goodwill for business support services in fiscal year 2012. The non-billed portion of the support services is considered an in-kind contribution. In fiscal year 2012, the Excel Center received $52,500 from Goodwill as business support services. These in-kind transactions are treated as non-cash transactions and are excluded from the accompanying statement of cash flows.

Goodwill also pays certain operating expenses, including certain employee benefits, of the Excel Center, for which the Excel Center fully reimburses Goodwill. In fiscal year 2012, the Excel Center paid Goodwill $857,875 for these expenses.

At June 30, 2012, the Excel Center owed Goodwill $165,796 for business support services and reimbursable operating expenses, which is included in Accounts Payable on the Statement of Financial Position.

7. FUTURE GRANT AUDITS

Under the terms of state and federal grants awarded to the Excel Center, periodic audits are required and certain costs may be challenged as to whether they are allowable under the terms of the grants. Such audits could lead to reimbursement to the grantor. Management believes the likelihood that material costs incurred by the Excel Center will be disallowed is remote.

8. SELF-INSURANCE

The Excel Center employees participate in Goodwill's health care benefits plan. Goodwill self-insures for employee and dependent medical benefits up to a per-individual annual maximum of $100,000, and an aggregate maximum of approximately $6.6 million. Goodwill purchases reinsurance which pays individual claims that exceed $100,000 per year, up to a per-individual maximum of $2 million, and up to $1 million beyond the aggregate self-insured maximum. The reinsurer reviews claims annually and upon renewal of the reinsurance policy each year may establish higher specific maximums on selected individuals with high claims risks. Goodwill purchases claims administration services from a third party administrator. Self-insured medical expenses and related administrative costs for the Excel Center related to Goodwill's health care plan were $544,063 for the fiscal year ended June 30, 2012.

9. SUBSEQUENT EVENTS

Subsequent to June 30, 2012, GEI entered into a bank line of credit from a commercial bank. The line expires September 30, 2013, provides for maximum borrowings of $1.5 million and bears interest at the bank's commercial rate (equal to the Prime rate) less one percent (a total of 2.25% as of report date. After the line was secured, GEI borrowed $740,000 to finance startup costs, working capital and capital expenditures for the Excel Centers. The Excel Center's portion of the total amount borrowed was $560,000. The line of credit includes a non-use fee of 0.15% on the unused balance. Goodwill serves as a guarantor on the line of credit.

9. SUBSEQUENT EVENTS, CONTINUED

At the start of the 2012-13 school year in July 2012, GEI expanded the Excel Center to a fourth location in Indianapolis under its previously existing charter. GEI entered into a five-year lease for the new facility. The lease obligations for the new facility are included in the future minimum lease obligations in Note 4. In addition, during the 2012 fiscal year GEI was awarded a new charter from the Indiana Charter School Board to open and operate a new Excel Center in Anderson, Indiana. The Anderson Excel Center opened in late August with an enrollment of 332 mostly adult students. GEI also commenced plans to open three additional Excel Centers, each under single charters, in July 2013 (fiscal year 2014).

THE EXCEL CENTER
SCHEULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2012

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	Federal CFDA Number	Agency or Pass-Through Number	Federal Expenditures
U.S. DEPARTMENT OF LABOR			
Indiana Department of Education			
Special Education Cluster			
Special Education - Grants to States	84.027	SY 2010-12	$ 17,320
Special Education - Grants to States	84.027	SY 2011-13	42,502
Total for Special Education Cluster			59,822
Indiana Department of Education			
Charter Schools Cluster			
Federal Implementation Grant Year 1	84.282	A58-2-12SS-0233	261,393
Facilities Grant	84.282D	SY 2010-11	80,080
Facilities Grant	84.282D	SY 2011-12	249,754
Total for Charter Schools Cluster			591,227
Total for U.S. Department of Labor			651,049
U.S. DEPARTMENT OF EDUCATION			
Indianapolis Public Industry Council			
Community Based Job Training Grant	17.269	S0509-CB-10	31,109
			$ 682,158

NOTE TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes federal grant activity of The Excel Center and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in preparation of, the basic consolidated financial statements.

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Indianapolis, IN 46224
www.greenwaltcpas.com

GREENWALT CPAs

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
Goodwill Education Initiatives, Inc.:

We have audited the financial statements of the Excel Center as of and for the year ended June 30, 2012. 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 of America.

INTERNAL CONTROL OVER FINANCIAL REPORTING

Management of the Excel Center is responsible for establishing and maintaining internal control over financial reporting. In planning and performing our audit, we considered the Excel Center's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Excel Center's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Excel Center's internal control over financial reporting.

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.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the Excel Center's financial statements are free of 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 determination of financial statement amounts. 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*.

This report is intended solely for the information and use of the Board of Directors, management, specific legislative or regulatory bodies, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Greenwalt CPAs, Inc.

January 15, 2013

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GREENWALT CPAs

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Directors of
Goodwill Education Initiatives. Inc.:

COMPLIANCE

We have audited the compliance of the Excel Center with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Excel Center's major federal programs for the year ended June 30, 2012. The Excel Center's major federal programs are identified in the summary of audit results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Excel Center's management. Our responsibility is to express an opinion on the Excel Center's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Excel Center's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Excel Center's compliance with those requirements.

In our opinion, the Excel Center complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

INTERNAL CONTROL OVER COMPLIANCE

The management of the Excel Center s responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Excel Center's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the Excel Center's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Board of Directors, management, specific legislative or regulatory bodies, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Greenwalt CPAs, Inc.

January 15, 2013

THE EXCEL CENTER
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2012

A. SUMMARY OF AUDIT RESULTS

1. Type of auditors' report issued: unqualified

2. Internal control over financial reporting:
   Material weakness(es) identified? _____yes ___X___no
   Significant deficiency(ies) identified? _____yes ___X___none reported

3. Noncompliance material to financial statements noted? _____yes ___X___no

4. Internal control over major programs:
   Material weakness(es) identified? _____yes ___X___no
   Significant deficiency(ies) identified? _____yes ___X___none reported

5. Type of auditors' report issued on compliance for major programs: Unqualified

6. Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133? _____yes ___X___no

7. The programs tested as a major program were the Charter Schools Cluster (84.282 and 84.282D) and Special Education - Grants to States (84.027).

8. The threshold for distinguishing between Type A and B programs was $300,000.

9. Auditee qualified as low-risk auditee? _____yes ___X___no

B. FINDINGS - FINANCIAL STATEMENT AUDIT

None

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAM AUDIT

None

B40383

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

FINANCIAL STATEMENT EXAMINATION REPORT

OF

EXCEL CENTER FOR ADULT LEARNERS

MARION COUNTY, INDIANA

July 1, 2010 to June 30, 2011

FILED

05/07/2012

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OFFICIALS

Treasurer	Daniel J. Riley	07-01-10 to 06-30-12
Business Manager/ Assistant Treasurer	Tina Sherrard	07-01-10 to 06-30-12
Principal/Chief Operating Officer (COO)	Scott Bess	07-01-10 to 06-30-12
Chairman of the School Board	C. Perry Griffith, Jr.	07-01-10 to 06-30-12
President of Goodwill Education Initiatives	James McClelland	07-01-10 to 06-30-12

STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
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INDIANAPOLIS, INDIANA 46204-2769

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF EXCEL LEARNING CENTER
FOR ADULT LEARNERS, MARION COUNTY, INDIANA

We have examined the financial statement of Excel Center for Adult Learners (School Corporation), for the period of July 1, 2010 to June 30, 2011. The School Corporation's management is responsible for the financial statement. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial statement and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

As discussed in Note 1, the School Corporation prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the School Corporation for the year ended June 30, 2011, on the basis of accounting described in Note 1.

The Combining Schedule of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances – Regulatory Basis, Schedule of Capital Assets, and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the examination procedures applied to the financial statement and, accordingly, we express no opinion on them.

The School Corporation's response to the Examination Results and Comments identified in our examination is described in the accompanying section of the report entitled Official Response. We did not examine the School Corporation's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the School Corporation's management and School Board, and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

March 14, 2012

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FINANCIAL STATEMENT

The financial statement and accompanying notes were prepared by management of the School Corporation. The financial statement and notes are presented as intended by the School Corporation.

EXCEL CENTER FOR ADULT LEARNERS
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES),
AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended June 30, 2011

	Cash and Investments 06-30-10	Receipts	Disbursements	Cash and Investments 06-30-11
General	-	2,165,789	1,935,637	230,152
Textbook Rental	-	45,441	7,286	38,155
Grant Funds	-	64,584	64,322	262
IDEA	-	35,002	42,704	(7,702)
Public Charter School ESEA Title X, Part C	-	-	204,006	(204,006)
Totals	$ -	$ 2,310,816	$ 2,253,955	$ 56,861

The notes to the financial statement are an integral part of this statement.

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

School Corporation, as used herein, shall include, but is not limited to, school townships, school towns, school cities, consolidated school corporations, joint schools, metropolitan school districts, township school districts, county schools, united schools, school districts, cooperatives, educational service centers, community schools, community school corporations, and charter schools.

The School Corporation was established under the laws of the State of Indiana. The School Corporation operates under a Board of School Trustees form of government and provides educational services.

The accompanying financial statement presents the financial information for the School Corporation (primary government).

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

C. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

D. Receipts

Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts include the following sources:

Local sources which include taxes, revenue from local governmental units other than school corporations, transfer tuition, transportation fees, investment income, food services, school corporation activities, revenue from community services activities, and other revenue from local sources.

State sources which include distributions from the State of Indiana to be used by the School Corporation for various purposes. Included in state sources are unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

Federal sources which include distributions from the federal government to be used by the School Corporation for various purposes. Included in federal sources are unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

Temporary loans which include money received from a loan obtained to pay current expenses prior to the receipt of revenue from taxes levied for that purpose. These loans, sometimes designated tax anticipation warrants, must be repaid from the next semiannual distribution of local property taxes levied for such fund.

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statement. The aggregate disbursements include the following uses:

Instruction which includes outflows for regular programs, special programs, adult and continuing education programs, summer school programs, enrichment programs, remediation, and payments to other governmental units.

Support services which include outflows for support services related to students, instruction, general administration, and school administration. It also includes outflows for central services, operation and maintenance of plant services, and student transportation.

Noninstructional services which include outflows for food service operations, and community service operations.

Facilities acquisition and construction which includes outflows for the acquisition, development, construction, and improvement of new and existing facilities.

Debt services which include fixed obligations resulting from financial transactions previously entered into by the School Corporation. It includes all expenditures for the reduction of the principal and interest of the School Corporation's general obligation indebtedness.

Nonprogrammed charges which include outflows for donations to foundations, securities purchased, indirect costs, scholarships, and self-insurance payments.

F. Fund Accounting

Separate funds are established, maintained, and reported by the School Corporation. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the School Corporation. The money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the School Corporation in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

Note 2. Budgets

The operating budget is initially prepared and approved at the local level. The fiscal officer of the School Corporation submits a proposed operating budget to the governing board for the following calendar year. The budget is subject to final approval by the School Corporation's chartering agency.

Note 3. Deposits and Investments

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana at year end should be entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statutes authorize the School Corporation to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 4. Risk Management

The School Corporation may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the School Corporation to set aside money for claim settlements. The self-insurance fund would be included in the financial statement. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks. These risks may also be mitigated by the School Corporation by recording as a disbursement and replacement items purchased.

Note 5. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the Indiana Public Retirement System (INPRS) Board, most requirements of the system, and give the School Corporation authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members'

contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

INPRS administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Indiana Public Retirement System
1 North Capital Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of INPRS.

B. Teachers' Retirement Fund

Plan Description

The Indiana Teachers' Retirement Fund (TRF) is a defined benefit pension plan. TRF is a cost-sharing multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All employees engaged in teaching or in the supervision of teaching in the public schools of the State of Indiana are eligible to participate in TRF. State statute (IC 5-10.2) governs, through the Indiana Public Retirement System (INPRS) Board, most requirements of the system, and gives the School Corporation authority to contribute to the plan. The TRF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The School Corporation may elect to make the contributions on behalf of the member.

INPRS issues a publicly available financial report that includes financial statements and required supplementary information for the TRF plan as a whole and for its participants. That report may be obtained by contacting:

Indiana Public Retirement System
1 North Capital Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 286-3544

Funding Policy and Annual Pension Cost

The School Corporation contributes the employer's share to TRF for certified employees employed under a federally funded program and all the certified employees hired after July 1, 1995. The School Corporation currently receives partial funding, through the school funding formula, from the State of Indiana for this contribution. The employer's share of contributions for certified personnel who are not employed under a federally funded program and were hired before July 1, 1995, is considered to be an obligation of, and is paid by, the State of Indiana.

SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the School Corporation's Financial Reports can be found on the Indiana Department of Education website: http://mustang.doe.state.in.us/TRENDS/fin.cfm. This website is maintained by the Indiana Department of Education. More current financial information is available from the School Corporation Treasurer's office.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the Financial Reports of the School Corporation which are referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the examination. This is a common occurrence in any financial statement examination. The financial information presented in this report is examined information, and the accuracy of such information can be determined by reading the opinion given in the Independent Accountant's Report.

The supplementary information presented was prepared and/or approved by management of the School Corporation. It is presented as intended by the School Corporation.

EXCEL CENTER FOR ADULT LEARNERS
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES),
AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended June 30, 2011

	General	Textbook Rental	Grant Funds	IDEA	Public Charter School ESEA Title X, Part C	Totals
Cash and investments - beginning	$ -	$ -	$ -	$ -	$ -	$ -
Receipts:						
Local sources	12,613	-	64,584	-	-	77,197
State sources	985,006	45,441	-	-	-	1,030,447
Federal sources	-	-	-	35,002	-	35,002
Temporary loans	1,168,170	-	-	-	-	1,168,170
Total receipts	2,165,789	45,441	64,584	35,002	-	2,310,816
Disbursements:						
Current:						
Instruction	342,571	7,286	8,426	-	62,104	420,387
Support services	980,115	-	51,306	42,704	116,185	1,190,310
Noninstructional services	41,938	-	778	-	-	42,716
Facilities acquisition and construction	366,237	-	3,812	-	25,717	395,766
Debt services	202,100	-	-	-	-	202,100
Nonprogrammed charges	2,676	-	-	-	-	2,676
Total disbursements	1,935,637	7,286	64,322	42,704	204,006	2,253,955
Excess (deficiency) of receipts over disbursements	230,152	38,155	262	(7,702)	(204,006)	56,861
Cash and investments - ending	$ 230,152	$ 38,155	$ 262	$ (7,702)	$ (204,006)	$ 56,861

EXCEL CENTER FOR ADULT LEARNERS
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS
June 30, 2011

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

	Ending Balance
Other:	
Capital assets, not being depreciated:	
Improvements other than buildings	$ 219,108

EXCEL CENTER FOR AUDIT LEARNERS
SUPPLEMENTARY INFORMATION
SCHEDULE OF LONG-TERM DEBT
June 30, 2011

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Common School Loan, dated 09-24-10	$ 875,716	$ -

AVERAGE DAILY MEMBERSHIP (ADM) - SUPPORTING DOCUMENTATION

School records to support the ADM claimed by the School Corporation for the September 17, 2010 count date were not presented for audit. Documentation presented for audit included electronic files that were generated from information obtained from the Indiana Department of Education's (IDOE) website. Therefore, ADM could not be verified to the schools records.

Indiana Code 5-15-6-3(f) states in part: "Original records may be disposed of only with the approval of the commission according to guidelines established by the commission."

Officials shall maintain records (enrollment cards, rosters, reporting forms, etc.) which substantiate the number of students claimed for ADM.

The building level official (Principal, Assistant Principal, etc.) responsible for reporting ADM to the School Corporation Central Office, should provide a written certification of ADM to properly document responsibility. The certification should at a minimum include a statement detailing the names and location of the records used (these records must be retained for public inspection and audit) to substantiate ADM claimed. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 8)

TEXTBOOK REIMBURSEMENT CLAIM

Textbook Reimbursement Claims presented for the examination period were not properly calculated. The claims included disbursements for educational materials that were not textbooks or consumables. Additionally, the amounts included were for the total amounts paid. Reimbursement amounts should be calculated based on a per pupil cost for textbooks and consumables for each grade and multiplied by the number of eligible students to determine the amount to be included as costs on the claim for reimbursement. Sufficient information was not provided to determine the correct reimbursement amounts for 2010-2011.

Political subdivisions are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings and filing requirements concerning reports and other procedural matters of federal and state agencies, including opinions of the Attorney General of the State of Indiana, and court decisions. Governmental units should file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

CREDIT CARDS

During the examination period, the School Corporation utilized a credit card to make purchases. Credit card claims were not itemized and did not indicate which fund(s) the disbursements were made from.

Additionally, sufficient supporting documentation was not provided for seven of the ten credit card claims reviewed.

- Credit card purchases totaling $2,075 did not have original receipts or invoices or were supported only by the credit card slip which did not include itemization of the purchases.

- Sales tax was paid on some credit card purchases. The total amount of sales tax paid was $32.55; however, additional amounts may have been paid on other purchases that did not have supporting documentation.

- Gift cards totaling $100 were purchased for student and staff incentives and awards. Documentation was not provided to determine who received the gift cards.

The State Board of Accounts will not take exception to the use of credit cards by a governmental unit provided the following criteria are observed:

(1) The governing board must authorize credit card use through an ordinance or resolution, which has been approved in the minutes.

(2) Issuance and use should be handled by an official or employee designated by the board.

(3) The purposes for which the credit card may be used must be specifically stated in the ordinance or resolution.

(4) When the purpose for which the credit card has been issued has been accomplished, the card should be returned to the custody of the responsible person.

(5) The designated responsible official or employee should maintain an accounting system or log which would include the names of individuals requesting usage of the cards, their position, estimated amounts to be charged, fund and account numbers to be charged, date the card is issued and returned, etc.

(6) Credit cards should not be used to bypass the accounting system. One reason that purchase orders are issued is to provide the fiscal officer with the means to encumber and track appropriations to provide the governing board and other officials with timely and accurate accounting information and monitoring of the accounting system.

(7) Payment should not be made on the basis of a statement or a credit card slip only. Procedures for payments should be no different than for any other claim. Supporting documents such as paid bills and receipts must be available. Additionally, any interest or penalty incurred due to late filing or furnishing of documentation by an officer or employee should be the responsibility of that officer or employee.

(8) If properly authorized, an annual fee may be paid.

(Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

Governmental funds generally are exempt from the payment of sales tax on qualifying purchases. Respective tax agencies should always be contacted concerning tax exemptions and payments. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

Disbursements, other than properly authorized petty cash disbursements, shall be by check or warrant, not by cash or other methods unless specifically authorized by statute, federal or state rule. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

PAYROLL DISBURSEMENTS

During the examination period, salaries and wages were not established by a formal salary resolution or schedule approved and signed by the governing board. The total amount budgeted for salaries and wages was approved by the School Board. However individual salaries and wages were not approved by the School Board.

Salaries and wages were determined by Goodwill Industries and offer letters were sent to employees. After employees accepted the offers, the human resources department of Goodwill Industries would send an "Employee Status Change Form" to the Business Manager at the School. The "Employee Status Change Form" was signed by various Goodwill Industries employees. The School's Business Manager and an assistant entered "authorized" salaries and wages into the payroll system. New "Employee Status Change Forms" were to be completed for any changes in salaries and wages.

One employee tested had a change in salary and six employees were paid bonuses that did not have "Employee Status Change Forms."

Additionally, three employees tested were contracted employees, but contracts were not presented for examination.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution, or salary schedule adopted by the governing body unless otherwise authorized by statute. Compensation should be made in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 13)

Indiana Code 5-15-6-3(f) states in part: "Original records may be disposed of only with the approval of the commission according to guidelines established by the commission."

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

EXCEL CENTER FOR ADULT LEARNERS
EXIT CONFERENCE

The contents of this report were discussed on March 14, 2012, with Daniel J. Riley, Treasurer; Scott Bess, Principal/Chief Operating Officer (COO); Tina Sherrard, Business Manager/Assistant Treasurer; C. Perry Griffith Jr., Chairman of the School Board; and James McClelland, President of Goodwill Education Initiatives. The Official Response has been made a part of this report and may be found on pages 19 through 21.

March 15, 2012

Indiana State Board of Accounts
302 West Washington Street Room E418
Indianapolis, Indiana 46204-2765

RE: Goodwill Education Initiatives, Inc.
The Excel Center
Written Response to SBOA Audit Results and Comments

State Board of Accounts,

Goodwill Education Initiatives, Inc. and The Excel Center appreciate the opportunity to respond to SBOA's audit results and comments. We also appreciate the courtesy and expediency with which your staff conducted the biennial audit of The Excel Center.

Audit Comments: AVERAGE DAILY MEMBERSHIP (ADM) – SUPPORTING DOCUMENTATION

Management Response:
It is our understanding that SBOA and the Indiana Department of Education (DOE) differ in their interpretations regarding what constitutes adequate supporting documentation for ADM. We followed DOE's prescribed compliance requirements for substantiating our ADM. Going forward the SBOA would like to see a report, generated from our student management system, of the students reported per grade level with written remarks of any adjustments or corrections made before final submission of our count-day ADM. The report should have the superintendent's signature in addition to the ADM signature page that verifies the students submitted matches the final count submitted. This process will be implemented and followed for future school years.

Audit Comments: TEXTBOOK REIMBURSEMENT CLAIMS

Management Response:
We concur with SBOA that calculations used for determining textbook reimbursement were not fully consistent with DOE procedures. As stated by the SBOA auditor, instructions for textbook reimbursement are not entirely clear, and that findings are frequently cited for schools new to the process or with personnel who are new to the process. While the full cost of some textbook materials (including certain computer software fees) can be included with the full purchase price applied across our free/reduced student population, we now understand that other items must have the cost spread out over five years. Our business management staff will work directly with the Department of Education

finance staff to reconcile our filing in error with the correct calculations and to receive in depth training on the proper preparation of the reimbursement report.

Audit Comments: FUND SOURCES AND USES (BARRIER REMOVAL PROGRAM)

Management Response:
A number of our students have extraordinarily difficult home lives and face many challenges in their educational lives. Quite often, such students are unable to do school work, study, read, or even come to school due to crises in their homes and personal lives. To the extent we are able, we will assist a student and/or his or her family by helping remove a barrier to their education. Assistance with rent, utilities, transportation or clothing often allows a student to stay in or return to school and continue their education and progress towards graduation. We are not aware of a prohibition against using general fund dollars to provide occasional assistance to students and families in dire need of help.

Audit Comment: CREDIT CARDS

Management Response:
We have found the use of corporate purchasing cards (p-cards) to be a convenient, efficient way for staff to make purchases for field trips, events, non-recurring items, etc. The p-card program we utilize allows us to set transaction and account limits, set geographic boundaries, and control the types of transactions cardholders can make. Each cardholder signs a p-card policy which indicates proper use of and documentation requirements for p-card purchases. In addition, the same individuals are provided with a copy of the current Indiana ST-105 (sales tax exemption certificate) for the school. They are instructed to present the exemption certificate with all purchases, p-card or otherwise. We concur with SBOA's findings that the documentation supporting p-card purchases is sometimes inconsistent, and sales taxes have been incorrectly paid on occasion. We have re-emphasized our internal documentation requirements, and will revoke p-card privileges for individuals who do not comply with our policies.

SBOA also commented on the use of gift cards as incentives for students and staff, and that controls can be improved for tracking gift card recipients and the reasons for the awards. We will implement a complete inventory system for incentive gift cards so that we can easily track the number and dollar value of cards purchased and the distribution of the gift cards to recipients.

Audit Comments: PAYROLL DISBURSEMENTS

Management Response:
SBOA is accustomed to seeing formal salary resolutions and/or salaries governed by collective bargaining agreements. Because The Excel Center does not have collective bargaining arrangements, salaries are approved by the Board of Directors via the annual budget process. When the annual budget is finalized and submitted to the Board for review and approval, a key element of the budget package is a list of current and budgeted salaries for existing employees, and projected salaries for new positions. The board considers the budget as a whole, and based on its review and questions regarding the detailed information and assumptions contained therein, approves it in its entirety for the coming school year. Within the approved budget, school leadership has the ability to manage salaries as it sees fit, recognizing and rewarding performance (and adjusting as needed where lack of performance is

evident). It has been the Board's philosophy, and school leadership's intent, to manage within the total approved budget for each school year. Going forward, the Board will consider in greater detail the budgeted salaries schedule that lists all existing and new positions. The Board will also designate the Chief Operating Officer and Treasurer or Assistant Treasurer (in the Treasurer's absence) to sign off on all salary adjustments during a school year.

We look forward to working with the SBOA team in the future.

Regards,

Daniel J. Riley
Treasurer, Goodwill Education Initiatives, Inc.

GOODWILL EDUCATION INITIATIVES, INC. - THE EXCEL CENTER - ANDERSON

FINANCIAL STATEMENTS

Together with Independent Auditors' Report

JUNE 30, 2013

GREENWALT CPAs

We Deliver Peace of Mind

GOODWILL EDUCATION INITIATIVES, INC. -
THE EXCEL CENTER - ANDERSON
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Greenwalt CPAs, Inc.
5342 W. Vermont Street
Indianapolis, IN 46224
www.greenwaltcpas.com

GREENWALT CPAs

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Goodwill Education Initiatives, Inc.:

We have audited the accompanying financial statements of Goodwill Education Initiatives, Inc. - The Excel Center - Anderson (an Indiana not-for-profit corporation), which comprise the statement of financial position as of June 30, 2013, and the related statement of activities and cash flows for the year 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 the 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 the 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 and *Guidelines for Examination of Entities Receiving Financial Assistance from Governmental Sources and Guidelines of Audits of Charter Schools performed by Private Examiners* established by the Indiana State Board of Accounts. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Goodwill Education Initiatives, Inc. - The Excel Center - Anderson, as of June 30, 2013 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards as required by the *Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*, 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 17, 2014, on our consideration of Goodwill Education Initiatives, Inc. - The Excel Center – Anderson's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is 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 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 Goodwill Education Initiatives, Inc. - The Excel Center – Anderson's internal control over financial reporting and compliance.

Greenwalt CPAs, Inc.

January 17, 2014

GOODWILL EDUCATION INITIATIVES, INC. -
THE EXCEL CENTER - ANDERSON
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2013

ASSETS

CURRENT ASSETS	
Cash	$ 287,699
Accounts receivable	415,129
Prepayments	38,984
Total current assets	741,812
PROPERTY AND EQUIPMENT	
Equipment	432,178
Leasehold improvements	322,594
Accumulated depreciation	(147,131)
Net property and equipment	607,641
TOTAL ASSETS	$ 1,349,453

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Bank line of credit	$ 75,000
Accounts payable	67,765
Accounts payable for leasehold improvements	315,964
Accrued liabilities	7,720
Total liabilities	466,449
COMMITMENTS AND CONTINGENCIES (NOTES 4, 7, 8 AND 9)	
NET ASSETS	883,004
TOTAL LIABILITIES AND NET ASSETS	$ 1,349,453

GOODWILL EDUCATION INITIATIVES, INC. - THE EXCEL CENTER - ANDERSON

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2013

REVENUE	
State and Federal grants	$ 2,924,326
Other income	1,453
Total revenue	2,925,779
SUPPORT	
Gifts and contributions	211,800
Gifts in-kind	63,860
Total support	275,660
Total revenue and support	3,201,439
EXPENSES	
High school instruction	553,549
Counseling services	431,396
Special education	100,178
Child care services	75,068
Staff training and development	11,326
Office of the Principal and administration	583,143
Business support services	71,404
Building and equipment rent	132,488
Building and equipment maintenance	119,506
Transportation	9,840
Non-capital equipment	22,189
Interest expense	3,083
Depreciation	147,131
Other expenses	58,134
Total expenses	2,318,435
CHANGE IN NET ASSETS	883,004
NET ASSETS, BEGINNING OF YEAR	-
NET ASSETS, END OF YEAR	$ 883,004

GOODWILL EDUCATION INITIATIVES, INC. -
THE EXCEL CENTER - ANDERSON
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2013

INCREASE IN CASH AND CASH EQUIVALENTS

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	$ 883,004
Depreciation	147,131
Decrease (Increase) in operating assets:	
Accounts receivable	(415,129)
Prepayments	(38,984)
Increase (decrease) in operating liabilities:	
Accounts payable	67,765
Accrued liabilities	7,719
Net cash provided by in operating activities	651,506
CASH FLOWS FROM INVESTING ACTIVITIES	
Capital expenditures	(438,807)
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from bank line of credit	75,000
INCREASE IN CASH AND CASH EQUIVALENTS	287,699
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	-
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 287,699
SCHEDULE OF NON-CASH OPERATING ACTIVITIES	
In-kind business support	$ 63,860
SCHEDULE OF NON-CASH INVESTING ACTIVITIES	
Property and equipment purchases in accounts payable	$ 315,964

1. Summary of Significant Accounting Policies

Description of Organization

Goodwill Education Initiatives, Inc. - The Excel Center - Anderson (AEC) is an Indiana public charter high school operating under the ownership and control of Goodwill Education Initiatives, Inc. (GEI). GEI, an Indiana non-profit corporation, provides educational opportunities designed to enable young people and adults to prepare for productive lives. GEI operates public charter high schools (AEC, Indianapolis Metropolitan High School and the Excel Centers, interchangeably referred to herein as "the schools") in central Indiana, under the provisions of the Indiana Charter School laws and the chartering authorities of the Mayor of Indianapolis and the Indiana Charter School Board. AEC operates under a five-year charter issued in 2012 by the Indiana Charter School Board. GEI is a wholly-owned and controlled subsidiary of Goodwill Industries of Central Indiana, Inc. (Goodwill), also an Indiana non-profit corporation.

AEC contracts with Goodwill for certain business support services, as further described in Note 5. For the year ended June 30, 2013, Goodwill provided $63,860 of in-kind business support services to AEC.

The schools receive the majority of their funding from the Indiana Department of Education. Their revenues are supplemented with funds from the United States Department of Education, private grants, and gifts. AEC completed its first year of operation on June 30, 2013. Student enrollment for the most recently completed school year was 332 students.

AEC primarily serves adults in Anderson, Indiana who previously dropped out of high school. Demographics of AEC students include 84% minorities and over 80% in poverty, defined as being eligible for free or reduced lunch. The majority of incoming students arrive at AEC two or more grade levels behind in reading and math skills, and 25% have special needs. AEC students connect with a life coach who helps them navigate the barriers that stand in the way of their educational attainment. Since inception, AEC has graduated 50 students with 40 of those students having received some form of post-secondary education or training prior to graduation. AEC's objectives include sustaining a graduation rate of 75% and having 75% of its graduates go on to college or employment that leads to a career and improved economic self-sufficiency.

Basis of Accounting

The accompanying financial statements were prepared on the accrual basis of accounting. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of support, revenues and expenses during the reporting period. For annual financial reporting purposes, AEC uses a fiscal year that begins on July 1 and ends the following June 30.

Cash

AEC considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. There were no cash equivalents at June 30, 2013 and 2012. AEC maintains cash balances at a commercial bank. Accounts at the banks are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. At June 30, 2013 AEC maintained cash in excess of the FDIC coverage limits.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (CONTINUED)

ACCOUNTS RECEIVABLE

Accounts receivable are unsecured and are due from Indiana governmental entities and private funders over periods of time up to thirty days from the statement of financial position date.

Accounts receivable are stated at the amount determined by public statute or by the underlying private funding agreements. Generally, there is not significant risk of loss of these amounts due since they are statutorily determined and obligated. However, there is some risk that public funding from the State of Indiana could be reduced from amounts previously determined during periods of prolonged economic downturn. Management is unable to determine the likelihood of reduced funding, and has not recorded a reserve related thereto.

PROPERTY AND EQUIPMENT

Property and equipment are recorded at historical cost. Depreciation is computed on the straight-line method over estimated useful lives ranging from 3 to 10 years for equipment. Leasehold additions and improvements are depreciated over the remaining life of the related lease. Leasehold additions and improvements are capitalized and expenditures for normal maintenance and repairs are expensed as incurred. AEC does not own any real property.

NET ASSETS

AEC maintains the following classification of net assets:

Unrestricted

These include revenue and expenses from the regular operations of AEC, which are at the discretion of management and the GEI Board of Directors.

CONTRIBUTIONS

Contributions are recognized when the donor makes an unconditional promise to give to AEC and are recorded at their fair values as revenues and assets in the period received. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily restricted net assets. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

ADVERTISING

Advertising and printing expenses totaled $16,703 in fiscal year 2013. AEC's policy is to record advertising expenditures in the period in which they are incurred.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (CONTINUED)

FUNCTIONAL EXPENSE

A summary of expenses by functional classification for the year ended June 30 is as follows:

Program activities:		
Classroom instruction	$	951,594
Student counseling		431,396
Special education services		100,178
Total program activities		1,483,166
Supporting activities:		
Program support	$	377,484
Administrative support		457,786
Total support activities		835,270
Total functional expense	$	2,318,435

SUBSEQUENT EVENTS

Subsequent events have been considered through January 17, 2014, which was the date the financial statements were available to be issued. See Note 9.

2. TAX STATUS

GEI is an Indiana non-profit corporation and is exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code. However, if income was generated from certain activities not directly related to GEI's tax-exempt purposes, such income would be subject to taxation as unrelated business income. GEI is not considered a private foundation as defined in Section 509(a) of the Internal Revenue Code.

Accounting Standards for Income Taxes provide detailed guidance for the financial statement recognition, measurement and disclosure of uncertain tax positions recognized in an enterprise's financial statements. GEI's management team regularly evaluates its activities to determine that they are in compliance with its tax-exempt purpose. Currently, GEI's management does not believe it is engaged in any activities that would generate unrelated business income or create an uncertain tax position. GEI is no longer subject to examination by taxing authorities for fiscal years before 2009.

3. LEASES

AEC leases space for operations from a third party. The lease term is five years, expires in July 2017, and is renewable for an additional five-year term at AEC's option. AEC's management is unable to determine at this time whether it will exercise its lease renewal options. AEC invested approximately $313,000 in 2012 to fund tenant improvements at the leased facility, and is deducting a portion of the leasehold improvement costs from monthly rent payments over the life of the lease. Rent expense under this lease in fiscal year 2013 was $130,203. Future remaining lease obligations are as follows:

2014	$	149,680
2015		147,180
2016		133,430
2017		132,180
2018		11,015
	$	573,485

4. RETIREMENT PLAN

AEC employees are employed and paid by GEI. Certain AEC employees (licensed teachers, counselors and certain administrative staff) are eligible to participate in the Indiana Teachers Retirement Fund (TRF). By statute, employers are required to contribute 7.5% of an employee's pretax gross income to TRF. Employers may also elect to contribute an additional 3% in lieu of the employee's own contributions. GEI has elected to make the voluntary contribution on behalf of its eligible employees, including employees of AEC. In fiscal year 2013, AEC contributed $50,695 to TRF on behalf of its employees. AEC employees not eligible for TRF may elect to participate in Goodwill's retirement plan. Goodwill maintains a discretionary thrift plan which allows eligible employees to contribute up to 15% of pre-tax gross income, subject to certain IRS limitations. Goodwill matches 100% of eligible employees' pre-tax contributions up to 3% of gross income, and 50% of the next 3% of gross income. Goodwill may also make additional discretionary contributions to the plan. Employer matching contributions vest after three years or in the event of death or disability. Employer discretionary contributions vest after five years or in the event of death or disability. AEC's expense relating to contributions to the Goodwill thrift plan for fiscal year 2013 was $4,153.

5. RELATED PARTY TRANSACTIONS

AEC is owned and operated by GEI. GEI provides employees, certain school-specific administrative services, and general management and oversight of AEC. GEI charges AEC for its expenses related to the services provided. No markup is added to the fees charged to AEC. During fiscal year 2013, AEC reimbursed $205,660 to GEI for administrative services.

From time to time, Goodwill provides interest-free loans and cash subsidies directly to AEC. At June 30, 2013, AEC had no borrowings from Goodwill. During fiscal year 2013, Goodwill provided cash subsidies to AEC totaling $87,500. The subsidies are recorded as Gifts and Contributions revenue on the Statement of Activities.

5. RELATED PARTY TRANSACTIONS, (CONTINUED)

Goodwill also provides business support services (accounting, marketing, human resources, facilities, technology and general management) to AEC. Goodwill charges a portion of these costs to the schools without markup. AEC paid $60,000 to Goodwill for business support services in fiscal year 2013. The non-billed portion of the support services is considered an in-kind contribution and is recorded as revenue in the Statement of Activities. In fiscal year 2013, Goodwill provided $63,860 of in-kind business services. These in-kind transactions are treated as non-cash transactions and are excluded from the accompanying statements of cash flows.

Goodwill also pays certain operating expenses, including certain employee benefits, of AEC, for which AEC fully reimburses Goodwill. No markup is charged. In fiscal year 2013, AEC paid Goodwill $232,644 for these expenses.

At June 30, 2013, AEC owed Goodwill $15,267 for business support services and reimbursable operating expenses and $315,964 for leasehold improvements, which is included in Accounts Payable on the Statement of Financial Position. In addition, AEC owed GEI $52,498 for expenses incurred.

6. FUTURE GRANT AUDITS

Under the terms of state and federal grants awarded to AEC, periodic audits are required and certain costs may be challenged as to allow ability under the terms of the grants. Such audits could lead to reimbursement to the grantor. Management believes the likelihood that material costs incurred by AEC will be disallowed is remote.

7. SELF-INSURANCE

AEC employees participate in Goodwill's health care benefits plan. Goodwill self-insures for employee and dependent medical benefits up to a per-individual annual maximum of $100,000, and an aggregate maximum of approximately $6.6 million. Goodwill purchases reinsurance which pays individual claims that exceed $100,000 per year, up to a per-individual maximum of $2 million, and up to $1 million beyond the aggregate self-insured maximum. The reinsurer reviews claims annually and upon renewal of the reinsurance policy each year may establish higher specific maximums on selected individuals with high claims risks. Goodwill purchases claims administration services from a third party administrator. Self-insured medical expenses and related administrative costs for AEC related to Goodwill's health care plan were $200,606 for the fiscal year ended June 30, 2013.

8. LINE OF CREDIT

Subsequent to June 30, 2013, GEI renegotiated its existing bank line of credit. The new line expires September 30, 2015, provides for maximum borrowings of $2.5 million. At June 30, 2013 the interest rate on the line of credit was at the bank's commercial rate (prime) less 1.00% (2.25%). During January 2014, the agreement was further amended and the line of credit now bears interest at the one-month LIBOR rate plus 1.75% (1.92% at January 17, 2014). At June 30, 2013, GEI owed $425,000 on its line of credit, of which $75,000 was incurred on behalf of AEC. As of August 22, 2013, GEI's borrowing on the line of credit increased to $840,000 and $0 was incurred on behalf of AEC. The line of credit includes a non-use fee of 0.15% on the unused balance. Goodwill serves as a guarantor on the line of credit.

9. SUBSEQUENT EVENTS

Subsequent to June 30, 2013, GEI opened four additional Excel Center locations in Central Indiana, creating a total of nine Excel Centers. This growth brings the total number of students served in Excel Centers to nearly 3,000.

Effective July 1, 2013, the State of Indiana legislated that charter schools primarily serving adults, like AEC and GEI's other Excel Centers, shall be funded from a Special Appropriation in the biennial Indiana state budget. This legislative change provides adequate funding for GEI's nine Excel Centers for fiscal years 2014 and 2015. The change does not currently allow additional growth beyond GEI's nine Excel Centers. GEI's management intends to participate actively with legislators and other interested parties to ensure adequate funding will be provided to sustain the existing Excel Centers and fund additional growth in the next biennial legislative session. Management cannot predict the outcome of such efforts.

GOODWILL EDUCATION INITIATIVES, INC. -
THE EXCEL CENTER - ANDERSON
SCHEULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	Federal CFDA Number	Agency or Pass-Through Number	Federal Expenditures
U.S. DEPARTMENT OF EDUCATION			
Indiana Department of Education			
Special Education Cluster			
Special Education - Grants to States	84.027	SY 2012 - 2014	$ 45,621
Indiana Department of Education			
Charter Schools Program			
Federal Planning Grant	84.282	A58-2-12SS-0933	116,000
Federal Implementation Grant Year 1	84.282	A58-3-13SS-1625	290,000
Facilities Grant	84.282D	SY 2012 - 2013	128,770
Total for Charter Schools Program			534,770
Total for U.S. Department of Education			580,391
U.S. DEPARTMENT OF LABOR			
Indianapolis Public Industry Council			
Community Based Job Training Grant	17.269	S0509-CB-10	123,500
			$ 703,891

NOTE TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes federal grant activity of Goodwill Education Initiatives, Inc. - The Excel Center - Anderson and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in preparation of, the basic financial statements.

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GREENWALT CPAs

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*

Independent Auditors' Report

To the Board of Directors of
Goodwill Education Initiatives, Inc.:

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 Goodwill Education Initiatives, Inc. - The Excel Center - Anderson (AEC), which comprise the statement of financial position as of June 30, 2013, and the related statement of activities and cash flows for the year ended, and the related notes to the financial statements, and have issued our report thereon dated January 17, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered AEC's internal control over financial reporting (internal control) to determine the 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 AEC's internal control. Accordingly, we do not express an opinion on the effectiveness of AEC'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. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as finding 2013-01 that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether AEC's financial statements are free of 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 determination of financial statement amounts. 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*.

The Excel Center – Anderson's Response to Findings

AEC's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. AEC's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

This report is intended 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Greenwalt CPAs, Inc.

January 17, 2014

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GREENWALT CPAs

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Goodwill Education Initiatives, Inc.:

Report on Compliance for Each Major Federal Program

We have audited Goodwill Education Initiatives, Inc. - The Excel Center – Anderson's (AEC) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on the AEC's major federal program for the year ended June 30, 2013. AEC's major federal program is identified in the summary of audit results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of AEC's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the AEC's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on AEC's compliance.

Opinion on Each Major Federal Program

In our opinion, AEC complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the AEC's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of AEC's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Greenwalt C.P.A.s, Inc.

January 17, 2014

A. SUMMARY OF AUDIT RESULTS

1. Type of auditors' report issued: Unmodified

2. Internal control over financial reporting:
   Material weakness(es) identified? _____yes ___X___no
   Significant deficiency(ies) identified? ___X___yes ___ ___none reported

3. Noncompliance material to financial statements noted? _____yes ___X___no

4. Internal control over major programs:
   Material weakness(es) identified? _____yes ___X___no
   Significant deficiency(ies) identified? _____yes ___X___none reported

5. Type of auditors' report issued on compliance for major programs: Unmodified

6. Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133? _____yes ___X___no

7. Identification of major program:

CFDA Number	Name of Federal Program or Cluster
	Charter Schools Program:
84.282	Federal Planning Grant
84.282	Federal Implementation Grant Year 1
84.282D	Facilities Grant

8. The threshold for distinguishing between Type A and B programs was $300,000.

9. Auditee qualified as low-risk auditee? _____yes ___X___no

B. FINDINGS - FINANCIAL STATEMENT AUDIT

SIGNIFICANT DEFICIENCY

2013-01

Condition: The Schedule of Expenditures of Federal Awards (SEFA) which was prepared by the client did not include the U.S. Department of Labor Community Based Job Training grant CFDA #17.269.

Criteria: All grant documents should be reviewed to determine if they have derived from a federal source and require inclusion within the Schedule of Expenditures of Federal Awards.

Cause: The initial SEFA provided by The Excel Center - Anderson was incomplete.

Effect: A new SEFA was provided by management which included all programs subject to OMB Circular A-133.

Recommendation: We recommend that management review all grant documents to determine if the funding is derived from a federal source.

View of Responsible Officials: As noted above, the oversight involving one grant inadvertently omitted from the original SEFA was corrected and procedures have been established to update the SEFA upon the recognition of any new or renewed Federal grant. Management does not expect this type of omission to recur.

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAM AUDIT

None

The Excel Center
Balance Sheet
As of June 30, 2013

ASSETS	
Current Assets	
Checking/Savings	1,530,652
Accounts Receivable	429,479
Prepaid Expenses	86,834
Total Current Assets	2,046,965
Fixed Assets	
Impr Other Than Bldg	336,208
Equipment	931,839
Computer Hardware	818,690
Software	560,854
Accumulated Depreciation	(979,451)
Total Fixed Assets	1,668,140
TOTAL ASSETS	**3,715,105**
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	622,286
Payroll Accrual	73,243
Total Current Liabilities	695,529
Long Term Liabilities	
Chase Line of Credit	75,000
Total Long Term Liabilities	75,000
Total Liabilities	770,529
Equity	
Retained Earnings	1,151,818
Net Income	1,792,758
Total Equity	2,944,576
TOTAL LIABILITIES & EQUITY	**3,715,105**

The Excel Center
Profit & Loss by Fund
July 1, 2012 - June 30, 2013

Income	
In Kind Support from Goodwill	311,787
1920 · Contributions & Donations	
1920 IPIC/Prioritize	195,000
1920 Reuben	126,934
1920 Walton	250,000
1920 Other	3,900
Total 1920 · Contributions & Donations	575,834
1920. · Goodwill Subsidy	87,500
1994 · Other Overpayments & Reimb	8,968
1999 · Other	60
3111 · Basic Grant	11,458,875
3120 · Choice Savings	9,005
3199 · Remediation	7,165
3250 · Medicaid Reimbursement	17,295
3291 · Non-English Speaking Program	1,037
3910 · Textbook	102,664
4223 · Public Law 101-476 IDEA	203,152
4599 · Federal Grant Income	1,209,165
6410 · Insurance (Claims for Losses)	1,281
Total Income	13,993,786
Expense	
High School Instruction	2,507,152
Counseling Services	1,988,341
Special Education	607,051
Drop-In Center	373,698
Staff Training and Development	77,117
Office of the Principal and Administration	2,824,332
Business Support Services	341,798
Building and Equipment Rent	708,856
Building and Equipment Maintenance	459,898
Transportation	198,451
Non-Capital Equipment Costs	154,151
Interest Expense	85,175
Depreciation	660,288
Other Expenses	227,753
Total Expense	11,214,061
Net Operating Income	**2,779,725**
Extraordinary Items:	
Plus Debt Forgiveness Income	3,538,118
Less Asset Impairment Loss	4,525,085
Net Income	**1,792,758**

Goodwill Education Initiatives Inc
Balance Sheet

	Actual 5/31/2014	Actual 6/30/2013
ASSETS		
Current Assets		
Cash	$4,974,368.26	$2,686,150.55
Accounts Receivable	$472,973.51	$1,425,659.72
Prepaid Expenses	$156,889.11	$97,953.29
Total Current Assets	$5,604,230.88	$4,209,763.56
Long-Term Assets		
Fixed Assets	$4,387,455.92	$2,320,665.71
Total Long-Term Assets	$4,387,455.92	$2,320,665.71
Total ASSETS	$9,991,686.80	$6,530,429.27
LIABILITIES & NET ASSETS		
LIABILITIES		
Current Liabilities		
Accounts Payable	$748,055.61	$1,534,250.21
Accrued Expenses	$9,704.18	$0.00
Payroll Liabilities	$115,648.95	$150,505.37
Unearned Revenue	$5,867.00	$0.00
Total Current Liabilities	$879,275.74	$1,684,755.58
Short-Term Debt		
Chase Line of Credit	$189,000.00	$425,000.00
Goodwill Industries Loan	$0.00	$40,000.00
Total Short Term-Debt	$189,000.00	$465,000.00
Long-Term Debt		
Common School Loan	$0.00	$0.00
Note Payable - Landlord	$622,268.59	$0.00
Total Long-Term Debt	$622,268.59	$0.00
Total LIABILITIES	$1,690,544.33	$2,149,755.58
NET ASSETS		
Unrestricted Net Assets	$8,188,166.80	$4,379,953.69
Temporarily Restricted Net Assets	$112,975.67	$720.00
Total NET ASSETS	$8,301,142.47	$4,380,673.69
Total LIABILITIES & NET ASSETS	$9,991,686.80	$6,530,429.27

Goodwill Education Initiatives Inc
Income Statement

	Actual 7/1/2013- 5/31/2014
REVENUE	
Goodwill Funding	$925,748.80
Private Funding	$316,433.68
State Funding	$20,296,589.63
Federal Funding	$2,648,668.32
Service Fee Income - GEI	$2,355,804.00
Service Fee Income - Other	$134,638.75
Licensing Fee - GEI	$800,855.09
Other Income	$53,104.94
TOTAL REVENUE	$27,531,843.21
EXPENSES	
Wages/Benefits	
Salary and Wage	$9,687,772.10
Payroll Taxes	$734,642.41
Group Insurance	$1,694,841.36
Retirement	$553,239.60
Other Benefits	$68,758.94
Total Wages/Benefits	$12,739,254.41
Professional Fees	$4,263,226.86
Licensing Fees	$801,037.09
Supplies and Materials	$642,004.01
Lunch Program	$91,262.34
Student Transportation	$273,912.49
Drop-In Center	$21,983.59
Extra-Curricular Activities	$30,313.76
Rent	$1,859,349.15
Occupancy	$856,197.30
Scholarships	$171,451.95
Interest Expense	$39,387.02
Depreciation	$1,537,841.19
Other Expenses	$283,433.27
TOTAL EXPENSES	$23,610,654.43
TOTAL NET INCOME	$3,921,188.78
BEGINNING NET ASSETS	**$4,380,673.69**
ADJUSTMENTS TO NET ASSETS	**($720.00)**
TOTAL ADJUSTED NET ASSETS	**$4,379,953.69**
NET SURPLUS/(DEFICIT)	**$3,921,188.78**
ENDING NET ASSETS	**$8,301,142.47**

GOODWILL INDUSTRIES OF CENTRAL INDIANA, INC. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

Together with Independent Auditors' Report

DECEMBER 28, 2013

GREENWALT CPAs

We Deliver Peace of Mind

GOODWILL INDUSTRIES OF CENTRAL INDIANA, INC. AND SUBSIDIARIES
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DECEMBER 28, 2013

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Goodwill Industries of Central Indiana, Inc. and subsidiaries:

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Goodwill Industries of Central Indiana, Inc. (an Indiana non-profit corporation) and subsidiaries (Goodwill) which comprise the consolidated statement of financial position as of December 28, 2013, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated 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 of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Goodwill as of December 28, 2013 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.

Report on Summarized Comparative Information

We have previously audited Goodwill's December 29, 2012 financial statements and our report dated March 18, 2013, expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 29, 2012, is consistent in all material respects, with the audited financial statements from which it has been derived.

Grassmueck CPAs, Inc.

February 27, 2014

GOODWILL INDUSTRIES OF CENTRAL INDIANA, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 28, 2013 WITH SUMMARIZED COMPARATIVE INFORMATION AS OF DECEMBER 29, 2012

ASSETS	Unrestricted	Temporarily Restricted	Eliminations	Totals December 28, 2013	Totals December 29, 2012
CURRENT ASSETS					
Cash and cash equivalents	$ 5,541,527	$ 160,150	$ -	$ 5,701,677	$ 2,277,110
Trade accounts receivable, net	2,252,000	-	-	2,252,000	2,564,228
Charter school accounts receivable	874,417	-	-	874,417	7,527,329
Other receivables, net	1,863,677	-	-	1,863,677	1,280,055
Inventories	4,278,713	-	-	4,278,713	4,206,173
Prepayments	761,579	-	-	761,579	805,735
Due from other funds	-	11,263	(11,263)	-	-
Total current assets	15,571,913	171,413	(11,263)	15,732,063	18,660,630
LONG-TERM ASSETS					
Land and improvements	11,170,860	-	-	11,170,860	11,170,860
Buildings and improvements	36,428,967	-	-	36,428,967	34,821,653
Equipment	30,978,776	-	-	30,978,776	26,970,194
Projects in progress	2,357,718	-	-	2,357,718	716,796
	80,936,321	-	-	80,936,321	73,679,503
Accumulated depreciation	(33,137,956)	-	-	(33,137,956)	(28,015,100)
Net property and equipment	47,798,365	-	-	47,798,365	45,664,403
Investments	5,055,024	-	-	5,055,024	5,447,284
Deposits	-	-	-	-	37,803
Other assets	90,664	-	-	90,664	97,638
Total long-term assets	52,944,053	-	-	52,944,053	51,247,128
	$ 68,515,966	$ 171,413	$ (11,263)	$ 68,676,116	$ 69,907,758
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES					
Bank line of credit	$ 2,006,500	$ -	$ -	$ 2,006,500	$ 677,000
Current portion of bonds, notes and capital leases payable	1,182,623	-	-	1,182,623	1,216,859
Accounts payable	7,214,070	-	-	7,214,070	6,587,556
Accrued liabilities	3,606,251	-	-	3,606,251	4,823,550
Due to other funds	11,263	-	(11,263)	-	-
Total current liabilities	14,020,707	-	(11,263)	14,009,444	13,304,965
LONG-TERM LIABILITIES					
Bonds, notes and capital leases payable	8,327,968	-	-	8,327,968	13,280,646
Other long-term liabilities	637,571	-	-	637,571	884,887
Total long-term liabilities	8,965,539	-	-	8,965,539	14,165,533
Total liabilities	22,986,246	-	(11,263)	22,974,983	27,470,498
COMMITMENTS AND CONTINGENCIES (NOTES 8, 11, 12 AND 14)					
NET ASSETS	45,529,720	171,413	-	45,701,133	42,437,260
	$ 68,515,966	$ 171,413	$ (11,263)	$ 68,676,116	$ 69,907,758

See accompanying notes to financial statements.

GOODWILL INDUSTRIES OF CENTRAL INDIANA, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 28, 2013

WITH SUMMARIZED COMPARATIVE INFORMATION FOR THE YEAR ENDED DECEMBER 29, 2012

	Unrestricted	Temporarily Restricted	Totals December 28, 2013	Totals December 29, 2012
REVENUE				
Sales - donated goods	$ 73,559,846	$ -	$ 73,559,846	$ 72,979,946
Sales - purchased goods	7,025,107	-	7,025,107	6,802,097
Commercial services	14,389,061	-	14,389,061	13,652,541
Workforce services	6,893,985	-	6,893,985	6,306,813
Education services	21,072,886	-	21,072,886	14,733,386
Interest and dividend income	90,735	-	90,735	237,093
Realized gain (loss) on investments	10,946	-	10,946	(8,426)
Unrealized gain (loss) on investments	(94,711)	-	(94,711)	145,494
Net loss on disposition of property	(176,233)	-	(176,233)	(537,227)
Gain on interest rate swap hedge	204,208	-	204,208	92,147
Other, net	929,821	-	929,821	885,369
Total revenue	123,905,651	-	123,905,651	115,289,233
SUPPORT				
United Way of Central Indiana, Inc.				
Allocation	383,311	-	383,311	352,180
Annual and capital campaign contributions	11,675	-	11,675	24,183
Other contributions	1,560,779	228,259	1,789,038	1,787,555
Total support	1,955,765	228,259	2,184,024	2,163,918
NET ASSETS RELEASED FROM RESTRICTIONS	93,700	(93,700)	-	-
Total revenue and support	125,955,116	134,559	126,089,675	117,453,151
EXPENSES				
Retail and commercial services	80,406,878	-	80,406,878	78,240,867
Workforce services	7,404,410	-	7,404,410	6,397,895
Education services	19,843,680	-	19,843,680	15,937,542
General and administrative	13,584,807	-	13,584,807	12,122,006
Fundraising	517,433	-	517,433	452,701
Total expenses	121,757,208	-	121,757,208	113,151,011
CHANGE IN NET ASSETS, BEFORE EXTRAORDINARY ITEM	4,197,908	134,559	4,332,467	4,302,140
EXTRAORDINARY ITEM (NOTES 1 AND 6D):				
NET LOSS DUE TO CHANGE IN STATE REGULATION	(1,068,594)	-	(1,068,594)	-
CHANGE IN NET ASSETS, AFTER EXTRAORDINARY ITEM	3,129,314	134,559	3,263,873	4,302,140
NET ASSETS, BEGINNING OF YEAR	42,400,406	36,854	42,437,260	38,135,120
NET ASSETS, END OF YEAR	$ 45,529,720	$ 171,413	$ 45,701,133	$ 42,437,260

GOODWILL INDUSTRIES OF CENTRAL INDIANA, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 28, 2013
WITH SUMMARIZED COMPARATIVE INFORMATION FOR THE YEAR ENDED DECEMBER 29, 2012

	Retail and Commercial Services	Workforce Services	Education Services	General and Administrative	Fundraising	Totals December 28, 2013	Totals December 29, 2012
Salaries and wages	$ 32,271,235	$ 5,157,303	$ 9,715,813	$ 7,335,382	$ 332,658	$ 54,812,391	$ 49,478,804
Employee benefits	8,158,991	901,475	2,845,348	1,615,388	71,392	13,592,594	12,782,761
Professional services	3,419,009	299,375	646,788	915,211	11,507	5,291,890	5,464,905
Supplies	4,896,791	186,312	265,163	321,723	5,235	5,675,224	5,670,471
Cost of sales	9,750,072	-	-	-	-	9,750,072	9,739,274
Occupancy	15,762,160	381,481	1,778,415	1,468,676	25,613	19,416,345	18,814,823
Advertising and printing	960,625	7,653	126,357	368,552	31,653	1,494,840	1,803,930
Travel and transportation	1,474,351	255,950	333,596	332,578	16,523	2,412,998	2,427,869
Staff development	32,467	49,529	49,218	96,049	129	227,392	472,447
Memberships and dues	7,045	7,521	44,921	235,132	3,283	297,902	239,719
Client tuition, training and assistance	90	55,437	35,694	2,009	50	93,280	138,828
Student services	-	-	1,870,066	-	-	1,870,066	232,264
Depreciation and amortization	3,062,057	80,594	1,948,109	709,153	6,159	5,806,072	5,041,833
Bad debt expense	39,534	-	6,000	-	-	45,534	115,194
Interest expense	216,366	-	124,615	-	-	340,981	359,433
Other	356,085	21,780	53,577	184,954	13,231	629,627	368,456
	$ 80,406,878	$ 7,404,410	$ 19,843,680	$ 13,584,807	$ 517,433	$ 121,757,208	$ 113,151,011

See accompanying notes to financial statements.

GOODWILL INDUSTRIES OF CENTRAL INDIANA, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 28, 2013 AND DECEMBER 29, 2012

INCREASE IN CASH AND CASH EQUIVALENTS

	December 28, 2013	December 29, 2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 3,263,873	$ 4,302,140
Depreciation and amortization	5,806,072	5,041,833
Forgiveness of Common School Fund Loans and accrued interest	(4,855,727)	-
Write-off of Basic Grant Receivable	5,924,321	-
Gain on interest rate swap hedge	(204,208)	(92,147)
Realized (gain) loss on investments	(10,946)	8,426
Unrealized (gain) loss on investments	94,711	(145,494)
Net loss on disposition of property	176,233	537,227
(Increase) decrease in operating assets:		
Trade accounts receivable	312,228	982,704
Charter school accounts receivable	728,591	(2,621,046)
Other receivables	(583,622)	(108,660)
Inventories	(72,540)	(615,750)
Prepayments	44,156	196,246
Deposits	37,803	-
Other assets	6,974	6,974
Increase (decrease) in operating liabilities:		
Accounts payable and accrued liabilities	(590,785)	1,542,464
Other long-term liabilities	(43,108)	(43,107)
Net cash provided by operating activities	10,034,026	8,991,810
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(1,390,637)	(1,647,132)
Proceeds from sales of investments	1,699,132	3,753,157
Proceeds from sales of fixed assets	3,222	800
Capital expenditures	(8,119,489)	(10,635,879)
Net cash used in investing activities	(7,807,772)	(8,529,054)
CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowing (repayments) on line of credit, net	1,329,500	462,596
Proceeds from bonds and notes payable	724,554	851,413
Principal payments on bonds and notes payable	(855,741)	(1,084,034)
Principal payments on capital leases payable	-	(5,712)
Net cash provided by financing activities	1,198,313	224,263
INCREASE IN CASH AND CASH EQUIVALENTS	3,424,567	687,019
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	2,277,110	1,590,091
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 5,701,677	$ 2,277,110
SUPPLEMENTAL CASH FLOWS INFORMATION		
Cash paid for interest	$ 263,454	$ 228,848

See accompanying notes to financial statements.

1. Summary of Significant Accounting Policies

Principles of Consolidation

These consolidated financial statements include the accounts of Goodwill Industries of Central Indiana, Inc. and its subsidiary companies. The term "Goodwill" used herein means Goodwill Industries of Central Indiana, Inc. and its subsidiaries, unless otherwise indicated by the context. All material inter-company accounts and transactions have been eliminated.

Description of Organization

Goodwill Industries of Central Indiana, Inc. ("GICI") and its subsidiaries, GW Commercial Services, Inc. ("GWCS") and Goodwill Education Initiatives, Inc. ("GEI") (collectively referred to as "Goodwill") are Indiana non-profit organizations that offer employment, education and related services to disadvantaged adults and young people throughout central Indiana. Goodwill defines disadvantaged individuals as those with a barrier to employment such as a disability, a criminal history and/or a low education level (less than a high school diploma).

GICI's Retail operation collects donations of used clothing and household items and sells them through a network of 48 thrift stores, three warehouse outlet centers, and one vintage store. Excess and unsalable donated items are sold through salvage and recycling channels. Unique items, jewelry and books are often sold through e-commerce channels. The Retail operation also accepts and sells donated automobiles, using a third party only for vehicle towing and auction services. The Retail operation employs nearly 2,000 individuals, more than 65% of whom are disabled or disadvantaged. These operations generate revenue and cash flow that fund a large portion of GICI's other mission-related operations and general and administrative expenses.

GICI's Commercial Services ("CS") operation provides a variety of outsource packaging, assembly, and fulfillment services to external customers, employing over 100 disabled and disadvantaged individuals.

GWCS is operated under common management with GICI's Commercial Services operations and provides rehabilitative training and jobs for people who have severe disabilities, primarily through service contracts with various federal governmental entities pursuant to Ability One (formerly known as the Javits-Wagner-O'Day Act of 1971). Ability One requires certain federal governmental entities to purchase selected products and services, via such contracts, from non-profit agencies employing blind or severely disabled individuals. At December 28, 2013, GWCS operated 11 Ability One contracts at government sites in Indianapolis, Indiana, and employed approximately 200 severely disabled individuals.

GICI's Employment Center ("EC") operation provides case management, counseling, training, education, job coaching, job placement, and related supportive services, for disabled, disadvantaged, unemployed and under-employed individuals who wish to find and retain employment and increase their economic self-sufficiency.

GICI's Community and Workplace Initiatives ("CWI") operation manages programs designed to provide holistic whole-family services to Goodwill's low-wage workers and students, as well as to first-time expectant mothers and their families. The CS, EC and CWI segments of GICI are funded by a combination of contracts with external customers, service contracts with federal and state governmental entities,

1. Summary of Significant Accounting Policies, Continued

United Way grants, private grants and gifts from individuals and foundations, and subsidies from GICI's Retail operation.

GEI provides educational opportunities designed to enable young people and adults to prepare for more productive lives. GEI operates public charter high schools in central Indiana under the provisions of the Indiana Charter School laws and the chartering authorities of the Mayor of Indianapolis and the Indiana Charter School Board. The following table provides more information regarding GEI's charter schools.

School Name	School Location	Chartering Authority	Number of Years in Operation	Student Enrollment at December 28, 2013
Indianapolis Metropolitan High School	Indianapolis, IN (at GICI headquarters facility)	Mayor of Indianapolis	10	312
The Excel Center for Adult Learners	Four locations in Indianapolis, IN, including one at GICI headquarters facility	Mayor of Indianapolis	3	1,312
The Excel Center-Anderson	Anderson, IN	Indiana Charter School Board	2	340
The Excel Center – Kokomo	Kokomo, IN	Indiana Charter School Board	1	325
The Excel Center – Lafayette	Lafayette, IN	Indiana Charter School Board	1	319
The Excel Center – Richmond	Richmond, IN	Indiana Charter School Board	1	321
The Excel Center – West	Indianapolis, IN	Mayor of Indianapolis	1	334

The schools contract with GICI for certain business support services, including marketing, human resources, finance, technology and facilities management. The schools receive the majority of their funding from the Indiana Department of Education. Their revenues are supplemented with funds from the United States Department of Education, private grants, gifts, and support from GICI. Indianapolis Metropolitan High School (the Met) primarily serves at-risk students in grades 9-12. The Excel Centers primarily serve adults who previously dropped out of high school and are seeking their high school diplomas rather than a GED.

1. Summary of Significant Accounting Policies, Continued

Goodwill is a member of Goodwill Industries International, Inc. (GII). Goodwill operates autonomously and reports its financial results independent of GII or any other affiliated entity. Goodwill operates in a geographic territory assigned to it by GII encompassing 29 counties in central Indiana.

Goodwill is a member agency of United Way of Central Indiana, Inc. In 2013 and 2012, Goodwill received United Way grants of $383,311 and $352,180, respectively.

Basis of Accounting

The accompanying financial statements were prepared on the accrual basis of accounting. 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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of support, revenues and expenses during the reporting period. For annual financial reporting purposes, Goodwill utilizes a 52-week period ending on the Saturday closest to December 31.

Summarized Comparative Information

The financial statements include certain prior year summarized comparative information in total, but not by net asset class and functional expense class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with Goodwill's financial statements for the year ended December 29, 2012, from which the summarized information was derived.

Cash and Cash Equivalents

Goodwill considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. Goodwill maintains cash balances at commercial banks. Accounts at the banks are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. At December 28, 2013, Goodwill maintained cash and cash equivalents in excess of the FDIC coverage limits.

Trade and Charter School Accounts Receivable

Trade accounts receivable are unsecured customer obligations generally requiring payment within 30 days of the invoice date.

Accounts receivable are stated at the amount billed to the customer or at amounts determined by public statute. Generally, customer account balances with invoices dated over 30 days are considered delinquent.

1. Summary of Significant Accounting Policies, Continued

Payments of accounts receivable are allocated to the specific invoices identified on the customer's remittance advice or, if unspecified, are applied to the earliest unpaid invoices.

The carrying amount of accounts receivable is reduced by a valuation allowance that reflects management's best estimate of the amounts that will not be collected. Management individually reviews all accounts receivable balances that are past due and based on an assessment of current creditworthiness and other factors, estimates the portion, if any, of the balance that will not be collected.

Prior to June 30, 2013, the Indiana Department of Education funded charter schools on a six-month arrearage basis. In 2013, the State of Indiana amended the manner in which it funds charter schools, eliminating the former six-month lag. Beginning in July, 2013, GEI's charter schools receive their State funding on a current basis. The effect of this change in funding resulted in the writeoff of the amounts receivable under the prior funding schedule. The amount of the writeoff, which is reflected in the Extraordinary Item on the Statement of Activities, was $5,924,321.

Inventories

The retail store and e-commerce operations of Goodwill contain donated inventories. These items have little or no economic value to Goodwill when first received and therefore are not recorded at the time of donation. Donated goods are sold through retail store, e-commerce, salvage and recycling sales channels. Costs included in donated goods inventory include those incurred to collect, transport and process donated items to place them for sale in Goodwill's retail stores, e-commerce operations, or to salvage and recycling dealers. Retail store, e-commerce, recycling and salvage sales are reflected in the statement of activities as sales - donated goods. The Retail operations of Goodwill also contain purchased goods inventories, which are stated at the lower of cost or market using the specific identification method.

Goodwill's commercial services operation has purchased inventories generally classified as raw material, work in process and finished goods. These inventories are valued in the financial statements at standard cost. Cost of sales is included in retail and commercial services expenses in the statement of functional expenses.

Property and Equipment

Property and equipment are recorded at historical cost. Donated property is recorded at the estimated fair market value at the date of donation. Depreciation is computed on the straight-line method over estimated useful lives ranging from 10 to 40 years for buildings and building improvements, and from 3 to 10 years for equipment and other capital assets. Material property additions and improvements are capitalized and expenditures for normal maintenance and repairs are expensed as incurred.

Goodwill accumulates certain costs for capital projects until the projects are placed in service, at which time they become depreciable fixed assets. Goodwill's statement of financial position reflected projects in progress totaling $2,357,718 and $716,796 at December 28, 2013 and December 29, 2012, respectively.

1. Summary of Significant Accounting Policies, Continued

Other Assets

In December 2006, Goodwill issued $12 million of tax-exempt bonds to finance several capital projects and to refinance prior bond debt at a lower interest rate. Transaction costs for the bond issuance totaled $139,483 and are being amortized over the life of the bonds and the supporting letter of credit. Amortization costs are included in interest expense on the statement of functional expenses.

Net Assets

Goodwill maintains the following classifications of net assets:

Unrestricted

These include revenue and expenses from the regular operations of Goodwill, which are at the discretion of management and the Board of Directors.

Temporarily Restricted

These include donations and grant revenues used to meet expenses of current operations in accordance with restrictions specified by the donors or grantors.

Contributions

Contributions are recognized when the donor makes an unconditional promise to give to Goodwill and are recorded at their fair values as revenues and assets in the period received. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily restricted net assets. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Expense Allocation

Expenses have been classified as retail and commercial services, workforce services (including employer services and community and workplace initiatives), education services, general and administrative and fundraising. Goodwill uses actual direct expenditures and cost allocations, based on estimates of time and usage by Goodwill personnel and programs, to classify its expenses.

Advertising

Advertising and printing expenses totaled $1,494,840 in 2013 and $1,803,930 in 2012. Goodwill's policy is to record advertising expenditures in the period in which they are incurred.

Subsequent Events

Subsequent events have been considered through February 27, 2014, which was the date the financial statements were available to be issued. See Note 14.

2. TAX STATUS

Goodwill and its subsidiaries are Indiana non-profit corporations, exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code. However, if income was generated from certain activities not directly related to Goodwill's tax-exempt purposes, such income would be subject to taxation as unrelated business income. Goodwill and its subsidiaries are not considered private foundations as defined in Section 509(a) of the Internal Revenue Code.

Accounting Standards for Income Taxes provide detailed guidance for the financial statement recognition, measurement and disclosure of uncertain tax positions recognized in an enterprise's financial statements. Goodwill regularly evaluates its activities to determine that they are in compliance with its tax-exempt purpose. Currently, Goodwill's management does not believe it is engaged in any activities that would create an uncertain tax position. Goodwill is no longer subject to examination by taxing authorities for years before 2010.

3. TRADE ACCOUNTS RECEIVABLE

Trade accounts receivable are summarized as follows:

	December 28, 2013	December 29, 2012
Trade accounts receivable	$ 2,362,153	$ 2,668,183
Less – allowance for uncollectible accounts	(110,153)	(103,955)
Trade accounts receivable, net	$ 2,252,000	$ 2,564,228

4. INVENTORIES

Inventories are summarized as follows:

	December 28, 2013	December 29, 2012
Donated goods	$ 3,671,353	$ 3,524,107
Purchased goods	607,360	682,066
	$ 4,278,713	$ 4,206,173

5. INVESTMENTS

Goodwill's investments in equity securities with readily determinable fair values and all investments in debt securities are stated at fair value in the statements of financial position (see Note 13). Realized and unrealized gains and losses are reported in the statement of activities.

Goodwill held the following investment securities at:

	December 28, 2013	December 29, 2012
Mutual funds – market value	$ $5,055,024	$ 5,447,284
Mutual funds – cost basis	$ 5,073,829	$ 5,371,378

6. BONDS, NOTES AND CAPITAL LEASES PAYABLE

a. Goodwill has a committed line of credit with a commercial bank, expiring September, 2015. This line of credit provides for maximum borrowings of $5,000,000 and bears interest at the bank's commercial rate less one percent (a total of 2.25% at December 28, 2013). In As of December 28, 2013 and December 29, 2012, Goodwill had $960,000 and $303,000, respectively, outstanding on the line of credit. The line of credit includes a non-use fee of 0.15% of the unused balance. In 2013 and 2012, Goodwill paid $5,846 and $5,886, in non-use fees, respectively.

GEI has a line of credit with a commercial bank, which expires September, 2015. This line of credit provides for maximum borrowings of $2,500,000 and bears interest at the bank's commercial rate less one percent (a total of 2.25% at December 29, 2012). As of December 28, 2013 and December 29, 2012, GEI had $1,046,500 and $374,000, respectively, outstanding on the line of credit. The line of credit includes a non-use fee of 0.15% of the unused balance. In 2013 and 2012, GEI paid $1,711 and $173 in non-use fees. The line of credit is guaranteed by Goodwill.

Consolidated line of credit balances were $2,006,500 and $677,000 at December 28, 2013 and December 29, 2012, respectively.

b. In 1996, Goodwill issued $8.8 million of tax-exempt long-term bonds. The bonds bear interest at an adjustable interest rate and currently re-price every seven days based on market conditions. The interest rate approximates the quoted weekly Securities Industry and Financial Markets Association (SIFMA) Index rate. During 2013, the interest rate on the bonds ranged from 0.09% to 0.27%. Annually on June 1, Goodwill is required to make principal payments of $440,000. In 2011, Goodwill sold a retail store that was originally financed with the 1996 bond issue. As a result, Goodwill repaid an additional $100,000 of bond principal upon closing the sale transaction, which represented the prorated amount of then-outstanding bond debt related to the building that was sold. The outstanding balance of the bonds payable at December 28, 2013 and December 29, 2012 was $430,000 and $870,000, respectively.

6. BONDS, NOTES AND CAPITAL LEASES PAYABLE, CONTINUED

Goodwill maintains a direct-pay letter of credit facility with a commercial bank that secures Goodwill's 1996 tax-exempt bonds. Goodwill paid fees equal to 55 basis points in 2013 and 2012 to the bank to maintain the letter of credit. During 2013 and 2012, Goodwill paid $3,436 and $5,892, respectively, which is included in interest expense in the statement of functional expenses.

Goodwill pays remarketing fees to a third party remarketing agent for the 1996 bonds, equal to 0.125% of the amount of bonds traded each year. Goodwill paid $201 and $32 of remarketing fees in 2013 and 2012, respectively.

c. In December 2006, Goodwill issued $12 million of tax-exempt long-term bonds, the proceeds of which were used to build 2 new retail stores, refinance then-existing debt, and remodel Goodwill's Indianapolis headquarters campus to accommodate new charter high school space and related ancillary facilities. The bonds bear interest at an adjustable interest rate and currently re-price every seven days based on market conditions. The interest rate approximates the quoted weekly Securities Industry and Financial Markets Association (SIFMA) Index rate. In 2013, the interest rate on the bonds ranged from 0.11% to 0.27%. Goodwill is required to make annual principal payments of $600,000, through 2027. The outstanding balance of the bonds payable at December 28, 2013 and December 29, 2012 was $8,400,000 and $9,000,000, respectively.

Goodwill maintains a direct-pay letter of credit facility with a commercial bank that secures Goodwill's 2006 tax exempt bonds. Goodwill paid fees equal to 55 basis points in 2013 and 2012 to the bank to maintain the letter of credit. Goodwill paid letter of credit fees for the 2006 bonds of $47,300 and $45,528 in 2013 and 2012, respectively, which is included in interest expense on the statement of functional expenses.

Goodwill also pays remarketing fees to a remarketing agent for the 2006 bonds, equal to 0.10% of the amount of bonds outstanding. Goodwill paid $8,451 and $9,056 of remarketing fees in 2013 and 2012, respectively.

d. In prior years, GEI borrowed from the Indiana Common School Fund to finance its charter school operations and costs associated with enrollment growth. During 2013, the Indiana legislature enacted legislation that eliminated all charter school Common School Fund debt, along with associated accrued interest. The amount of the debt forgiveness for GEI's schools totaled $4,627,505, along with $228,222 of forgiven accrued interest. These amounts are reflected in the Extraordinary Item on the Statement of Activities.

e. In 2013, GEI opened four new Excel Centers and entered into operating leases for the locations. In two of the locations, tenant improvements were financed through notes payable to commercial banks. The notes require monthly principal and interest payments for five years, through 2018. The duration of the notes matches the length of the respective Excel Center charters.

Excel Center Location	Original Amount	Interest Rate	Expiration Date	Balance as of December 28, 2013
Lafayette, IN	$274,554	5%	4/1/2018	$269,815
Kokomo, IN	$450,000	5%	7/1/2018	$410,776

6. Bonds, Notes and Capital Leases Payable, Continued

f. Total interest expense as shown on the Statement of Functional Expenses consists of the following:

	2013	2012
Bond, notes payable, and line of credit interest	$ 274,036	$ 292,866
Letter of credit fees	50,736	51,420
Remarketing fees	8,652	9,088
Line of credit non-use fees	7,557	6,059
Total interest expense	$ 340,981	$ 359,433

g. Goodwill is party to an interest rate swap in order to manage interest rate risk on a portion of its bond debt, the notional amount of which was $4,907,500 at December 29, 2013. The swap agreement provides for Goodwill to pay a fixed interest rate of 3.85% for ten years in exchange for the underlying floating interest rate. At December 28, 2013 and December 29, 2012, the swap had a negative fair value of $430,821 and $635,029, respectively. The fair value of the swap is included in other long-term liabilities on the statement of financial position, and the change in fair value from 2012 to 2013 is recorded as a gain on interest rate swap hedge on the statement of activities.

h. The aggregate maturities of long-term debt are as follows for the following fiscal years:

2014	$ 1,182,623
2015	750,450
2016	758,115
2017	766,237
2018	653,166
Thereafter	5,400,000
	$ 9,510,591

7. Temporarily Restricted Net Assets

Temporarily restricted net assets are generated primarily through private grants and are available for youth education.

8. LEASE OBLIGATIONS

Goodwill leases 42 retail stores and 9 other buildings used in operations. The lease agreements have terms of up to 15 years, and certain leases have one or more renewal options for up to an additional five years per option. Aggregate rental expense for 2013 and 2012, including common area maintenance charges, totaled $8,377,602 and $8,259,251, respectively. Four of Goodwill's retail store leases contain a right of first refusal. This right provides Goodwill an option to purchase the store at fair market value if the landlord has a bona fide offer from a third party. Fair market value is the price offered by a third party in an arms-length transaction. Goodwill's management cannot determine if it would elect to purchase any of the stores for which it has a right of first refusal.

Goodwill leases office equipment, the agreements for which expire in 2014. Rent expense under these leases was $109,273 and $105,552 for 2013 and 2012, respectively.

Goodwill leases vehicles, equipment and drivers used in operations. The leases expire in February 2014. Fixed lease costs are $8,305 weekly, and variable costs are $0.1625 per mile driven. Labor rates for drivers vary from $19.90 to $21.61 per straight-time hour. Goodwill's expense under these leases was $1,508,515 and $1,436,866 for 2013 and 2012, respectively.

GEI leases one of its locations from GICI and the rest from third parties. The effects of the lease between GEI and GICI have been eliminated in consolidation. Aggregate rental expense for 2013 and 2012 was $778,432 and $564,428, respectively. The lease agreements have terms of up to 10 years from the lease commencement date, and certain leases have one or more renewal options for up to an additional five years per option.

Future minimum rental payments required under operating leases that have initial or remaining lease terms as of December 28, 2013 are as follows for the fiscal years ending:

2014	$	9,221,837
2015		8,789,574
2016		8,272,791
2017		6,730,572
2018		5,544,413
Thereafter		14,977,910
	$	53,537,097

9. RETIREMENT PLAN

Goodwill maintains a discretionary thrift plan which allows eligible employees to contribute up to 15% of pre-tax gross income, subject to certain IRS limitations. Goodwill matches 100% of eligible employees' pre-tax contributions up to 3% of gross income, and 50% of the next 3% of gross income. Goodwill may also make additional discretionary contributions to the plan. Employer matching contributions vest after three years or in the event of death or disability. Employer discretionary contributions vest after five years or in the event of death or disability. Goodwill's expense relating to contributions to the thrift plan for 2013 and 2012 was $1,008,481 and $1,327,820, respectively.

10. Related Party Transactions

Goodwill Industries Foundation of Central Indiana, Inc. (the "Foundation") has common management with Goodwill and provides grant support for Goodwill and GEI. The accompanying financial statements of Goodwill have not been consolidated with those of the Foundation due to less than a majority voting interest and lack of controlling financial interest between the two organizations. At December 28, 2013 and December 29, 2012, the Foundation had net assets of $29.4 million and $24.5 million, respectively, comprised primarily of equity mutual fund investments, equity hedge funds, and alternative investments consisting of private equity and natural resource funds. For 2013 and 2012, the Foundation granted to Goodwill $816,345 and $895,651, respectively, which is included in "support" on the statement of activities. The Foundation also reimburses Goodwill for certain fundraising expenses and pays Goodwill a management fee. This reimbursement and management fee totaled $557,927 and $490,344 for 2013 and 2012, respectively. Included in other receivables at December 28, 2013 and December 29, 2012 is $608,336 and $306,425, respectively, due from the Foundation for grants receivable from the Foundation, reimbursement of fundraising expenses incurred by Goodwill and expenses of the Foundation paid by Goodwill.

During 2011, GEI leased an Excel Center facility owned by an entity controlled by a GICI board member. The lease for the facility has a 10-year term with a provision that allows early termination if the Excel Center's charter is not renewed when it expires in 2017, and has a rent rate comparable to similar facilities in the same geographic area. The lease became effective January 1, 2012. The board member recused himself from all board of directors' discussion and voting related to the lease transaction.

In 2013, Goodwill purchased real estate, on which it intends to build a new retail store, from a third party company. A Goodwill board member is an officer of the third party company. The board member recused himself from all Goodwill board of directors' discussion and voting related to the lease transaction.

Subsequent to December 28, 2013, Goodwill issued tax-exempt bonds through the Indiana Finance Authority (IFA) (see Note 14). A Goodwill board member also serves on the board of the IFA. The board member recused himself from all Goodwill and IFA board of directors' discussion and voting related to the bond transaction.

11. Future Grant Audits

Under the terms of federal grants awarded to Goodwill, periodic audits are required and certain costs may be challenged as to allowability under the terms of the grants. Such audits could lead to reimbursement to the grantor. Management believes the likelihood that material costs incurred by Goodwill will be disallowed is remote.

12. Self Insurance

Goodwill self insures for employee and dependent medical benefits up to a per-individual annual maximum of $100,000, and an aggregate maximum of approximately $6.6 million. Goodwill purchases reinsurance which pays individual claims that exceed $100,000 per year, up to a per-individual maximum of $2 million, and up to $1 million beyond the aggregate self-insured maximum. The reinsurer reviews claims annually and upon renewal of the reinsurance policy each year may establish higher specific maximums on selected individuals with high claims risks. Goodwill purchases claims administration services from a third party administrator. Self insured medical expenses and related administrative costs were $6,299,953 and $5,763,444 for 2013 and 2012, respectively.

12. SELF INSURANCE, CONTINUED

Goodwill maintains an estimated liability for incurred but not reported medical claims based on average claim costs and claims processing lag times. At December 28, 2013 and December 29, 2012, the estimated liability was $801,751 and $1,030,772, respectively, and is included in accrued liabilities in the statement of financial position.

13. FAIR VALUE MEASUREMENTS

Accounting Standards for Fair Value Measurement define fair value as the price that would be received for an asset or paid to transfer a liability (exit price) in an orderly transaction between market participants at the measurement date. Those standards also establish a three-level fair value hierarchy for disclosure that prioritizes valuations based on whether the significant inputs used to estimate fair value are observable, giving highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and lowest priority to valuations primarily based on unobservable inputs (level 3 measurements). Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability. Fair values measured on a recurring basis at December 28, 2013 are as follows:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Fixed income mutual fund	$ 5,055,024	$ 5,055,024	$ -	$ -
Interest rate swap	$ (430,821)	$ -	$ (430,821)	$ -

Fair values measured on a recurring basis at December 29, 2012 are as follows:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Fixed income mutual fund	$ 5,447,284	$ 5,447,284	$ -	$ -
Interest rate swap	$ (635,029)	$ -	$ (635,029)	$ -

13. Fair Value Measurements, Continued

Fair values for investments are determined by reference to readily available quoted market prices and other relevant information generated by market transactions. Fair value for the interest rate swap is determined by the prevailing one-month LIBOR rate at the valuation date.

14. Subsequent Events

Subsequent to December 28, 2013, Goodwill issued $10.5 million of tax-exempt bonds through the Indiana Finance Authority. The bonds have a 20-year term and have a 2.57% fixed interest rate for the first seven (7) years, through March 2, 2021. Goodwill will make monthly interest payments beginning August 1, 2014 and monthly principal and interest payments beginning May 1, 2015. The bonds will be held by a commercial bank for the first seven years, after which Goodwill has the right to refinance the then-outstanding principal, renegotiate the interest rate, and/or place the bonds in the open market via a remarketing agent and trustee. The bonds are unrated and are not specifically secured by any collateral or credit enhancement vehicles. Proceeds of the bonds will be used for the following purposes:

a. A new retail store with an estimated total cost of $2,575,000

b. Three relocated retail stores with a combined estimated total cost of $6,925,000

c. Remodeling of Goodwill's Indianapolis headquarters facility with an estimated cost of $1,000,000

In 2013, Goodwill entered into operating lease agreements for the construction of two new retail stores, both of which will be completed and operational in spring 2014. The lease payments for these stores commence after Goodwill assumes possession of the completed stores. The future minimum lease obligations for these stores are included in the amounts shown in Note 8 Lease Obligations.

Subsequent to December 28, 2013, Goodwill entered into an operating lease agreement for a new vintage store which will be completed later in 2014, contingent on successful completion of due diligence, permitting and facility remodeling. Due to the contingencies involved with the facility, the future minimum lease obligations are not included in Note 8.

In 2013, Goodwill entered into a contract to sell a building it owns that formerly housed a retail store. The contract stipulates that the transaction will close on or before February 28. 2014. The selling price approximates the building's appraised value, and will generate a gain on the sale of fixed assets when the transaction closes.

GOODWILL INDUSTRIES OF CENTRAL INDIANA, INC. AND SUBSIDIARIES

FINANCIAL STATEMENTS

Together with Independent Auditors' Report

DECEMBER 29, 2012

GREENWALT CPAs

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GOODWILL INDUSTRIES OF CENTRAL INDIANA, INC. AND SUBSIDIARIES
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Goodwill Industries of Central Indiana, Inc. and subsidiaries:

We have audited the accompanying consolidated statement of financial position of Goodwill Industries of Central Indiana, Inc. (an Indiana non-profit corporation) and subsidiaries (Goodwill) as of December 29, 2012, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and related notes to the financial statements. The prior year summarized comparative information has been derived from Goodwill's December 31, 2011 financial statements and in our report dated March 13, 2012, we expressed an unmodified opinion on those financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated 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 of America.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial position of Goodwill Industries of Central Indiana, Inc. and subsidiaries as of December 29, 2012 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The schedule of expenditures of federal awards, as required by the *Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations* is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2013, on our consideration of Goodwill Industries of Central Indiana, Inc. and subsidiaries' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Greenwalt CPAs, Inc.

March 18, 2013

GOODWILL INDUSTRIES OF CENTRAL INDIANA, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 29, 2012 WITH SUMMARIZED COMPARATIVE INFORMATION AS OF DECEMBER 31, 2011

ASSETS	Unrestricted	Temporarily Restricted	Eliminations	Totals December 29, 2012	Totals December 31, 2011
CURRENT ASSETS					
Cash and cash equivalents	$ 2,255,369	$ 21,741	$ -	$ 2,277,110	$ 1,590,091
Trade accounts receivable, net	2,564,228	-	-	2,564,228	3,546,932
Charter school accounts receivable	7,527,329	-	-	7,527,329	4,906,283
Other receivables, net	1,280,055	-	-	1,280,055	1,171,395
Inventories	4,206,173	-	-	4,206,173	3,590,423
Prepayments	805,735	-	-	805,735	1,001,981
Due from other funds	-	15,113	(15,113)	-	-
Total current assets	18,638,889	36,854	(15,113)	18,660,630	15,807,105
LONG-TERM ASSETS					
Land and improvements	11,170,860	-	-	11,170,860	9,950,379
Buildings and improvements	34,821,653	-	-	34,821,653	28,907,061
Equipment	26,970,194	-	-	26,970,194	21,581,437
Projects in progress	716,796	-	-	716,796	3,604,502
	73,679,503	-	-	73,679,503	64,043,379
Accumulated depreciation	(28,015,100)	-	-	(28,015,100)	(23,434,995)
Net property and equipment	45,664,403	-	-	45,664,403	40,608,384
Investments	5,447,284	-	-	5,447,284	7,416,241
Deposits	37,803	-	-	37,803	37,803
Other assets	97,638	-	-	97,638	104,612
Total long-term assets	51,247,128	-	-	51,247,128	48,167,040
	$ 69,886,017	$ 36,854	$ (15,113)	$ 69,907,758	$ 63,974,145
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES					
Bank line of credit	$ 677,000	$ -	$ -	$ 677,000	$ 214,404
Current portion of bonds, notes and capital leases payable	1,216,859	-	-	1,216,859	1,089,747
Accounts payable	6,587,556	-	-	6,587,556	5,633,624
Accrued liabilities	4,823,550	-	-	4,823,550	4,235,018
Due to other funds	15,113	-	(15,113)	-	-
Total current liabilities	13,320,078	-	(15,113)	13,304,965	11,172,793
LONG-TERM LIABILITIES					
Bonds, notes and capital leases payable	13,280,646	-	-	13,280,646	13,646,091
Other long-term liabilities	884,887	-	-	884,887	1,020,141
Total long-term liabilities	14,165,533	-	-	14,165,533	14,666,232
Total liabilities	27,485,611	-	(15,113)	27,470,498	25,839,025
COMMITMENTS AND CONTINGENCIES (NOTES 8, 11, 12 AND 14)					
NET ASSETS	42,400,406	36,854	-	42,437,260	38,135,120
	$ 69,886,017	$ 36,854	$ (15,113)	$ 69,907,758	$ 63,974,145

See accompanying notes to financial statements.

GOODWILL INDUSTRIES OF CENTRAL INDIANA, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 29, 2012
WITH SUMMARIZED COMPARATIVE INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2011

	Unrestricted	Temporarily Restricted	Totals December 29, 2012	Totals December 31, 2011
REVENUE				
Sales - donated goods	$ 72,979,946	$ -	$ 72,979,946	$ 68,349,596
Sales - purchased goods	6,802,097	-	6,802,097	6,153,030
Commercial services	13,652,541	-	13,652,541	13,708,122
Workforce services	6,306,813	-	6,306,813	3,682,986
Education services	14,733,386	-	14,733,386	9,756,163
Interest and dividend income	237,093	-	237,093	156,216
Realized gain (loss) on investments	(8,426)	-	(8,426)	9,460
Unrealized gain (loss) on investments	145,494	-	145,494	(69,251)
Net gain (loss) on disposition of property	(537,227)	-	(537,227)	255,833
Gain (loss) on interest rate swap hedge	92,147	-	92,147	(72,498)
Other, net	885,369	-	885,369	552,036
Total revenue	115,289,233	-	115,289,233	102,481,693
SUPPORT				
United Way of Central Indiana, Inc. Allocation	352,180	-	352,180	381,655
Annual and capital campaign contributions	24,183	-	24,183	56,032
Other contributions	1,765,814	21,741	1,787,555	2,822,074
Total support	2,142,177	21,741	2,163,918	3,259,761
NET ASSETS RELEASED FROM RESTRICTIONS	689,851	(689,851)	-	-
Total revenue and support	118,121,261	(668,110)	117,453,151	105,741,454
EXPENSES				
Retail and commercial services	78,240,867	-	78,240,867	74,141,866
Workforce services	6,397,895	-	6,397,895	4,004,155
Education services	15,937,542	-	15,937,542	10,720,582
General and administrative	12,122,006	-	12,122,006	9,912,195
Fundraising	452,701	-	452,701	294,223
Total expenses	113,151,011	-	113,151,011	99,073,021
CHANGE IN NET ASSETS	4,970,250	(668,110)	4,302,140	6,668,433
NET ASSETS, BEGINNING OF YEAR	37,430,156	704,964	38,135,120	31,466,687
NET ASSETS, END OF YEAR	$ 42,400,406	$ 36,854	$ 42,437,260	$ 38,135,120

See accompanying notes to financial statements.

GOODWILL INDUSTRIES OF CENTRAL INDIANA, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 29, 2012
WITH SUMMARIZED COMPARATIVE INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2011

	Retail and Commercial Services	Workforce Services	Education Services	General and Administrative	Fundraising	Totals December 29, 2012	Totals December 31, 2011
Salaries and wages	$ 31,457,014	$ 4,102,851	$ 7,417,143	$ 6,181,309	$ 320,487	$ 49,478,804	$ 42,192,700
Employee benefits	7,688,601	802,396	2,750,645	1,477,684	63,435	12,782,761	12,622,113
Professional services	3,126,349	310,868	1,203,954	822,814	920	5,464,905	4,445,318
Supplies	4,709,628	377,051	331,376	248,330	4,086	5,670,471	4,854,762
Cost of sales	9,739,274	-	-	-	-	9,739,274	8,140,720
Occupancy	15,393,493	331,398	1,663,199	1,401,584	25,149	18,814,823	17,133,757
Advertising and printing	1,210,702	11,217	16,166	551,305	14,540	1,803,930	1,261,982
Travel and transportation	1,444,709	171,010	457,358	350,572	4,220	2,427,869	1,923,748
Staff development	89,751	56,369	204,796	117,131	4,400	472,447	296,677
Memberships and dues	5,076	6,320	12,174	214,151	1,998	239,719	211,152
Client tuition, training and assistance	-	103,102	34,137	-	1,589	138,828	213,184
Student services	-	-	232,264	-	-	232,264	685,019
Depreciation and amortization	2,882,108	77,567	1,430,435	646,636	5,087	5,041,833	4,342,372
Bad debt expense	89,668	-	25,526	-	-	115,194	170,696
Interest expense	213,732	-	145,701	-	-	359,433	308,870
Other	190,762	47,746	12,668	110,490	6,790	368,456	269,951
	$ 78,240,867	$ 6,397,895	$ 15,937,542	$ 12,122,006	$ 452,701	$ 113,151,011	$ 99,073,021

See accompanying notes to financial statements.

GOODWILL INDUSTRIES OF CENTRAL INDIANA, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 29, 2012 AND DECEMBER 31, 2011

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

	December 29, 2012	December 31, 2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 4,302,140	$ 6,668,433
Depreciation and amortization	5,041,833	4,342,372
(Gain) loss on interest rate swap hedge	(92,147)	72,498
Realized (gain) loss on investments	8,426	(9,460)
Unrealized (gain) loss on investments	(145,494)	69,251
Net (gain) loss on disposition of property	537,227	(255,833)
(Increase) decrease in operating assets:		
Trade accounts receivable	982,704	(700,158)
Charter school accounts receivable	(2,621,046)	(2,215,166)
Other receivables	(108,660)	(677,567)
Inventories	(615,750)	379,403
Prepayments	196,246	130,120
Other assets	6,974	6,974
Increase (decrease) in operating liabilities:		
Accounts payable and accrued liabilities	1,542,464	1,427,709
Other long-term liabilities	(43,107)	30,375
Net cash provided by operating activities	8,991,810	9,268,951
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(1,647,132)	(4,805,608)
Proceeds from sales of investments	3,753,157	2,105,169
Proceeds from sales of fixed assets	800	933,535
Capital expenditures	(10,635,879)	(7,841,567)
Net cash used in investing activities	(8,529,054)	(9,608,471)
CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowing (repayments) on line of credit, net	462,596	(920,875)
Proceeds from bonds and notes payable	851,413	1,761,412
Principal payments on bonds and notes payable	(1,084,034)	(1,253,193)
Principal payments on capital leases payable	(5,712)	(19,301)
Net cash provided by (used in) financing activities	224,263	(431,957)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	687,019	(771,477)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,590,091	2,361,568
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 2,277,110	$ 1,590,091
SUPPLEMENTAL CASH FLOWS INFORMATION		
Cash paid for interest	$ 228,848	$ 253,627

See accompanying notes to financial statements.

1. Summary of Significant Accounting Policies

Principles of Consolidation

These consolidated financial statements include the accounts of Goodwill Industries of Central Indiana, Inc. and its subsidiary companies. The term "Goodwill" used herein means Goodwill Industries of Central Indiana, Inc. and its subsidiaries, unless otherwise indicated by the context. All material inter-company accounts and transactions have been eliminated.

Description of Organization

Goodwill Industries of Central Indiana, Inc. ("GICI") and its subsidiaries, GW Commercial Services, Inc. ("GWCS") and Goodwill Education Initiatives, Inc. ("GEI") (collectively referred to as "Goodwill") are Indiana non-profit organizations that offer employment, education and related services to disadvantaged adults and young people throughout central Indiana. Goodwill defines disadvantaged individuals as those with a barrier to employment such as a disability, a criminal history and/or a low education level (less than a high school diploma).

GICI's Retail operation collects donations of used clothing and household items and sells them through a network of 48 thrift stores and 3 warehouse outlet centers. Excess and unsalable donated items are sold through salvage and recycling channels. Unique items, jewelry and books are often sold through e-commerce channels. The Retail operation also accepts and sells donated automobiles, using a third party only for vehicle towing and auction services. The Retail operation employs nearly 1,900 individuals, more than 60% of whom are disabled or disadvantaged. These operations generate revenue and cash flow that fund a large portion of GICI's other mission-related operations and general and administrative expenses.

GICI's Commercial Services ("CS") operation provides a variety of outsource packaging, assembly, and fulfillment services to external customers, employing over 100 disabled and disadvantaged individuals.

GWCS is operated under common management with GICI's Commercial Services operations and provides rehabilitative training and jobs for people who have severe disabilities, primarily through service contracts with various federal governmental entities pursuant to Ability One (formerly known as the Javits-Wagner-O'Day Act of 1971). Ability One requires certain federal governmental entities to purchase selected products and services, via such contracts, from non-profit agencies employing blind or severely disabled individuals. At December 29, 2012, GWCS operated 11 Ability One contracts at government sites in Indianapolis, Indiana, and employed approximately 220 severely disabled individuals.

GICI's Employment Center ("EC") operation provides case management, counseling, training, education, job coaching, job placement, and related supportive services, for disabled, disadvantaged, unemployed and under-employed individuals who wish to find and retain employment and increase their economic self-sufficiency.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

DESCRIPTION OF ORGANIZATION, CONTINUED

GICI's Community and Workplace Initiatives ("CWI") operation manages programs designed to provide holistic whole-family services to Goodwill's low-wage workers and students, as well as to first-time expectant mothers and their families. The CS, EC and CWI segments of GICI are funded by a combination of contracts with external customers, service contracts with federal and state governmental entities, United Way grants, private grants and gifts from individuals and foundations, and subsidies from GICI's Retail operation.

GEI provides educational opportunities designed to enable young people and adults to prepare for more productive lives. GEI operates public charter high schools in central Indiana under the provisions of the Indiana Charter School laws and the chartering authorities of the Mayor of Indianapolis and the Indiana Charter School Board. The following table provides more information regarding GEI's charter schools.

School Name	School Location	Chartering Authority	Number of Years in Operation	Student Enrollment at December 29, 2012
Indianapolis Metropolitan High School	Indianapolis, IN (at GICI headquarters facility)	Mayor of Indianapolis	9	330
The Excel Center for Adult Learners	Four locations in Indianapolis, IN, including one at GICI headquarters facility	Mayor of Indianapolis	2	1288
The Excel Center-Anderson	Anderson, IN	Indiana Charter School Board	1	330

The schools contract with GICI for certain business support services, including marketing, human resources, finance, technology and facilities management. The schools receive the majority of their funding from the Indiana Department of Education. Their revenues are supplemented with funds from the United States Department of Education, private grants, gifts and support from GICI. Indianapolis Metropolitan High School (the Met) primarily serves at-risk students in grades 9-12. The Excel Centers primarily serve adults who previously dropped out of high school and are seeking their high school diplomas rather than a GED.

Goodwill is a member of Goodwill Industries International, Inc. (GII). Goodwill operates autonomously and reports its financial results independent of GII or any other affiliated entity. Goodwill operates in a geographic territory assigned to it by GII encompassing 29 counties in central Indiana.

Goodwill is a member agency of United Way of Central Indiana, Inc. In 2012 and 2011, Goodwill received United Way grants of $352,780 and $381,655, respectively.

1. Summary of Significant Accounting Policies, Continued

Basis of Accounting

The accompanying financial statements were prepared on the accrual basis of accounting. 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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of support, revenues and expenses during the reporting period. For annual financial reporting purposes, Goodwill utilizes a 52-week period ending on the Saturday closest to December 31.

Summarized Comparative Information

The financial statements include certain prior year summarized comparative information in total, but not by net asset class and functional expense class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with Goodwill's financial statements for the year ended December 31, 2011, from which the summarized information was derived.

Cash and Cash Equivalents

Goodwill considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. Goodwill maintains cash balances at commercial banks. Accounts at the banks are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. At December 29, 2012, Goodwill maintained cash and cash equivalents in excess of the FDIC coverage limits.

Trade and Charter School Accounts Receivable

Trade accounts receivable are unsecured customer obligations generally requiring payment within 30 days of the invoice date. Charter school receivables of GEI are due from Indiana governmental entities over periods of time up to six months from the statement of financial position date.

Accounts receivable are stated at the amount billed to the customer or at amounts determined by public statute. Generally, customer account balances with invoices dated over 30 days are considered delinquent.

Payments of accounts receivable are allocated to the specific invoices identified on the customer's remittance advice or, if unspecified, are applied to the earliest unpaid invoices.

The carrying amount of accounts receivable is reduced by a valuation allowance that reflects management's best estimate of the amounts that will not be collected. Management individually reviews all accounts receivable balances that are past due and based on an assessment of current creditworthiness and other factors, estimates the portion, if any, of the balance that will not be collected.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

INVENTORIES

The retail store and e-commerce operations of Goodwill contain donated inventories. These items have little or no economic value to Goodwill when first received and therefore are not recorded at the time of donation. Donated goods are sold through retail store, e-commerce, salvage and recycling sales channels. Costs included in donated goods inventory include those incurred to collect, transport and process donated items to place them for sale in Goodwill's retail stores, e-commerce operations, or to salvage and recycling dealers. Retail store, e-commerce, recycling and salvage sales are reflected in the statement of activities as sales - donated goods. The Retail operations of Goodwill also contain purchased goods inventories, which are stated at the lower of cost or market using the specific identification method.

Goodwill's commercial services operation has purchased inventories generally classified as raw material, work in process and finished goods. These inventories are valued in the financial statements at standard cost. Cost of sales is included in retail and commercial services expenses in the statement of functional expenses.

PROPERTY AND EQUIPMENT

Property and equipment are recorded at historical cost. Donated property is recorded at the estimated fair market value at the date of donation. Depreciation is computed on the straight-line method over estimated useful lives ranging from 10 to 40 years for buildings and building improvements, and from 3 to 10 years for equipment and other capital assets. Material property additions and improvements are capitalized and expenditures for normal maintenance and repairs are expensed as incurred.

Goodwill accumulates certain costs for capital projects until the projects are placed in service, at which time they become depreciable fixed assets. Goodwill's statement of financial position reflected projects in progress totaling $716,796 and $3,604,502 at December 29, 2012 and December 31, 2011, respectively.

OTHER ASSETS

In December 2006, Goodwill issued $12 million of tax-exempt bonds to finance several capital projects and to refinance prior bond debt at a lower interest rate. Transaction costs for the bond issuance totaled $139,483 and are being amortized over the life of the bonds and the supporting letter of credit. Amortization costs are included in interest expense on the statement of functional expenses.

NET ASSETS

Goodwill maintains the following classifications of net assets:

Unrestricted

These include revenue and expenses from the regular operations of Goodwill, which are at the discretion of management and the Board of Directors.

1. Summary of Significant Accounting Policies, Continued

Net Assets, Continued

Temporarily Restricted

These include donations and grant revenues used to meet expenses of current operations in accordance with restrictions specified by the donors or grantors.

Contributions

Contributions are recognized when the donor makes an unconditional promise to give to Goodwill and are recorded at their fair values as revenues and assets in the period received. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily restricted net assets. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Expense Allocation

Expenses have been classified as retail and commercial services, workforce services (including employer services and community and workplace initiatives), education services, general and administrative and fundraising. Goodwill uses actual direct expenditures and cost allocations, based on estimates of time and usage by Goodwill personnel and programs, to classify its expenses.

Advertising

Advertising and printing expenses totaled $1,803,930 in 2012 and $1,261,982 in 2011. Goodwill's policy is to record advertising expenditures in the period in which they are incurred.

Subsequent Events

Subsequent events have been considered through March 18, 2013, which was the date the financial statements were available to be issued. See Note 14.

2. Tax Status

Goodwill and its subsidiaries are Indiana non-profit corporations, exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code. However, if income was generated from certain activities not directly related to Goodwill's tax-exempt purposes, such income would be subject to taxation as unrelated business income. Goodwill and its subsidiaries are not considered private foundations as defined in Section 509(a) of the Internal Revenue Code.

2. TAX STATUS, CONTINUED

Accounting Standards for Income Taxes provide detailed guidance for the financial statement recognition, measurement and disclosure of uncertain tax positions recognized in an enterprise's financial statements. Goodwill regularly evaluates its activities to determine that they are in compliance with its tax-exempt purpose. Currently, Goodwill's management does not believe it is engaged in any activities that would generate unrelated business income or create an uncertain tax position. Goodwill is no longer subject to examination by taxing authorities for years before 2009.

3. TRADE ACCOUNTS RECEIVABLE

Trade accounts receivable are summarized as follows:

	December 29 2012	December 31, 2011
Trade accounts receivable	$ 2,668,183	$ 3,662,146
Less – allowance for uncollectible accounts	(103,955)	(115,214)
Trade accounts receivable, net	$ 2,564,228	$ 3,546,932

4. INVENTORIES

Inventories are summarized as follows:

	December 29 2012	December 31, 2011
Donated goods	$ 3,524,107	$ 2,960,073
Purchased goods	682,066	630,350
	$ 4,206,173	$ 3,590,423

5. INVESTMENTS

Goodwill's investments in equity securities with readily determinable fair values and all investments in debt securities are stated at fair value in the statements of financial position (see Note 13). Realized and unrealized gains and losses are reported in the statement of activities.

Goodwill held the following investment securities at:

	December 29 2012	December 31, 2011
Mutual funds – market value	$ 5,447,284	$ 7,416,241
Mutual funds – cost basis	$ 5,371,378	$ 7,485,828

6. BONDS, NOTES AND CAPITAL LEASES PAYABLE

a. Goodwill has a committed line of credit with a commercial bank, expiring September, 2013. This line of credit provides for maximum borrowings of $4,000,000 and bears interest at the bank's commercial rate less one percent (a total of 2.25% at December 29, 2012). As of December 29, 2012 and December 31, 2011, Goodwill had $303,000 and $214,404, respectively, outstanding on the line of credit. The line of credit includes a non-use fee of 0.15% of the unused balance. In 2012 and 2011, Goodwill paid $5,886 and $5,131 in non-use fees, respectively.

During 2012, GEI committed to a line of credit with a commercial bank, expiring September, 2013. This line of credit provides for maximum borrowings of $1,500,000 and bears interest at the bank's commercial rate less one percent (a total of 2.25% at December 29, 2012). As of December 29, 2012, GEI had $374,000 outstanding on the line of credit. The line of credit includes a non-use fee of 0.15% of the unused balance. In 2012, GEI paid $173 in non-use fees. The line of credit is guaranteed by Goodwill.

Consolidated line of credit balances were $677,000 and $214,404 at December 29, 2012 and December 31, 2011, respectively.

b. In 1996, Goodwill issued $8.8 million of tax-exempt long-term bonds. The bonds bear interest at an adjustable interest rate and currently re-price every seven days based on market conditions. The interest rate approximates the quoted weekly Securities Industry and Financial Markets Association (SIFMA) Index rate. During 2012, the interest rate on the bonds ranged from 0.12% to 0.30%. Annually on June 1, Goodwill is required to make principal payments of $440,000, through 2015. In 2011, Goodwill sold a retail store that was originally financed with the 1996 bond issue. As a result, Goodwill repaid an additional $100,000 of bond principal upon closing the sale transaction, which represented the prorated amount of then-outstanding bond debt related to the building that was sold. The outstanding balance of the bonds payable at December 29, 2012 and December 31, 2011 was $870,000 and $1,310,000, respectively.

Goodwill maintains a direct-pay letter of credit facility with a commercial bank that secures Goodwill's 1996 tax-exempt bonds. Goodwill paid fees equal to 55 and 50 basis points in 2012 and 2011, respectively, to the bank to maintain the letter of credit. During 2012 and 2011, Goodwill paid $5,892 and $7,350, respectively, which is included in interest expense in the statement of functional expenses.

Goodwill pays remarketing fees to a third party remarketing agent for the 1996 bonds, equal to 0.125% of the amount of bonds traded each year. Goodwill paid $32 and $157 of remarketing fees in 2012 and 2011, respectively.

c. In December 2006, Goodwill issued $12 million of tax-exempt long-term bonds, the proceeds of which were used to build 2 new retail stores, refinance then-existing debt, and remodel Goodwill's Indianapolis headquarters campus to accommodate new charter high school space and related ancillary facilities. The bonds bear interest at an adjustable interest rate and currently re-price every seven days based on market conditions. The interest rate approximates the quoted weekly Securities Industry and Financial Markets Association (SIFMA) Index rate. In 2012, the interest rate on the bonds ranged from 0.12% to 0.30%. Goodwill is required to make annual principal payments of $600,000, through 2027. The outstanding balance of the bonds payable at December 29, 2012 and December 31, 2011 was $9,000,000 and $9,600,000, respectively.

6. BONDS, NOTES AND CAPITAL LEASES PAYABLE, CONTINUED

Goodwill maintains a direct-pay letter of credit facility with a commercial bank that secures Goodwill's 2006 tax exempt bonds. Goodwill paid fees equal to 55 and 50 basis points in 2012 and 2011, respectively, to the bank to maintain the letter of credit. Goodwill paid letter of credit fees for the 2006 bonds of $45,528 and $48,862 in 2012 and 2011, respectively, which is included in interest expense on the statement of functional expenses.

Goodwill also pays remarketing fees to a remarketing agent for the 2006 bonds, equal to 0.10% of the amount of bonds outstanding. Goodwill paid $9,056 and $9,654 of remarketing fees in 2012 and 2011, respectively.

d. In 2011 and prior years, GEI borrowed from the Indiana Common School Fund to fund its charter school operations and costs associated with enrollment growth. Loan repayments, including interest, are deducted monthly from state public tuition receipts. The outstanding balance on the loans from the Indiana Common School Fund was $4,627,505 and $3,820,126 at December 29, 2012 and December 31, 2011, respectively. In 2009, the Indiana legislature enacted a moratorium on repayments of Common School Fund loans by charter schools for two years. Accordingly, GEI elected to suspend its loan repayments. Interest on the loans continues to accrue during the moratorium. Details of the borrowings from the Indiana Common School Fund are as follows:

Indianapolis Metropolitan High School

Year of Issuance	Original Borrowing	Interest Rate	Term of Loan	Amount Outstanding as of December 29, 2012
2004	$453,020	4%	20 years	$362,416
2005	$305,111	4%	20 years	$268,235
2006	$260,253	4%	20 years	$234,228
2010	$381,744	1%	3 years	$318,120

Excel Center

Year of Issuance	Original Borrowing	Interest Rate	Term of Loan	Amount Outstanding as of December 29, 2012
2010	$898,170	4%	20 years	$875,716
2011	$1,761,412	4%	20 years	$1,717,377
2012	$851,413	4%	20 years	$851,413

e. In prior years, Goodwill entered into capital leases for certain computers and related equipment. The leases had varying expiration dates through 2012. The principal balance of the lease obligations at December 29, 2012 and December 31, 2011 was $0 and $5,712, respectively. The leases included interest at an average annual rate of 7%.

6. BONDS, NOTES AND CAPITAL LEASES PAYABLE, CONTINUED

f. Total interest expense on the line of credit and long-term debt for 2012 and 2011 was $256,007 and $253,627, respectively.

g. Goodwill is party to an interest rate swap in order to manage interest rate risk on a portion of its bond debt, the notional amount of which was $5,427,500 at December 29, 2012. The swap agreement provides for Goodwill to pay a fixed interest rate of 3.85% for ten years in exchange for the underlying floating interest rate. At December 29, 2012 and December 31, 2011, the swap had a negative fair value of $635,029 and $727,176, respectively. The fair value of the swap is included in other long-term liabilities on the statement of financial position, and the change in fair value from 2011 to 2012 is recorded as a loss on interest rate swap hedge on the statement of activities.

h. The aggregate maturities of long-term debt are as follows for the following fiscal years:

2013	$	1,216,859
2014		1,383,717
2015		953,717
2016		826,469
2017		826,469
Thereafter		9,290,274
	$	14,497,505

7. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are generated primarily through private grants and are available for youth education.

8. LEASE OBLIGATIONS

Goodwill leases 38 retail stores and 6 other buildings used in operations. The lease agreements have terms of up to 15 years from the lease commencement date, and certain leases have one or more renewal options for up to an additional five years per option. Aggregate rental expense for 2012 and 2011, including common area maintenance charges, totaled $8,259,251 and $8,022,936, respectively. Four of Goodwill's retail store leases contain a right of first refusal. This right provides Goodwill an option to purchase the store at fair market value if the landlord has a bona fide offer from a third party. Fair market value is the price offered by a third party in an arms-length transaction. Goodwill's management cannot determine if it would elect to purchase any of the stores for which it has a right of first refusal.

Goodwill leases office equipment, the agreements for which expire in 2014. Rent expense under these leases was $105,552 and $115,628 for 2012 and 2011, respectively.

8. LEASE OBLIGATIONS, CONTINUED

Goodwill leases vehicles, equipment and drivers used in operations. The leases expire in February 2014. Fixed lease costs are $8,305 weekly, and variable costs are $0.1625 per mile driven. Labor rates for drivers vary from $19.90 to $21.61 per straight-time hour. Goodwill's expense under these leases was $1,436,866 and $1,433,644 for 2012 and 2011, respectively.

In 2012, GEI leased five Excel Center sites used in operations. Aggregate rental expense for 2012 was $564,428. In 2011, GEI leased 3 Excel Center Sites. Aggregate rental expense for 2011 totaled $289,845. The lease agreements have terms of up to 10 years from the lease commencement date, and certain leases have one or more renewal options for up to an additional five years per option. GEI leases one location from GICI. The effects of that transaction have been eliminated in consolidation.

Future minimum rental payments required under operating leases that have initial or remaining lease terms as of December 29, 2012 areas follows for the fiscal years ending:

2013	$	8,936,458
2014		8,309,035
2015		7,910,622
2016		7,330,323
2017		5,813,955
Thereafter		14,919,823
	$	53,220,216

9. RETIREMENT PLAN

Goodwill maintains a discretionary thrift plan which allows eligible employees to contribute up to 15% of pre-tax gross income, subject to certain IRS limitations. Goodwill matches 100% of eligible employees' pre-tax contributions up to 3% of gross income, and 50% of the next 3% of gross income. Goodwill may also make additional discretionary contributions to the plan. Employer matching contributions vest after three years or in the event of death or disability. Employer discretionary contributions vest after five years or in the event of death or disability. Goodwill's expense relating to contributions to the thrift plan for 2012 and 2011 was $1,327,820 and $1,167,433, respectively.

10. RELATED PARTY TRANSACTIONS

Goodwill Industries Foundation of Central Indiana, Inc. (the "Foundation") has common management with Goodwill and provides grant support for Goodwill and GEI. The accompanying financial statements of Goodwill have not been consolidated with those of the Foundation due to less than a majority voting interest and lack of controlling financial interest between the two organizations. At December 31, 2012 and 2011, the Foundation had net assets of $24.5 million and $22.0 million, respectively, comprised primarily of equity mutual fund investments, equity hedge funds, and alternative investments consisting of private equity and natural resource funds. For 2012 and 2011, the Foundation granted to Goodwill $895,651 and $1,960,602, respectively, which is included in "support" on the statement of activities. The Foundation also reimburses Goodwill for certain fundraising expenses and pays Goodwill a management fee. This reimbursement and management fee totaled $490,344 and $332,318 for 2012 and 2011,

10. RELATED PARTY TRANSACTIONS, CONTINUED

respectively. Included in other receivables at December 29, 2012 and December 31, 2011 is $306,425 and $807,528, respectively, due from the Foundation for grants receivable from the Foundation, reimbursement of fundraising expenses incurred by Goodwill and expenses of the Foundation paid by Goodwill.

During 2011, GEI entered into operating leases for facilities that house two additional Excel Center locations in Indianapolis. One of the leased facilities is owned by an entity controlled by a GICI board member. The lease for the facility has a 10-year term with a provision that allows early termination if the Excel Center's charter is not renewed when it expires in 2017, and has a rent rate comparable to similar facilities in the same geographic area. The lease became effective January 1, 2012. The board member recused himself from all board of directors' discussion and voting related to the lease transaction.

11. FUTURE GRANT AUDITS

Under the terms of federal grants awarded to Goodwill, periodic audits are required and certain costs may be challenged as to allowability under the terms of the grants. Such audits could lead to reimbursement to the grantor. Management believes the likelihood that material costs incurred by Goodwill will be disallowed is remote.

12. SELF INSURANCE

Goodwill self insures for employee and dependent medical benefits up to a per-individual annual maximum of $100,000, and an aggregate maximum of approximately $6.6 million. Goodwill purchases reinsurance which pays individual claims that exceed $100,000 per year, up to a per-individual maximum of $2 million, and up to $1 million beyond the aggregate self-insured maximum. The reinsurer reviews claims annually and upon renewal of the reinsurance policy each year may establish higher specific maximums on selected individuals with high claims risks. Goodwill purchases claims administration services from a third party administrator. Self insured medical expenses and related administrative costs were $5,763,444 and $6,198,517 for 2012 and 2011, respectively. Goodwill maintains an estimated liability for incurred but not reported medical claims based on average claim costs and claims processing lag times. At December 29, 2012 and December 31, 2011, the estimated liability was $1,030,772 and $1,113,432, respectively, and is included in accrued liabilities in the statement of financial position.

13. FAIR VALUE MEASUREMENTS

Accounting Standards for Fair Value Measurement define fair value as the price that would be received for an asset or paid to transfer a liability (exit price) in an orderly transaction between market participants at the measurement date. Those standards also establish a three-level fair value hierarchy for disclosure that prioritizes valuations based on whether the significant inputs used to estimate fair value are observable, giving highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and lowest priority to valuations primarily based on unobservable inputs (level 3 measurements). Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability. Fair values measured on a recurring basis at December 29, 2012 are as follows:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Fixed income mutual fund	$ 5,447,284	$ 5,447,284	$ -	$ -
Interest rate swap	$ (635,029)	$ -	$ (635,029)	$ -

Fair values measured on a recurring basis at December 31, 2011 are as follows:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Fixed income mutual fund	$ 7,416,241	$ 7,416,241	$ -	$ -
Interest rate swap	$ (727,176)	$ -	$ (727,176)	$ -

Fair values for investments are determined by reference to readily available quoted market prices and other relevant information generated by market transactions. Fair value for the interest rate swap is determined by the prevailing one-month LIBOR rate at the valuation date.

14. SUBSEQUENT EVENTS

In 2012, GEI was awarded a block of six charters from the Indiana Charter School Board under which it will open Excel Centers in central Indiana communities within GICI's 29-county geographic territory. GEI intends to open at least two Excel Centers under the new charters by August 2013, and is currently in final negotiations for leased space in those communities.

In January 2013, GEI was awarded a new charter from the Indianapolis Mayor's Office to open an Excel Center on the northwest side of Indianapolis. GEI is currently in lease negotiations for the new Indianapolis Excel Center location and intends to open this new Excel Center in August, 2013.

Each of the new Excel Centers will have an enrollment approximating 300 students, and each will require a working capital investment approximating $750,000. GEI intends to fund the working capital investments from its line of credit (see Note 6), internal cash flow, and startup grants available from the Indiana Department of Education.

In January 2013, GEI formed three wholly-owned subsidiary limited liability companies. Indianapolis Metropolitan High School, LLC, was formed to hold the charter for the Met, and to provide a more focused level of governance for the Met and its operations. The Excel Centers, LLC was formed for the same purposes for GEI's existing and future Excel Centers. Indiana Network of Independent Schools, LLC, was formed for the purposes of establishing an entity that will provide certain administrative services to GEI's schools as well as other Indiana charter and other independent schools. Services will include financial administration, student data analysis and reporting, and curriculum consulting. For tax purposes, the LLC's are considered disregarded entities.

Subsequent to December 29, 2012, Goodwill relocated a retail store in Indianapolis under a 10-year fixed operating lease. The lease payments commence in 2013, and are included in the future minimum lease obligations table in Note 8. The capital costs to equip the store for opening were included on the statement of financial position at December 29, 2012 as Projects in Progress.

Subsequent to December 29, 2012, Goodwill entered into a purchase agreement to acquire land on which it wil. relocate one of its Indianapolis retail stores. The contemplated purchase price for the land is $500,000. Goodwill expects to close on the purchase upon completion of all due diligence requirements in April, 2013. Estimated construction costs for the relocated store are approximately $1.6 million. Goodwill's intent is to own the relocated retail store and sell its current store after relocating to the new site.

Prior to December 29, 2012, Goodwill entered into two 10-year operating lease agreements for new retail stores. The lease payments for both new stores commence in 2013, and are included in the future minimum lease obligations table in Note 8.

Management intends to finance these projects through a combination of internal cash flow and temporary borrowings on the line of credit.

GOODWILL INDUSTRIES OF CENTRAL INDIANA, INC. AND SUBSIDIARIES
SCHEULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 29, 2012

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	Federal CFDA Number	Agency or Pass-Through Number	Federal Expenditures
U.S. DEPARTMENT OF LABOR			
Indianapolis Private Industry Council			
Jobs for America's Graduates (JAG) Program	17.259	S0704-WI-11/12-Y	$ 407,117
		S0704-JWI-11/12-Y	29,250
			436,367
Goodwill Industries International			
Senior Community Service Employment Program	17.235	SCSEP-PY 11/12 Subgrant	2,341,036
U.S. DEPARTMENT OF EDUCATION			
Indiana Department of Education			
21st Century Learning Center Grant	84.287C	A58-0-10DL-056	113,775
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Indiana Department of Health			
Affordable Care Act - Maternal, Infant and Early Childhood Home Visiting Program	93.505	A70-2-069483	1,461,561
		A70-2-069482	327,372
		A70-1-069484	209,768
		A70-3-069633	58,083
		A70-3-069634	649,450
			2,706,234
Total expenditures of federal awards			$ 5,597,412

NOTE TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes federal grant activity of Goodwill Industries of Central Indiana, Inc. and subsidiaries and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in preparation of, the basic consolidated financial statements.

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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*

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Goodwill Industries of Central Indiana, Inc. and subsidiaries:

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 consolidated financial statements of Goodwill Industries of Central Indiana, Inc. and subsidiaries (Goodwill), which comprise the consolidated statement of financial position as of December 29, 2012 and the related consolidated financial statements of activities, functional expenses and cash flows for the year ended, and the related notes to financial statements and have issued our report thereon dated March 18, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Goodwill's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Goodwill's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Goodwill's internal control over financial reporting.

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 the internal control over financial reporting was for the limited purpose described in the second paragraph of this report and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Goodwill's financial statements are free of 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 determination of financial statement amounts. 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

This report is intended 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 Goodwill's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Goodwill's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Greenwalt CPAs, Inc.

March 18, 2013

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GREENWALT CPAs

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Goodwill Industries of Central Indiana, Inc. and subsidiaries:

Report on Compliance for Each Major Federal Program

We have audited Goodwill Industries of Central Indiana, Inc. and subsidiaries' (Goodwill) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on Goodwill's major federal program for the year ended December 29, 2012. Goodwill's major federal program is identified in the summary of audit results section of the accompanying schedule of findings and questioned costs.

Goodwill's basic financial statements include the operations of Goodwill Education Initiatives, Inc. (GEI) which received $2,635,383 in federal awards which is not included in the schedule of expenditures of federal awards during the year ended December 29, 2012. Our audit, described below, did not include the operations of GEI because the entity's June 30 financial statements are audited at the Charter School level in accordance with *Government Auditing Standards* and OMB Circular A-133.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for Goodwill's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Goodwill's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for Goodwill's major federal program. However, our audit does not provide a legal determination on Goodwill's compliance.

Opinion on Each Major Federal Program

In our opinion, Goodwill complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 29, 2012.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 2012-C1. Our opinion on the major federal program is not modified with respect to this matter.

Goodwill's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Goodwill's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

The management of Goodwill is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Goodwill's internal control over compliance with the types of compliance requirements that could have a direct and material effect on its major federal program in order to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for its major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Goodwill's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a deficiency in internal control over compliance that we consider to be a significant deficiency as described in the accompanying schedule of findings and questioned costs as item 2012-01.

Goodwill's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Goodwill's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Greenwalt CPAs, Inc.

March 18, 2013

A. SUMMARY OF AUDIT RESULTS

1. Type of auditors' report issued: Unmodified

2. Internal control over financial reporting:
   Material weakness(es) identified? _____yes ___x____no
   Significant deficiency(ies) identified? _____yes ___x___none reported

3. Noncompliance material to financial statements noted? _____yes ___x___no

4. Internal control over major programs:
   Material weakness(es) identified? _____yes ___x___no
   Significant deficiency(ies) identified? ___x___yes _____none reported

5. Type of auditors' report issued on compliance for major programs: Unmodified

6. Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133? ___x___yes _____no

7. Identification of major program:

CFDA Number	Name of Federal Program or Cluster
93.505	Affordable Care Act - Maternal, Infant and Early Childhood Home Visiting Program

8. Dollar threshold used to distinguish between type A and type B programs: $ 300,000

9. Auditee qualified as low-risk auditee? ___x___yes _____no

B. FINDINGS - FINANCIAL STATEMENT AUDIT

None

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAM AUDIT

Significant Deficiency

2012-01 U.S. Department of Health and Human Services, 93.505, Affordable Care Act – Maternal, Infant and Early Childhood Home Visiting Program

Condition: Goodwill billed the State of Indiana monthly based upon the deliverables schedule within each grant agreement. While each contract has a start date of 9/30/11, Goodwill did not receive signed contracts from the State until the end of January 2012. Because of the delay in receiving the contracts, Goodwill activities and related costs were not consistent with the deliverables schedule within the grant agreement. Goodwill management noted that the State had verbally requested that Goodwill bill in accordance with the schedule provided in the contract. This verbal request was inconsistent with the contract, which states "the Contractor will be paid monthly in arrears."

Criteria: 2 CFR Part 215.22(2) Cash advances to a recipient organization shall be limited to minimum amounts needed and be timed to be in accordance with actual immediate cash requirements of the recipient organization in carrying out the purpose of the approved program or project. Under the Cash Management Improvement Act 31CFR205, it is expected that federal funds will be expended within three days of receipt.

Cause: Goodwill relied on verbal instruction from the State, rather than following Federal Cash Management requirements.

Effect: At times during the contract period in 2012 and at 12/29/12, Goodwill billed the State more than they actually incurred under the contracts in the total cumulative amount of $97,904.

Questioned costs: None.

Recommendation: Goodwill should consider establishing a billing policy related to federal contracts that is consistent with Federal Cash Management guidelines. Instructions received from pass-through entities that are inconsistent with these guidelines should be questioned and should be requested in writing as an amendment to the related grant contract.

Managements Response: We agree with the description of the circumstances described above. Due to the contract delays that were completely outside Goodwill's control, the subject programs started more slowly than expected. As we are a subcontractor to the State of Indiana, we complied with their request to bill them ratably through the end of the stated contract period rather than on the prescribed cost reimbursement basis. We did so in good faith. Since that time, the State of Indiana has amended the subject program contracts such that the spend-down period will be 24 months while the contracts will continue to have a 12-month duration. Goodwill will invoice on a cost-reimbursement basis, in accordance with the revised written contracts. Goodwill also wishes to clarify that to the extent surplus funds were received based on the monthly ratable billing described above, the surplus amounts were recorded as deferred revenue when received, and matched to qualifying expenses as those expenses were properly incurred according to the respective contractual agreements. On an inception-to-date basis, the subject contracts are recorded on a cost-reimbursement basis.

GOODWILL INDUSTRIES OF CENTRAL INDIANA, INC. AND SUBSIDIARIES

FINANCIAL STATEMENTS

Together with Independent Auditors' Report

DECEMBER 31, 2011

GREENWALT CPAs

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GOODWILL INDUSTRIES OF CENTRAL INDIANA, INC. AND SUBSIDIARIES
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Goodwill Industries of Central Indiana, Inc. and subsidiaries:

We have audited the accompanying consolidated statement of financial position of Goodwill Industries of Central Indiana, Inc. (an Indiana non-profit corporation) and subsidiaries (Goodwill) as of December 31, 2011, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of Goodwill's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from Goodwill's January 1, 2011 financial statements and in our report dated March 9, 2011, we expressed an unqualified opinion on those financial statements.

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 and *Guidelines for Examination of Entities Receiving Financial Assistance from Governmental Sources* established by the Indiana State Board of Accounts. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Goodwill Industries of Central Indiana, Inc. and subsidiaries as of December 31, 2011 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 13, 2012, on our consideration of Goodwill Industries of Central Indiana, Inc. and subsidiaries' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit of the financial statements of Goodwill Industries of Central Indiana, Inc. and subsidiaries was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic 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 other 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 schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Greenwalt CPAs, Inc.

March 13, 2012

GOODWILL INDUSTRIES OF CENTRAL INDIANA, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2011 WITH SUMMARIZED COMPARATIVE INFORMATION AS OF JANUARY 1, 2011

ASSETS	Unrestricted	Temporarily Restricted	Eliminations	Totals December 31, 2011	Totals January 1, 2011
CURRENT ASSETS					
Cash and cash equivalents	$ 901,921	$ 688,170	$ -	$ 1,590,091	$ 2,361,568
Trade accounts receivable, net	3,546,932	-	-	3,546,932	2,846,774
Charter school accounts receivable	4,906,283	-	-	4,906,283	2,691,117
Other receivables, net	1,171,395	-	-	1,171,395	493,828
Inventories	3,590,423	-	-	3,590,423	3,969,826
Prepayments	1,001,981	-	-	1,001,981	1,132,101
Due from other funds	-	16,794	(16,794)	-	-
Total current assets	15,118,935	704,964	(16,794)	15,807,105	13,495,214
LONG-TERM ASSETS					
Land and improvements	9,950,379	-	-	9,950,379	10,365,542
Buildings and improvements	28,907,061	-	-	28,907,061	28,658,747
Equipment	21,581,437	-	-	21,581,437	18,481,982
Projects in progress	3,604,502	-	-	3,604,502	254,934
	64,043,379	-	-	64,043,379	57,761,205
Accumulated depreciation	(23,434,995)	-	-	(23,434,995)	(19,901,816)
Net property and equipment	40,608,384	-	-	40,608,384	37,859,389
Investments	7,416,241	-	-	7,416,241	4,775,593
Deposits	37,803	-	-	37,803	37,803
Other assets	104,612	-	-	104,612	111,586
Total long-term assets	48,167,040	-	-	48,167,040	42,784,371
	$ 63,285,975	$ 704,964	$ (16,794)	$ 63,974,145	$ 56,279,585
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES					
Bank line of credit	$ 214,404	$ -	$ -	$ 214,404	$ 1,135,279
Current portion of bonds, notes and capital leases payable	1,089,747	-	-	1,089,747	1,271,233
Accounts payable	5,633,624	-	-	5,633,624	4,012,852
Accrued liabilities	4,235,018	-	-	4,235,018	4,428,081
Due to other funds	16,794	-	(16,794)	-	-
Total current liabilities	11,189,587	-	(16,794)	11,172,793	10,847,445
LONG-TERM LIABILITIES					
Bonds, notes and capital leases payable	13,646,091	-	-	13,646,091	12,975,687
Other long-term liabilities	1,020,141	-	-	1,020,141	989,766
Total long-term liabilities	14,666,232	-	-	14,666,232	13,965,453
Total liabilities	25,855,819	-	(16,794)	25,839,025	24,812,898
COMMITMENTS AND CONTINGENCIES (NOTES 8, 11, 12 AND 14)					
NET ASSETS	37,430,156	704,964	-	38,135,120	31,466,687
	$ 63,285,975	$ 704,964	$ (16,794)	$ 63,974,145	$ 56,279,585

See accompanying notes to financial statements.

GOODWILL INDUSTRIES OF CENTRAL INDIANA, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2011
WITH SUMMARIZED COMPARATIVE INFORMATION FOR THE YEAR ENDED JANUARY 1, 2011

	Unrestricted	Temporarily Restricted	Totals December 31, 2011	Totals January 1, 2011
REVENUE				
Sales - donated goods	$ 68,349,596	$ -	$ 68,349,596	$ 57,543,204
Sales - purchased goods	6,153,030	-	6,153,030	5,460,785
Commercial services	13,708,122	-	13,708,122	14,182,639
Workforce services	3,682,986	-	3,682,986	4,985,010
Education services	9,756,163	-	9,756,163	5,019,613
Interest and dividend income	156,216	-	156,216	186,660
Realized gain on investments	9,460	-	9,460	4,321
Unrealized gain (loss) on investments	(69,251)	-	(69,251)	6,803
Net gain on disposition of property	255,833	-	255,833	271,058
Loss on interest rate swap hedge	(72,498)	-	(72,498)	(90,888)
Other, net	552,036	-	552,036	547,477
Total revenue	102,481,693	-	102,481,693	88,116,682
SUPPORT				
United Way of Central Indiana, Inc.				
Allocation	381,655	-	381,655	383,686
Technology grant	-	-	-	25,000
Annual and capital campaign contributions	56,032	-	56,032	30,268
Other contributions	2,133,904	688,170	2,822,074	506,399
Total support	2,571,591	688,170	3,259,761	945,353
NET ASSETS RELEASED FROM RESTRICTIONS	5,849	(5,849)	-	-
Total revenue and support	105,059,133	682,321	105,741,454	89,062,035
EXPENSES				
Retail and commercial services	74,141,866	-	74,141,866	64,375,782
Workforce services	4,004,155	-	4,004,155	5,301,972
Education services	10,720,582	-	10,720,582	7,324,258
General and administrative	9,912,195	-	9,912,195	8,943,444
Fundraising	294,223	-	294,223	288,323
Total expenses	99,073,021	-	99,073,021	86,233,779
CHANGE IN NET ASSETS	5,986,112	682,321	6,668,433	2,828,256
NET ASSETS, BEGINNING OF YEAR	31,444,044	22,643	31,466,687	28,638,431
NET ASSETS, END OF YEAR	$ 37,430,156	$ 704,964	$ 38,135,120	$ 31,466,687

See accompanying notes to financial statements.

GOODWILL INDUSTRIES OF CENTRAL INDIANA, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2011

WITH SUMMARIZED COMPARATIVE INFORMATION FOR THE YEAR ENDED JANUARY 1, 2011

	Retail and Commercial Services	Workforce Services	Education Services	General & Administrative	Fundraising	Totals December 31, 2011	Totals January 1, 2011
Salaries and wages	$ 29,601,307	$ 2,848,647	$ 4,936,245	$ 4,628,572	$ 177,929	$ 42,192,700	$ 37,005,438
Employee benefits	8,858,161	533,484	1,751,668	1,434,517	44,283	12,622,113	11,429,082
Professional services	2,816,069	95,139	782,325	742,170	9,615	4,445,318	3,066,837
Supplies	4,294,716	49,890	233,153	272,455	4,548	4,854,762	3,336,529
Cost of sales	8,140,720	-	-	-	-	8,140,720	6,455,754
Occupancy	14,873,691	105,189	883,378	1,248,638	22,861	17,133,757	15,744,340
Advertising and printing	870,765	8,614	39,581	327,445	15,577	1,261,982	1,291,468
Travel and transportation	1,379,616	62,088	230,078	250,596	1,370	1,923,748	1,596,524
Staff development	57,726	19,963	101,307	112,700	4,981	296,677	231,585
Memberships and dues	6,828	5,905	16,357	181,052	1,010	211,152	216,460
Client tuition, training and assistance	-	173,957	34,553	-	4,674	213,184	366,383
Student services	-	-	685,019	-	-	685,019	553,787
Depreciation and amortization	2,692,275	69,392	937,837	639,125	3,743	4,342,372	4,116,784
Bad debt expense	152,298	5,398	13,000	-	-	170,696	103,880
Interest expense	250,263	-	58,607	-	-	308,870	459,671
Other	147,431	26,489	17,474	74,925	3,632	269,951	259,257
	$ 74,141,866	$ 4,004,155	$ 10,720,582	$ 9,912,195	$ 294,223	$ 99,073,021	$ 86,233,779

See accompanying notes to financial statements.

GOODWILL INDUSTRIES OF CENTRAL INDIANA, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND JANUARY 1, 2011

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

	December 31, 2011	January 1, 2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 6,668,433	$ 2,828,256
Depreciation and amortization	4,342,372	4,116,784
Loss on interest rate swap hedge	72,498	90,888
Realized gain on investments	(9,460)	(4,321)
Unrealized (gain) loss on investments	69,251	(6,803)
Net gain on disposition of property	(255,833)	(271,058)
(Increase) decrease in operating assets:		
Trade accounts receivable	(700,158)	(13,740)
Charter school accounts receivable	(2,215,166)	(1,259,514)
Other receivables	(677,567)	1,310,098
Inventories	379,403	(1,907,286)
Prepayments	130,120	(503,972)
Deposits	-	48,262
Other assets	6,974	6,974
Increase (decrease) in operating liabilities:		
Accounts payable and accrued liabilities	1,427,709	2,904,261
Other long-term liabilities	30,375	(44,092)
Net cash provided by operating activities	9,268,951	7,294,737
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(4,805,608)	(1,993,098)
Proceeds from sales of investments	2,105,169	900,026
Proceeds from sales of fixed assets	933,535	1,028,750
Proceeds from note receivable	-	3,803
Capital expenditures	(7,841,567)	(4,437,355)
Net cash used in investing activities	(9,608,471)	(4,497,874)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments on line of credit, net	(920,875)	(958,231)
Proceeds from bonds and notes payable	1,761,412	1,279,914
Principal payments on bonds and notes payable	(1,253,193)	(1,493,330)
Principal payments on capital leases payable	(19,301)	(78,596)
Net cash used in financing activities	(431,957)	(1,250,243)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(771,477)	1,546,620
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	2,361,568	814,948
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 1,590,091	$ 2,361,568
SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Sale of fixed asset under note receivable	-	24,000
Purchase of software under note payable	-	(35,445)
SUPPLEMENTAL CASH FLOWS INFORMATION		
Cash paid for interest	$ 253,627	$ 404,903

See accompanying notes to financial statements.

1. Summary of Significant Accounting Policies

Principles of Consolidation

These consolidated financial statements include the accounts of Goodwill Industries of Central Indiana, Inc. and its subsidiary companies. The term "Goodwill" used herein means Goodwill Industries of Central Indiana, Inc. and its subsidiaries, unless otherwise indicated by the context. All material inter-company accounts and transactions have been eliminated.

Description of Organization

Goodwill Industries of Central Indiana, Inc. ("GICI") and its subsidiaries, GW Commercial Services, Inc. ("GWCS") and Goodwill Education Initiatives, Inc. ("GEI") (collectively referred to as "Goodwill") are Indiana non-profit organizations that offer employment, education and related services to disadvantaged adults and young people throughout central Indiana. Goodwill defines disadvantaged individuals as those with a barrier to employment such as a disability, a criminal history and/or a low education level (less than a high school diploma).

GICI's Retail operation collects donations of used clothing and household items and sells them through a network of 47 thrift stores and 3 warehouse outlet centers. Excess and unsalable donated items are sold through salvage and recycling channels. Unique items and books are often sold through e-commerce channels. The Retail operation also accepts and sells donated automobiles, using a third party only for vehicle towing and auction services. The Retail operation employs over 1,800 individuals, more than 60% of whom are disabled or disadvantaged. These operations generate revenue and cash flow that fund a large portion of GICI's other mission-related operations and general and administrative expenses. As part of its overall strategic planning efforts, Goodwill's Retail operation has added 17 new stores in the last five years, and plans to add at least 4 more in 2012. The stores support Goodwill's strategic mission expansion activities within its Retail operations and in its workforce services (WFS) and education-related efforts.

GICI's Commercial Services ("CS") operation provides a variety of outsource packaging, assembly, and fulfillment services to external customers, employing over 100 disabled and disadvantaged individuals.

GWCS is operated under common management with GICI's Commercial Services operations and provides rehabilitative training an jobs for people who have severe disabilities, primarily through service contracts with various federal governmental entities pursuant to Ability One (formerly knows as the Javits-Wagner-O'Day Act of 1971). Ability One requires certain federal governmental entities to purchase selected products and services, via such contracts, from non-profit agencies employing blind or severely disabled individuals. At December 31, 2011, GWCS operated 11 Ability One contracts at government sites in Indianapolis, Indiana, and employed approximately 210 severely disabled individuals.

GICI's Employment Services ("ES") operation provides case management, counseling, training, education, job coaching, job placement, and related supportive services, for disabled, disadvantaged, unemployed and under-employed individuals who wish to find and retain employment and increase their economic self-sufficiency.

1. Summary of Significant Accounting Policies, Continued

GICI's Community and Workplace Initiatives ("CWI") operation manages programs designed to provide holistic whole-family services to Goodwill's low-wage workers and students, as well as to first-time expectant mothers. The CS, WFS and CWI segments of GICI are funded by a combination of contracts with external customers, service contracts with federal and state governmental entities, United Way grants, private grants and gifts from individuals and foundations, and subsidies from GICI's Retail operation.

Description of Organization, Continued

GEI provides educational opportunities designed to enable young people and adults to prepare for more productive lives. GEI operates two public charter high schools (Indianapolis Metropolitan High School and The Excel Centers) in Indianapolis, Indiana, under the provisions of the Indiana Charter School laws and the chartering authority of the Mayor of Indianapolis. Indianapolis Metropolitan High School occupies space at Goodwill's Indianapolis headquarters building and contracts with GICI for certain business support services. The Excel Centers operate in two leased facilities in Indianapolis, as well as at GICI's headquarters building. Both schools receive the majority of their funding from the Indiana Department of Education. Their revenues are supplemented with funds from the United States Department of Education, private grants, and gifts. Indianapolis Metropolitan High School is in its eighth year of operation and student enrollment at December 31, 2011 approximated 430 students. The Excel Centers are in their second year of operation with an enrollment of approximately 810 adults who previously dropped out of high school and are seeking their high school diplomas rather than a GED. The boards of directors of GICI and GEI previously approved a plan to construct additional school space and ancillary facilities at Goodwill's Indianapolis headquarters. This project has a total estimated cost of $9 million and is comprised of three phases. The first and second phases included the completion of additional classroom space, school administrative space, and a dedicated science and wellness facility. The first and second phases of the project are complete and were funded primarily by the proceeds of Goodwill's 2006 bond issuance (see Note 6) and a private grant. The third phase includes construction of a gymnasium and will be funded with a combination of internal funds, borrowing, and fundraising proceeds. Construction of phase three will be completed in the first quarter of 2012.

Goodwill is a member of Goodwill Industries International, Inc. (GII). Goodwill operates autonomously and reports its financial results independent of GII or any other affiliated entity. Goodwill operates in a geographic territory assigned to it by GII encompassing 29 counties in central Indiana.

Goodwill is a member agency of United Way of Central Indiana, Inc. For the years ended December 31, 2011 and January 1, 2011, Goodwill received United Way grants of $381,655 and $408,686, respectively. The grant amount for the year ended January 1, 2011 included a technology implementation grant of $25,000.

Basis of Accounting

The accompanying financial statements were prepared on the accrual basis of accounting. 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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of support, revenues and expenses during the reporting period. For annual financial reporting purposes, Goodwill utilizes a 52-week period ending on the Saturday closest to December 31.

1. Summary of Significant Accounting Policies, Continued

Summarized Comparative Information

The financial statements include certain prior year summarized comparative information in total, but not by net asset class and functional expense class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with Goodwill's financial statements for the year ended January 1, 2011, from which the summarized information was derived.

Cash and Cash Equivalents

Goodwill considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. Goodwill maintains cash balances at commercial banks. Accounts at the banks are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. From time to time during the year and at December 31, 2011, Goodwill maintained cash and cash equivalents in excess of the FDIC coverage limits.

Trade and Charter School Accounts Receivable

Trade accounts receivable are unsecured customer obligations generally requiring payment within 30 days of the invoice date. Charter school receivables of GEI are due from Indiana governmental entities over periods of time up to six months from the statement of financial position date.

Accounts receivable are stated at the amount billed to the customer or at amounts determined by public statute. Generally, customer account balances with invoices dated over 30 days are considered delinquent.

Payments of accounts receivable are allocated to the specific invoices identified on the customer's remittance advice or, if unspecified, are applied to the earliest unpaid invoices.

The carrying amount of accounts receivable is reduced by a valuation allowance that reflects management's best estimate of the amounts that will not be collected. Management individually reviews all accounts receivable balances that are past due and based on an assessment of current creditworthiness and other factors, estimates the portion, if any, of the balance that will not be collected.

Inventories

The retail store and e-commerce operations of Goodwill contain donated inventories. When received, donated items have little or no economic value to Goodwill and therefore are not recorded at the time of donation. Donated goods are sold through retail store, e-commerce, salvage and recycling sales channels. Costs included in donated goods inventory include those incurred to collect, transport and process donated items to place them for sale in Goodwill's retail stores, e-commerce operations, or to salvage and recycling dealers. Retail store, e-commerce, recycling and salvage sales are reflected in the statement of activities as sales - donated goods. The Retail operations of Goodwill also contain purchased goods inventories, which are stated at the lower of cost or market using the specific identification method.

1. Summary of Significant Accounting Policies, Continued

Inventories, Continued

Goodwill's commercial services operation has purchased inventories generally classified as raw material, work in process and finished goods. These inventories are valued in the financial statements at standard cost. Cost of sales is included in retail and commercial services expenses in the statement of functional expenses.

Property and Equipment

Property and equipment are recorded at historical cost. Donated property is recorded at the fair market value at the date of donation. Depreciation is computed on the straight-line method over estimated useful lives ranging from 10 to 40 years for buildings and building improvements, and from 3 to 10 years for equipment. Property additions and improvements are capitalized and expenditures for normal maintenance and repairs are expensed as incurred.

Goodwill accumulates certain costs for capital projects until the projects are placed in service, at which time they become depreciable fixed assets. Goodwill's statement of financial position reflected construction projects in progress totaling $3,604,502 and $254,934 at December 31, 2011 and January 1, 2011, respectively.

Other Assets

In December 2006, Goodwill issued $12 million of tax-exempt bonds to finance several capital projects and to refinance prior bond debt at a lower interest rate. Transaction costs for the bond issuance totaled $139,483 and are being amortized over the life of the bonds and the supporting letter of credit. Amortization costs are included in interest expense on the statement of functional expenses.

Net Assets

Goodwill maintains the following classifications of net assets:

Unrestricted

These include revenue and expenses from the regular operations of Goodwill, which are at the discretion of management and the Board of Directors.

Temporarily Restricted

These include donations and grant revenues used to meet expenses of current operations in accordance with restrictions specified by the donors or grantors. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

1. Summary of Significant Accounting Policies, Continued

Contributions

Contributions are recognized when the donor makes an unconditional promise to give to Goodwill and are recorded at their fair values as revenues and assets in the period received. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily restricted net assets. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Expense Allocation

Expenses have been classified as retail and commercial services, workforce services (including employer services and community and workplace initiatives), education services, general and administrative and fundraising. Goodwill uses actual direct expenditures and cost allocations, based on estimates of time and usage by Goodwill personnel and programs, to classify its expenses.

Advertising

Advertising and printing expenses totaled $1,261,982 in 2011 and $1,291,468 in 2010. Goodwill's policy is to record advertising expenditures in the period in which they are incurred.

Subsequent Events

Subsequent events have been considered through March 13, 2012, which was the date the financial statements were available to be issued. See Note 14.

2. Tax Status

Goodwill and its subsidiaries are Indiana non-profit corporations, exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code. However, if income was generated from certain activities not directly related to Goodwill's tax-exempt purposes, such income would be subject to taxation as unrelated business income. Goodwill and its subsidiaries are not considered private foundations as defined in Section 509(a) of the Internal Revenue Code.

Accounting Standards for Income Taxes provide detailed guidance for the financial statement recognition, measurement and disclosure of uncertain tax positions recognized in an enterprise's financial statements. Goodwill regularly evaluates its activities to determine that they are in compliance with its tax-exempt purpose. Currently, Goodwill's management does not believe it is engaged in any activities that would generate unrelated business income or create an uncertain tax position. Goodwill is no longer subject to examination by taxing authorities for years before 2008.

3. TRADE ACCOUNTS RECEIVABLE

Trade accounts receivable are summarized as follows:

	December 31, 2011	January 1, 2011
Trade accounts receivable	$ 3,662,146	$ 2,930,695
Less – allowance for uncollectible accounts	(115,214)	(83,921)
Trade accounts receivable, net	$ 3,546,932	$ 2,846,774

4. INVENTORIES

Inventories are summarized as follows:

	December 31, 2011	January 1, 2011
Donated goods	$ 2,960,073	$ 3,209,763
Purchased goods	630,350	760,063
	$ 3,590,423	$ 3,969,826

5. INVESTMENTS

Goodwill's investments in equity securities with readily determinable fair values and all investments in debt securities are stated at fair value in the statements of financial position (see Note 13). Realized and unrealized gains and losses are reported in the statement of activities.

Goodwill held the following investment securities at:

	December 31, 2011	January 1, 2011
Mutual funds – market value	$ 7,416,241	$ 4,775,593
Mutual funds – cost basis	$ 7,485,828	$ 4,775,929

6. BONDS, NOTES AND CAPITAL LEASES PAYABLE

a. Goodwill has a committed line of credit with a commercial bank, expiring September, 2013. This line of credit provides for maximum borrowings of $4,000,000 and bears interest at the bank's commercial rate less one percent (a total of 2.25% at December 31, 2011). As of December 31, 2011 and January 1, 2011, Goodwill had $214,404 and $1,135,279, respectively, outstanding on the line of credit. The line of credit includes a non-use fee of 0.15% on the unused balance. In 2011 and 2010, Goodwill paid $5,131 and $3,056 in non-use fees.

6. BONDS, NOTES AND CAPITAL LEASES PAYABLE, CONTINUED

b. In 1996, Goodwill issued $8.8 million of tax-exempt long-term bonds. The bonds bear interest at an adjustable interest rate and currently re-price every seven days based on market conditions. The interest rate approximates the quoted weekly Securities Industry and Financial Markets Association (SIFMA) Index rate. During 2011, the interest rate on the bonds ranged from 0.14% to 0.36%. Annually on June 1, Goodwill is required to make principal payments of $440,000, through 2015. In 2011, Goodwill sold a retail store that was originally financed with the 1996 bond issue. As a result, Goodwill repaid an additional $100,000 of bond principal upon closing the sale transaction, which represented the prorated amount of then-outstanding bond debt related to the building that was sold. The outstanding balance of the bonds payable at December 31, 2011 and January 1, 2011 was $1,310,000 and $1,850,000, respectively.

   Goodwill maintains a direct-pay letter of credit facility with a commercial bank that secures Goodwill's 1996 tax-exempt bonds. Goodwill pays a fee equal to 50 basis points to the bank to maintain the letter of credit. During the fiscal years ended December 31, 2011 and January 1, 2011, Goodwill paid $7,350 and $11,572, respectively, to maintain the letter of credit, which is included in interest expense in the statement of functional expenses.

   Goodwill pays remarketing fees to a third party remarketing agent for the 1996 bonds, equal to 0.125% of the amount of bonds traded each year. Goodwill paid $157 and $550 of remarketing fees in 2011 and 2010, respectively.

c. In December 2006, Goodwill issued $12 million of tax-exempt long-term bonds, the proceeds of which were used to build 2 new retail stores, refinance then-existing debt, and remodel Goodwill's Indianapolis headquarters campus to accommodate new charter high school space and related ancillary facilities. The bonds bear interest at an adjustable interest rate and currently re-price every seven days based on market conditions. The interest rate approximates the quoted weekly Securities Industry and Financial Markets Association (SIFMA) Index rate. In 2011, the interest rate on the bonds ranged from 0.13% to 0.38%. Goodwill is required to make annual principal payments of $600,000, through 2027. The outstanding balance of the bonds payable at December 31, 2011 and January 1, 2011 was $9,600,000 and $10,200,000, respectively. On January 3, 2012, Goodwill made its scheduled annual principal payment of $600,000.

   Goodwill maintains a direct-pay letter of credit facility with a commercial bank that secures Goodwill's 2006 tax exempt bonds. Goodwill pays a fee equal to 50 basis points to the bank to maintain the letter of credit. Goodwill paid letter of credit fees for the 2006 bonds of $45,150 and $53,003 in 2011 and 2010, respectively.

   Goodwill also pays remarketing fees to a remarketing agent for the 2006 bonds, equal to 0.10% of the amount of bonds outstanding. Goodwill paid $9,654 and $10,256 of remarketing fees in 2011 and 2010, respectively.

d. In 2011 and prior years, GEI borrowed from the Indiana Common School Fund to fund its charter school operations and costs associated with enrollment growth. Loan repayments, including interest, are deducted monthly from state public tuition receipts. The outstanding balance on the loans from the Indiana Common School Fund was $3,820,126 and $2,144,792 at December 31, 2011 and January 1, 2011, respectively. In 2009, the Indiana legislature enacted a moratorium on repayments of Common School Fund loans by charter schools for two years. Accordingly, GEI elected

6. BONDS, NOTES AND CAPITAL LEASES PAYABLE, CONTINUED

to suspend its loan repayments. Interest on the loans continues to accrue during the moratorium. Details of the borrowings from the Indiana Common School Fund are as follows:

Indianapolis Metropolitan High School

Year of Issuance	Original Borrowing	Interest Rate	Term of Loan	Amount Outstanding as of December 31, 2011
2004	$453,020	4%	20 years	$362,416
2005	$305,111	4%	20 years	$268,234
2006	$260,253	4%	20 years	$234,228
2010	$381,744	1%	3 years	$318,120

Excel Center

Year of Issuance	Original Borrowing	Interest Rate	Term of Loan	Amount Outstanding as of December 31, 2011
2010	$898,170	4%	20 years	$875,716
2011	$1,761,412	4%	20 years	$1,761,412

e. In prior years, Goodwill entered into capital leases for certain computers and related equipment. The leases have varying expiration dates through 2012. The principal balance of the lease obligations at December 31, 2011 and January 1, 2011 was $5,712 and $25,013, respectively. The leases include interest at an average annual rate of 7%.

f. Total interest expense on the line of credit and long-term debt for the years ended December 31, 2011 and January 1, 2011 was $253,627 and $347,016, respectively.

g. Goodwill is party to an interest rate swap in order to manage interest rate risk on a portion of its bond debt, the notional amount of which was $5,947,500 at December 31, 2011. The swap agreement provides for Goodwill to pay a fixed interest rate of 3.85% for ten years in exchange for the underlying floating interest rate. At December 31, 2011 and January 1, 2011, the swap had a negative fair value of $727,176 and $654,678, respectively. The fair value of the swap is included in other long-term liabilities on the statement of financial position, and the change in fair value from 2010 to 2011 is recorded as a loss on interest rate swap hedge on the statement of activities. The fair value of the swap is based on quoted replacement swap rates in effect at the valuation date. The replacement rate utilized in the valuation at December 31, 2011 was approximately 0.69%.

6. BONDS, NOTES AND CAPITAL LEASES PAYABLE, CONTINUED

h. The aggregate maturities of long-term debt are as follows for the following fiscal years:

2012	$	1,089,747
2013		1,239,608
2014		1,341,146
2015		911,146
2016		783,898
Thereafter		9,370,293
	$	14,735,838

7. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are generated primarily through private grants and are available for youth education and training.

8. LEASE OBLIGATIONS

Goodwill leases 34 retail stores and 6 other buildings used in operations. The lease agreements have terms of up to 12 years from the lease commencement date, and certain leases have one or more renewal options for up to an additional five years per option. Aggregate rental expense for the years ended December 31, 2011 and January 1, 2011, including common area maintenance charges, totaled $8,022,936 and $7,914,604, respectively. Four of Goodwill's retail store leases contain a right of first refusal. This right provides Goodwill an option to purchase the store at fair market value if the landlord has a bona fide offer from a third party. Fair market value is the price offered by a third party in an arms-length transaction. Goodwill's management cannot determine if it would elect to purchase any of the stores for which it has a right of first refusal.

Goodwill leases office equipment, the agreements for which expire in 2014. Rent expense under these leases was $115,628 and $66,044 for the years ended December 31, 2011 and January 1, 2011, respectively.

Goodwill leases vehicles, equipment and drivers used in operations. The leases expire in February 2014. Fixed lease costs are $7,098 weekly, and variable costs are $0.1547 per mile driven. Labor rates for drivers vary from $18.94 to $20.57 per straight-time hour. Goodwill's expense under these leases was $1,433,644 and $943,088 for the years ended December 31, 2011 and January 1, 2011, respectively.

8. LEASE OBLIGATIONS, CONTINUED

Future minimum rental payments required under operating leases that have initial or remaining lease terms as of December 31, 2011 are as follows for the fiscal years ending:

2012	$	8,344,941
2013		8,436,760
2014		7,856,938
2015		7,497,468
2016		6,969,953
Thereafter		18,186,811
	$	59,292,872

9. RETIREMENT PLAN

Goodwill maintains a discretionary thrift plan which allows eligible employees to contribute up to 15% of pre-tax gross income, subject to certain IRS limitations. Goodwill matches 100% of eligible employees' pre-tax contributions up to 3% of gross income, and 50% of the next 3% of gross income. Goodwill may also make additional discretionary contributions to the plan. Employer matching contributions vest after three years or in the event of death or disability. Employer discretionary contributions vest after five years or in the event of death or disability. Goodwill's expense relating to contributions to the thrift plan for the fiscal years ended December 31, 2011 and January 1, 2011 was $1,167,433 and $1,234,248, respectively.

10. RELATED PARTY TRANSACTIONS

Goodwill Industries Foundation of Central Indiana, Inc. (the "Foundation") has common management with Goodwill and provides grant support for Goodwill and GEI. The accompanying financial statements of Goodwill have not been consolidated with those of the Foundation due to less than a majority voting interest and lack of controlling financial interest between the two organizations. At December 31, 2011 and 2010, the Foundation had net assets of $22.0 million and $24.1 million, respectively, consisting primarily of equity mutual fund investments, equity hedge funds, and alternative investments consisting of private equity and natural resource funds. For the years ended December 31, 2011 and January 1, 2011, the Foundation granted to Goodwill $1,960,602 and $349,232, respectively, which is included in "support" on the statement of activities. The Foundation also reimburses Goodwill for certain fundraising expenses and pays Goodwill a management fee. This reimbursement and management fee totaled $332,318 and $327,589 for the years ended December 31, 2011 and January 1, 2011, respectively. Included in other receivables at December 31, 2011 and January 1, 2011 is $807,528 and $58,120, respectively, due from the Foundation for grants receivable from the Foundation, reimbursement of fundraising expenses incurred by Goodwill and expenses of the Foundation paid by Goodwill.

During 2011, GEI entered into operating leases for facilities that house two additional Excel Center locations in Indianapolis. One of the leased facilities is owned by an entity controlled by a GICI board member. The lease for the facility has a term equivalent to the remaining duration of the Excel Center's charter (6 years), and has a rent rate comparable to similar facilities in the same geographic area. The lease became effective January 1, 2012. The board member recused himself from all board of directors' discussion and voting related to the lease transaction.

11. FUTURE GRANT AUDITS

Under the terms of federal grants awarded to Goodwill, periodic audits are required and certain costs may be challenged as to allowability under the terms of the grants. Such audits could lead to reimbursement to the grantor. Management believes the likelihood that material costs incurred by Goodwill will be disallowed is remote.

12. SELF INSURANCE

Goodwill self insures for employee and dependent medical benefits up to a per-individual annual maximum of $100,000, and an aggregate maximum of approximately $6.6 million. Goodwill purchases reinsurance which pays individual claims that exceed $100,000 per year, up to a per-individual maximum of $2 million, and up to $1 million beyond the aggregate self-insured maximum. The reinsurer reviews claims annually and upon renewal of the reinsurance policy each year may establish higher specific maximums on selected individuals with high claims risks. Goodwill purchases claims administration services from a third party administrator. Self insured medical expenses and related administrative costs were $6,198,517 and $5,574,081 for the years ended December 31, 2011 and January 1, 2011, respectively. Goodwill maintains an estimated liability for incurred but not reported medical claims based on average claim costs and claims processing lag times. At December 31, 2011 and January 1, 2011, the estimated liability was $1,113,432 and $779,171, respectively, and is included in accrued liabilities on the statement of financial position.

13. FAIR VALUE MEASUREMENTS

Fair values measured on a recurring basis at December 31, 2011 are as follows:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Fixed income mutual fund	$ 7,416,241	$ 7,416,241	$ -	$ -
Interest rate swap	$ (727,176)	$ -	$ (727,176)	$ -

13. FAIR VALUE MEASUREMENTS, CONTINUED

Fair values measured on a recurring basis at January 1, 2011 are as follows:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Fixed income mutual fund	$ 4,775,593	$ 4,775,593	$ -	$ -
Interest rate swap	$ (654,678)	$ -	$ (654,678)	$ -

Fair values for investments are determined by reference to readily available quoted market prices and other relevant information generated by market transactions. Fair value for the interest rate swap is determined by the prevailing one-month LIBOR rate at the valuation date.

14. SUBSEQUENT EVENTS

In late 2011, GEI was awarded a five-year charter from the newly-formed Indiana Charter School Board to open and operate an Excel Center high school in Anderson, Indiana. GEI is currently in negotiations with a community group in Anderson to lease space in a facility and commence school operations in July, 2012.

Subsequent to December 31, 2011, Goodwill entered into an operating lease for office space in Indianapolis that will house a new mission-focused program that will employ nurses to perform home visitation services for qualifying first-time expectant women. The office space is expected to be complete and ready for occupancy in spring 2012.

Subsequent to December 31, 2011, Goodwill entered into a purchase agreement to acquire land on which it will relocate its Avon, Indiana retail store. The contemplated purchase price for the land is $625,000. Goodwill expects to close on the purchase upon completion of all due diligence requirements in July, 2012. Goodwill's intent is to own the relocated Avon retail store and sell its current store after relocating to the new site.

Subsequent to December 31, 2011, Goodwill entered into a 10-year operating lease agreement for a building in which it will open a new retail store. Lease rates and terms are still under negotiation.

Subsequent to December 31, Goodwill entered into an assignable purchase agreement to acquire ground on which it will relocate an existing retail store. Goodwill intends to assign its rights to the purchase agreement to a third-party developer, who in turn will build a retail store on the site and lease it to Goodwill for 10 years. Upon completion of the store, Goodwill will terminate the lease for its existing store.

At December 31, 2011, Goodwill had one new retail store and two relocated retail stores under construction. Goodwill has entered into 10-year operating leases for two of the stores, and will own the third. The operating lease obligations are included in the future minimum lease obligations table in

14. SUBSEQUENT EVENTS, CONTINUED

Note 8. The related construction in progress balances as of December 31, 2011 for the three retail stores are included in Projects in Progress on the Statement of Financial Position.

Management intends to finance these projects through a combination of interal cash flow and temporary borrowings on the line of credit.

GOODWILL INDUSTRIES OF CENTRAL INDIANA, INC. AND SUBSIDIARIES
SCHEULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2011

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	Federal CFDA Number	Agency or Pass-Through Number	Federal Expenditures
U.S. DEPARTMENT OF LABOR			
Indianapolis Private Industry Council			
Jobs for America's Graduates (JAG) Program	17.259	S0704-WI-10/11-Y	$ 448,420
		S0704-WI-11-Y	76,045
			524,465
Goodwill Industries International			
GoodGuides Youth Mentoring Program - ARRA	16.808	2009-SC-BP-0035	140,016
Senior Community Service Employment Program	17.235	SCSEP-PY 10/11 Subgrant	2,065,918
		AD-20010-10-60-A-24	168,450
			2,234,368
U.S. DEPARTMENT OF EDUCATION			
Indiana Department of Education			
21st Century Learning Center Grant	84.287C	A58-0-10DL-056	87,111
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Indiana Department of Health			
Affordable Care Act Maternal, Infant and Early Childhood Home Visiting Program	93.505	A70-2-069483	93,551
		A70-2-069482	16,631
		A10-1-069484	118,418
			228,600

NOTE TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes federal grant activity of Goodwill Industries of Central Indiana, Inc. and subsidiaries and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations.* Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in preparation of, the basic consolidated financial statements.

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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
Goodwill Industries of Central Indiana, Inc. and subsidiaries:

We have audited the consolidated financial statements of Goodwill Industries of Central Indiana, Inc. and subsidiaries (Goodwill) as of and for the year ended December 31, 2011, and have issued our report thereon dated March 13, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America.

Internal Control Over Financial Reporting

Management of Goodwill is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Goodwill's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Goodwill's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Goodwill's internal control over financial reporting.

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.

Our consideration of the internal control over financial reporting was for the limited purpose described in the second paragraph of this report and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Goodwill's financial statements are free of 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 determination of financial statement amounts. 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*.

This report is intended solely for the information and use of the Board of Directors, management, specific legislative or regulatory bodies, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Greenwalt CPAs, Inc.

March 13, 2012

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GREENWALT CPAs

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Directors of
Goodwill Industries of Central Indiana, Inc. and subsidiaries:

Compliance

We have audited the compliance of Goodwill Industries of Central Indiana, Inc. and subsidiaries (Goodwill) with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Goodwill's major federal programs for the year ended December 31, 2011. Goodwill's major federal programs are identified in the summary of audit results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Goodwill's management. Our responsibility is to express an opinion on Goodwill's compliance based on our audit.

Goodwill's basic financial statements include the operations of Goodwill Education Initiatives, Inc. (GEI) which received $1,899,181 in federal awards which is not included in the schedule of expenditures of federal awards during the year ended December 31, 2011. Our audit, described below, did not include the operations of GEI because the entity is audited in accordance with *Government Auditing Standards* and OMB Circular A-133 as a charter school by the Indiana State Board of Accounts.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Goodwill's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Goodwill's compliance with those requirements.

In our opinion, Goodwill complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2011.

Internal Control Over Compliance

The management of Goodwill is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Goodwill's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Goodwill's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Board of Directors, management, specific legislative or regulatory bodies, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Greenwalt CPAs, Inc.

March 13, 2012

GOODWILL INDUSTRIES OF CENTRAL INDIANA, INC. AND SUBSIDIARIES

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2011

A. SUMMARY OF AUDIT RESULTS

1. Type of auditors' report issued: Unqualified

2. Internal control over financial reporting:
   Material weakness(es) identified? _____yes ___x___no
   Significant deficiency(ies) identified? _____yes ___x___none reported

3. Noncompliance material to financial statements noted? _____yes ___x___no

4. Internal control over major programs:
   Material weakness(es) identified? _____yes ___x___no
   Significant deficiency(ies) identified? _____yes ___x___none reported

5. Type of auditors' report issued on compliance for major programs: Unqualified

6. Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133? _____yes ___x___no

7. Identification of major programs:

CFDA Numbers	Name of Federal Program or Cluster
17.235	Senior Community Service Employment Program
16.808	GoodGuides Mentoring Program

8. Dollar threshold used to distinguish between type A and type B programs: $ 300,000

9. Auditee qualified as low-risk auditee? ___x___yes _____no

B. FINDINGS - FINANCIAL STATEMENT AUDIT

None

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAM AUDIT

None

Attachment 23: Operator Financials

On the following pages, please find:

- The last three years of audited financial statements for Goodwill Industries of Michiana
- The most recent internal financial statements including balance sheets and income statements for all schools

GOODWILL INDUSTRIES OF MICHIANA, INC.

FINANCIAL AUDIT

December 31, 2013 and 2012

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Jurgonski & Fredlake CPAs
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Greg Jurgonski
John A. Fredlake

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Goodwill Industries of Michiana, Inc.
South Bend, Indiana

Report on the Financial Statements
We have audited the accompanying financial statements of Goodwill Industries of Michiana, Inc. (a not for profit Organization) (the Organization), which comprise the statements of financial position as of December 31, 2013 and 2012 and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements. We have also examined in accordance with attestation standards established by the American Institute of Certified Public Accountants, Goodwill Industries of Michiana, Inc.'s internal control over financial reporting as of December 31, 2013, based on the criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and our report dated February 20, 2014 expressed an unqualified opinion.

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Goodwill Industries of Michiana, Inc. as of December 31, 2013 and 2012, 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.

Jurgonski & Fredlake CPAs

South Bend, Indiana
February 20, 2014

GOODWILL INDUSTRIES OF MICHIANA, INC.

STATEMENTS OF FINANCIAL POSITION
December 31, 2013 and 2012

	2013	2012
ASSETS		
Current assets		
Cash	$ 14,769,067	$ 12,533,652
Certificates of deposit	1,244,660	1,512,695
Accounts receivable	725,367	777,750
Inventories	958,935	959,076
Prepaid expenses and deposits	164,912	153,078
Total current assets	17,862,941	15,936,251
Property and equipment, at depreciated cost	23,008,104	21,597,372
Property held for sale	520,669	205,005
Investments	2,361,159	1,874,345
Certificates of deposit	291,032	273,306
Bond issuance costs, at amortized cost	110,925	128,806
Beneficial interest in assets held by the Community Foundations at fair value	239,809	215,824
Total assets	$ 44,394,639	$ 40,230,909
LIABILITIES AND NET ASSETS		
Current liabilities		
Current portion of notes payable	$ 490,000	$ 575,000
Accounts payable	220,251	232,578
Accrued expenses	2,171,366	2,016,492
Total current liabilities	2,881,617	2,824,070
Notes payable, net of current portion	7,310,000	7,900,000
Unrestricted net assets		
Board designated fund	20,753,338	18,778,947
Other	13,449,684	10,727,892
Total unrestricted net assets	34,203,022	29,506,839
Total liabilities and net assets	$ 44,394,639	$ 40,230,909

See Notes to Financial Statements.

GOODWILL INDUSTRIES OF MICHIANA, INC.

STATEMENTS OF ACTIVITIES
For The Years Ended December 31, 2013 and 2012

	2013	2012	
	Unrestricted Net Assets	Unrestricted Net Assets	
Revenues:			
Government agencies, rehabilitation fees	$ 1,616,800	$ 1,691,508	
Contributions	599,471	811,402	
Contributions in kind	53,927	51,862	
Sales of merchandise and services	26,815,844	26,840,605	
Gain on sale of property and equipment	30,527	353,851	
Realized gain in investments	127,649	131,305	
Unrealized change in investment fair market value over cost	352,416	93,274	
Unrealized change in beneficial interest	23,985	16,882	
Interest income	59,233	68,199	
Miscellaneous income from operations	37,350	35,073	
Total revenues	29,717,202	30,093,961	
Expenses:			
Program Services:			
Workshop	6,701,377	6,806,214	*
Store	12,532,090	12,121,037	
Cafeteria	180,779	188,768	*
Workforce Development Services	1,999,063	2,256,697	
Total program services	21,413,309	21,372,716	
Supporting services, management and general	3,607,710	3,161,068	
Total expenses	25,021,019	24,533,784	
Change in net assets	4,696,183	5,560,177	
Net assets, beginning of year	29,506,839	23,946,662	
Net assets, end of year	$ 34,203,022	$ 29,506,839	

* Includes reclassifications of amounts to be consistent with 2013 groupings

See Notes to Financial Statements.

GOODWILL INDUSTRIES OF MICHIANA, INC.

STATEMENTS OF CASH FLOWS
For The Years Ended December 31, 2013 and 2012

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 4,696,183	$ 5,560,177
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	1,594,747	1,466,927
Gain on sale of property and equipment	(30,527)	(353,851)
Amortization of bond issuance costs	17,881	11,463
Realized gain on investments	(127,649)	(131,305)
Unrealized change in investment fair market value over cost	(352,416)	(93,274)
Unrealized change in beneficial interest	(23,985)	(16,882)
Change in assets and liabilities		
Decrease (increase) in assets		
Accounts receivable	52,384	(297,605)
Inventories	141	24,389
Prepaid expenses and deposits	(11,834)	23,494
Increase (decrease) in liabilities		
Accounts payable	(12,326)	46,804
Accrued expenses	154,872	790,733
Net adjustments	1,261,288	1,470,893
Net cash provided by operating activities	5,957,471	7,031,070
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(3,337,396)	(1,770,704)
Purchase of investments	(382,231)	(1,948,385)
Proceeds from sale of investments	375,182	1,937,621
Proceeds from certificates of deposit	250,309	333,310
Proceeds from sale of property and equipment	46,780	529,406
Net cash used in investing activities	(3,047,056)	(918,749)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on notes payable	(675,000)	(540,000)
Net cash used in financing activities	(675,000)	(540,000)
NET INCREASE IN CASH	2,235,415	5,572,321
Cash, beginning	12,533,652	6,961,331
Cash, ending	$ 14,769,067	$ 12,533,652
Supplemental disclosures of cash flows information:		
Cash payments for interest	$ 12,114	$ 17,458

See Notes to Financial Statements.

GOODWILL INDUSTRIES OF MICHIANA, INC.

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Activities and Significant Accounting Policies

Goodwill Industries of Michiana, Inc. (the Organization) is a private not for profit corporation serving the needs of citizens in northern Indiana, eastern Illinois and southwestern Michigan who are vocationally disabled and disadvantaged. The Organization is affiliated with and chartered by Goodwill Industries International, Inc.

The Organization derives its revenues from providing workforce development services, selling salvage textiles, and performing contract services for companies in northern Indiana, eastern Illinois and southwestern Michigan, all of which have credit terms of 15 to 30 days. The Organization also operates twenty two retail outlets with locations in Merrillville, Mishawaka, Michigan City, Warsaw, Logansport, Goshen, Valparaiso, Gary, Granger, Hobart, LaPorte, Portage, Rochester, St. John, three in South Bend, three in Elkhart, one in Lansing, Illinois and one in Niles, Michigan. The Organization's total revenues do not include sales tax as management considers themselves a pass through conduit for collecting and remitting sales tax. Workforce development services are offered in South Bend, Mishawaka, Elkhart, Michigan City, Gary, Plymouth, Warsaw, Valparaiso, Knox, LaPorte, Portage, Rochester, St. John, Winamac, LaGrange and Lansing, Illinois.

Basis of presentation – Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities*. Under ASC 958, the Organization is required to report information regarding its financial position and activities according to three classes of net assets; unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted Net Assets – Reflect assets which have not been restricted as to use by donors. A designation within this asset group represents assets restricted by the board of directors.

Temporarily Restricted Net Assets – Reflect contributed assets whose use by the Organization has been limited by donors for a specific time period or purpose.

Permanently Restricted Net Assets – Reflect contributions with donor imposed restrictions which do not expire and which allow, in certain cases, only the income earned thereon to be expended by the Organization.

Recognition of workforce development service fees – Workforce development service fees are recorded when the service has been performed or expenditures have been made.

Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Certificates of deposit - Certificates of deposit with original maturities greater than three months and remaining maturities less than one year are classified as short term. Certificates of deposit with remaining maturities greater than one year are classified as long term.

Cash and cash equivalents – The Organization considers all highly liquid investments with a maturity of three months or less from the date of purchase to be cash equivalents.

Accounts receivable - The Organization considers all outstanding balances as of December 31, 2013 and 2012 to be fully collectible. Management closely monitors outstanding balances and reserves for, as of year end, all uncollectible balances. Accordingly, no allowance for doubtful accounts has been recorded. Interest is not typically charged on past due accounts.

Note 1. Nature of Activities and Significant Accounting Policies (continued)

Contributions – Contributions received are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets as net assets released from restrictions.

Inventories - Inventories that consist of merchandise purchased for resale and workshop jobs in process are valued at the lower of cost (first in, first out method) or market. Donated merchandise is valued at fair value utilizing a computational approximation. Gifts that have no value and cannot be sold by the Organization are not recognized.

Property and equipment - Donations of property and equipment received are recorded at fair market value as of the date received. These donations are reported as unrestricted support 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 Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Purchased property and equipment are recorded at cost. When property and equipment is sold, retired or otherwise disposed of, the related cost and accumulated depreciation would be eliminated from the accounts and any resulting gain or loss would be charged to income. Maintenance and repairs are charged to expense as incurred while major renewals and betterments are capitalized. Depreciation is computed on the straight line method over the estimated useful lives of the assets. Estimated useful lives of the assets are as follows:

Building and improvements	10-40 years
Equipment	3-10 years

Bond issuance costs – Bond issuance costs have been capitalized and are being amortized over the life of the related debt using the straight line method.

Beneficial interest in assets held by the Community Foundation of St. Joseph County, Inc. and the Elkhart County Community Foundation (the Community Foundations) – The Organization records periodic distributions of income and realizes changes in the market value of its beneficial interest as gains or losses in the Statements of Activities.

Contributed services – A number of unpaid volunteers have made significant contributions of their time to the Organization. During the years ended December 31, 2013 and 2012, the value of contributed time is not reflected in the accompanying financial statements since the volunteers' time does not meet the requirements for recognition under ASC 958.

Note 1. Nature of Activities and Significant Accounting Policies (continued)

Income taxes – The Organization's policy is to record an unrecognized tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained upon examination by the tax authorities. Interest and penalties related to gross unrecognized tax benefits would be included within the provision for income taxes. To the extent accrued interest and penalties do not ultimately become payable, amounts accrued would be reduced in the period that such determination is made and reflected as a reduction of the overall income tax provision. The Organization does not have any uncertain tax positions at December 31, 2013. The Organization files a federal and an Indiana state tax return. Management believes the tax years that remain subject to examination by the federal and Indiana tax jurisdictions date back to the year ending December 31, 2010.

Subsequent events – The Organization has evaluated subsequent events for recognition and disclosure through February 20, 2014, which is the date the Organization's financial statements were available to be issued.

Note 2. Income Tax Status

The Organization is a not for profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and a similar section of the applicable states tax laws which provides exemption from federal and state income taxes.

Note 3. Fair Value Measurements

ASC 820, *Fair Value Measurement*, defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

The standards describe three levels of inputs that may be used to measure fair value:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Observable inputs other than Level 1 prices as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Note 3. Fair Value Measurements (continued)

The Organization utilizes the market approach to measure fair value for its financial assets and liabilities. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. Assets and liabilities measured at fair value on a recurring basis are summarized below:

	Fair Value Measurements at December 31, 2013			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 32,503	$	$	$ 32,503
Mutual funds	2,328,656			2,328,656
	$ 2,361,159	$	$	$ 2,361,159
Amounts included in: Beneficial interest in assets held by the Community Foundations	$	$	$ 239,809	$ 239,809

	Fair Value Measurements at December 31, 2012			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 21,330	$	$	$ 21,330
Mutual funds	1,853,015			1,853,015
	$ 1,874,345	$	$	$ 1,874,345
Amounts included in: Beneficial interest in assets held by the Community Foundations	$	$	$ 215,824	$ 215,824

Unrealized gains or losses on investments are recorded in the Statements of Activities.

The beneficial interest in the Community Foundations is considered a level 3 investment and is based upon externally developed models that use unobservable inputs due to limited market activity of the instrument. The change in the beneficial interest measured at fair value for which the Organization has used level 3 inputs to determine fair value as of December 31, 2013 and 2012 consisted of unrealized gains of $23,985 and $16,882, respectively which is included in the change in net assets (unrestricted) on the Statements of Activities.

Note 4. Property and Equipment

The cost of property and equipment and the related accumulated depreciation at December 31, 2013 and 2012 is as follows:

	2013	2012
Land	$ 8,703,046	$ 8,628,071
Buildings and improvements	25,624,974	23,884,381
Equipment	4,960,418	4,808,778
	39,288,438	37,321,230
Less accumulated depreciation	(16,280,334)	(15,723,858)
	$ 23,008,104	$ 21,597,372

Note 5. Property Held for Sale

In December 2009 and 2013, the Organization's management approved store locations to be placed for sale. Pursuant to ASC 360, *Property, Plant, and Equipment*, the Organization reports the assets separately as property held for sale in the Statement of Financial Position. Additionally, the assets are being valued at the lower of their carrying value or their estimated sales price less estimated costs to sell.

Note 6. Bond Issuance Costs

The costs incurred to obtain financing of several new retail stores have been capitalized and are being amortized as described below:

	Amortization Period	2013	2012
Bond issuance cost	20 years	$ 163,510	$ 239,017
Less accumulated amortization		(52,585)	(110,211)
		$ 110,925	$ 128,806

Note 7. Line of Credit

The Organization has two unsecured lines of credit; a $1,500,000 line with Lake City Bank and a $2,000,000 line with 1st Source Bank, neither of which had a balance outstanding at December 31, 2013 and 2012. Borrowings against the lines of credit bear interest at 0.5% below the prime rate with no floor at Lake City Bank, or 2.75%, and 0.75% below prime with no floor at 1st Source Bank, or 2.5% at December 31, 2013.

Note 8. Notes Payable

Notes payable at December 31, 2013 and 2012 consist of the following:

	2013	2012
Promissory note, Series 2001, City of South Bend, Indiana, Variable Rate Economic Development Revenue Bonds	$	$ 640,000
Promissory note, Series 2005, Indiana Housing & Community Development Authority, Variable Rate Economic Development Bonds	5,425,000	5,425,000
Promissory note, Series 2005A, Indiana Housing & Community Development Authority, Variable Rate Economic Development Bonds	2,375,000	2,410,000
	$ 7,800,000	$ 8,475,000

The Series 2001 promissory note was evidence of a loan to the Organization by the City of South Bend, Indiana (the "Issuer"). The loan was made from the proceeds of the sale of revenue bonds, Series 2001 (Goodwill Industries of Michiana, Inc. Project), issued under an Indenture of Trust and Security Agreement dated January 30, 2001 between the Issuer and U.S. Bank Corporate Trust Services, as Trustee. Interest on the promissory note, at variable rates with a 10% maximum rate, was payable quarterly. The payment of principal and interest on the Series 2001 revenue bonds was made by the Trustee from a bond fund. The loan was repaid in 2013.

The Series 2005 promissory note is evidence of a loan to the Organization by the Indiana Housing & Community Development Authority (the "Issuer"). The loan was made from the proceeds of the sale of revenue bonds, Series 2005 (Goodwill Industries of Michiana, Inc. Project), issued under an Indenture of Trust and Security Agreement dated March 17, 2005 between the Issuer and U.S. Bank Corporate Trust Services, as Trustee. Interest on the promissory note, at variable rates with a 10% maximum rate, is payable quarterly. The effective rate of interest at December 31, 2013 was 0.08%. In July 2017, principal is payable semi annually, with final maturity in January 2026. The Organization has obtained a $5,590,764 irrevocable letter of credit from a financial institution which may be drawn upon by the Trustee in the event of default by the Organization. Outstanding drafts or acceptances under the letter of credit, of which none were outstanding at December 31, 2013, are payable on demand with interest at the national prime rate (3.25% at December 31, 2013) and are collateralized by real estate. The payment of principal and interest on the Series 2005 revenue bonds is made by the Trustee from a bond fund.

The Series 2005A promissory note is evidence of a loan to the Organization by the Indiana Housing & Community Development Authority (the "Issuer"). The loan was made from the proceeds of the sale of revenue bonds, Series 2005A (Goodwill Industries of Michiana, Inc. Project), issued under an Indenture of Trust and Security Agreement dated December 16, 2005 between the Issuer and U.S. Bank Corporate Trust Services, as Trustee. Interest on the promissory note, at variable rates with a 10% maximum rate, is payable quarterly. The effective rate of interest at December 31, 2013 was 0.08%. In July 2013, principal became payable semi-annually, with final maturity in July 2017. The Organization has obtained a $2,447,569 irrevocable letter of credit from a financial institution which may be drawn upon by the Trustee in the event of default by the Organization. Outstanding drafts or acceptances under the letter of credit, of which none were outstanding at December 31, 2013, are payable on demand with interest at the national prime rate (3.25% at December 31, 2013) and are collateralized by real estate. The payment of principal and interest on the Series 2005A revenue bonds is made by the Trustee from a bond fund.

Note 8. Notes Payable (continued)

As of December 31, 2013, annual maturities of notes payable for each of the next five years ending December 31 are as follows: 2014 - $490,000; 2015 - $600,000; 2016 - $635,000; 2017- $660,000; 2018 - $670,000; and $4,745,000 through the final maturity date of 2026.

Based on the borrowing rates currently available to the Organization for loans with similar terms and average maturities, the fair value of the debt instruments approximates their carrying value as of December 31, 2013. These agreements include various affirmative and negative covenants. The Organization was in compliance with all covenants at December 31, 2013.

Note 9. Advertising

The Organization expenses the cost of advertising the first time advertising takes place. Advertising expense was $2,158,433 and $1,787,379 for the years ended December 31, 2013 and 2012, respectively. Coupon redemption is a large portion of advertising expense and was $1,449,638 and $1,163,255 for the years ended December 31, 2013 and 2012, respectively.

Note 10. Contingencies

Under the terms of State and Federal grants, periodic audits are required and certain costs may be challenged as to allowability under the terms of the grants. Grant resources are expendable only for operating purposes specified by the grant. Such audits could lead to reimbursement to the grantor agencies. However, management is of the opinion that the risk of material disallowance is remote. Therefore, no provision for contingencies has been reflected in the financial statements.

Note 11. Lease Commitments and Occupancy Expense

The Organization leases locations in LaPorte and two in Elkhart under non cancelable lease agreements which require annual base rentals of $10,200, $126,570 and $60,500, respectively. These agreements require additional charges for such items as common area maintenance, real estate taxes, utilities and insurance. These agreements expire between July 2015 and August 2016. The lease expense includes common area maintenance, real estate taxes, utilities and insurance for all of the Organization's locations.

The total occupancy expense for the years ended December 31, 2013 and 2012 was $1,660,117 and $1,564,988, respectively.

In March 2008, the Organization entered into a 72 month non cancelable lease for nine trucks. The lease was renewed early in 2013. The lease agreement requires a monthly base payment of $18,169. In addition, the Organization has entered into several additional leases for equipment. The total lease expense for all of the Organization's equipment for the years ended December 31, 2013 and 2012 was $182,368 and $149,314, respectively.

The total minimum lease commitments at December 31, 2013 are as follows: 2014 - $468,830; 2015 - $391,008; 2016 - $263,340; 2017 - $254,000; 2018 - $237,132 and $127,183 thereafter.

Note 12. Retirement Plan

The Organization has a section 403(b) retirement plan for its employees. The plan provides for individual custodial accounts for participating employees with varied investment options. The Organization made contributions to this plan in the amount of 3% of wages for all full time employees who have completed one year of continuous service, at least 1,000 hours of service and obtained age eighteen or older and also matched employee contributions up to an additional 2%. Retirement expense was $368,350 and $394,260 for the years ended December 31, 2013 and 2012, respectively.

Note 13. Beneficial Interest in Assets Held by the Community Foundations

In 1996, the Organization entered into agreements with the Community Foundations. The Organization applies the provisions of ASC 958, *Transfers of Assets to a Not for Profit Organization or Charitable Trust That Raises or Holds Contributions for Others.* The Organization recognized the transfer of investment assets, as a beneficial interest in assets held by Community Foundations. The Community Foundations recognized a liability to the Organization because the Organization has specified itself as the beneficiary. The Community Foundations have variance power over the funds. With respect to contributions received by the Community Foundation on behalf of the Organization from other donors, as prescribed by ASC 958, this portion (fair value of $115,100 and $103,400 at December 31, 2013 and 2012, respectively) has not been reflected as part of the Organization's beneficial interest as the donor granted the Community Foundations variance power, which precludes recognition of expected cash flows by the beneficiary.

Note 14. Michiana Goodwill Boosters

These financial statements do not include the amounts of the Michiana Goodwill Boosters (MGB) a not for profit organization that is exempt from income taxes under Section 501(c) (4) of the Internal Revenue Code and a similar section of the Indiana tax law. At December 31, 2013, MGB had a cash balance of $25,320. During the year ended December 31, 2013 MGB received $110,242 in revenue and incurred $125,410 of expenses. MGB was established for the benefit of the Organization. Its purpose is to acquaint persons with the mission, programs and needs of Goodwill Industries of Michiana, Inc. and support and assist in its work.

Note 15. Legal and Other Contingencies

The Organization is subject to various legal proceedings and claims that arise in the ordinary course of business. In accordance with generally accepted accounting principles, the Organization records a liability when it is probable that a loss has been incurred and the amount is reasonably estimable. There is significant judgment required in both the probability determination and as to whether an exposure can be reasonably estimated. In management's opinion, the Organization does not have a potential liability related to any current legal proceeding and claims that would individually or in aggregate materially adversely affect its financial condition or operating results. However, the outcomes of legal proceedings and claims brought against the Organization are subject to significant uncertainty. Should the Organization fail to prevail in any of these legal matters, or should several of these legal matters be resolved against the Organization in the same reporting period, the operating results of a particular reporting period could be materially adversely affected.

Memorandum of
Other Required Communications

Goodwill Industries of Michiana, Inc.

February 20, 2014

Jurgonski & Fredlake CPAs
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Greg Jurgonski
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To the Board of Directors
Goodwill Industries of Michiana, Inc.
South Bend, Indiana

Required Communications

We have audited the financial statements of Goodwill Industries of Michiana, Inc. (the Organization) for the year ended December 31, 2013 and have issued our report thereon dated February 20, 2014. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under Auditing Standards Generally Accepted in the United States of America

As stated in our engagement letter dated October 16, 2013, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement and are fairly presented in accordance with accounting principles generally accepted in the United States of America. Because of the concept of reasonable assurance and because we did not perform a detailed examination of all transactions, there is a risk that material errors, irregularities, or illegal acts, including fraud and defalcations, may exist and not be detected by us.

Significant Accounting Policies

Management has the responsibility for selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Organization are described in Note 1 to the financial statements. We noted no transactions entered into by the Organization during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were the calculation of donated merchandise and the additional accrual of the health insurance liability.

Significant Audit Adjustments

For purposes of this letter, professional standards define a significant audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. We proposed no significant audit adjustments during our audit.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Issues Discussed Prior to Retention of Independent Auditors

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

We were pleased to serve the Organization as its independent auditors for 2013 and look forward to our continued relationship. We provide the above information to assist you in performing your oversight responsibilities and would be pleased to discuss this letter or any matters further, should you desire.

This communication is intended solely for the information and use of the Organization's management, the audit and corporate compliance committee, the Board of Directors and others within the Organization and is not intended to be and should not be used by anyone other than these specified parties.

Jurgonski & Fredlake CPAs

Jurgonski & Fredlake CPAs

South Bend, Indiana
February 20, 2014

GOODWILL INDUSTRIES OF MICHIANA, INC.

FINANCIAL AND COMPLIANCE AUDIT

December 31, 2012 and 2011

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Goodwill Industries of Michiana, Inc.
South Bend, Indiana

Report on the Financial Statements
We have audited the accompanying financial statements of Goodwill Industries of Michiana, Inc. (a not for profit Organization) (the Organization), which comprise the statements of financial position as of December 31, 2012 and 2011 and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements. We have also examined in accordance with attestation standards established by the American Institute of Certified Public Accountants, Goodwill Industries of Michiana, Inc.'s internal control over financial reporting as of December 31, 2012, based on the criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and our report dated February 22, 2013 expressed an unqualified opinion.

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

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Goodwill Industries of Michiana, Inc. as of December 31, 2012 and 2011, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by *Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*, 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 22, 2013 on our consideration of the Organization's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial and compliance.

Jurgowski & Fredlake CPAs

South Bend, Indiana
February 22, 2013

GOODWILL INDUSTRIES OF MICHIANA, INC.

STATEMENTS OF FINANCIAL POSITION
December 31, 2012 and 2011

	2012	2011
ASSETS		
Current assets		
Cash	$ 12,533,652	$ 6,961,331
Certificates of deposit	1,512,695	908,037
Accounts receivable	777,750	480,145
Inventories	959,076	983,465
Prepaid expenses and deposits	153,078	176,572
Total current assets	15,936,251	9,509,550
Property and equipment, at depreciated cost	21,597,372	21,469,149
Property held for sale	205,005	205,005
Investments	1,874,345	1,639,004
Certificates of deposit	273,306	1,211,274
Bond issuance costs, at amortized cost	128,806	140,269
Beneficial interest in assets held by the Community Foundations at fair value	215,824	198,943
Total assets	$ 40,230,909	$ 34,373,194
LIABILITIES AND NET ASSETS		
Current liabilities		
Current portion of notes payable	$ 575,000	$ 540,000
Accounts payable	232,578	185,774
Accrued expenses	2,016,492	1,225,758
Total current liabilities	2,824,070	1,951,532
Notes payable, net of current portion	7,900,000	8,475,000
Unrestricted net assets		
Board designated fund	18,778,947	16,030,552
Other	10,727,892	7,916,110
Total unrestricted net assets	29,506,839	23,946,662
Total liabilities and net assets	$ 40,230,909	$ 34,373,194

See Notes to Financial Statements.

GOODWILL INDUSTRIES OF MICHIANA, INC.

STATEMENTS OF ACTIVITIES
For The Years Ended December 31, 2012 and 2011

	2012	2011
	Unrestricted Net Assets	Unrestricted Net Assets
Revenues:		
Government agencies, rehabilitation fees	$ 1,691,508	$ 1,906,362
Contributions	811,402	422,600
Contributions in kind	51,862	29,025
Sales of merchandise and services	26,840,605	24,166,732
Gain on sale of property and equipment	353,851	355
Realized gain in investments	131,305	39,269
Unrealized change in investment fair market value over cost	93,274	(127,184)
Unrealized change in beneficial interest	16,882	(3,720)
Interest income	68,199	61,884
Miscellaneous income from operations	35,073	26,531
Total revenues	30,093,961	26,521,854
Expenses:		
Program Services:		
Workshop	6,808,991	6,545,927
Store	12,121,037	11,486,130
Cafeteria	185,991	172,119
Workforce Development Services	2,256,697	2,489,276
Total program services	21,372,716	20,693,452
Supporting services, management and general	3,161,068	2,854,463
Total expenses	24,533,784	23,547,915
Change in net assets	5,560,177	2,973,939
Net assets, beginning of year	23,946,662	20,972,723
Net assets, end of year	$ 29,506,839	$ 23,946,662

See Notes to Financial Statements.

GOODWILL INDUSTRIES OF MICHIANA, INC.

STATEMENTS OF CASH FLOWS
For The Years Ended December 31, 2012 and 2011

	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 5,560,177	$ 2,973,939
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	1,466,827	1,354,718
Gain on sale of property and equipment	(353,851)	(355)
Amortization of bond issuance costs	11,463	13,512
Realized gain on investments	(131,305)	(39,269)
Unrealized change in investment fair market value over cost	(93,274)	127,184
Unrealized change in beneficial interest	(16,882)	3,720
Change in assets and liabilities		
Decrease (increase) in assets		
Accounts receivable	(297,605)	12,300
Inventories	24,389	(52,441)
Prepaid expenses and deposits	23,494	(47,763)
Increase in liabilities		
Accounts payable	46,804	2,380
Accrued expenses	790,733	241,297
Net adjustments	1,470,893	1,615,283
Net cash provided by operating activities	7,031,070	4,589,222
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(1,770,704)	(2,189,206)
Purchase of investments	(1,948,385)	(323,001)
Proceeds from sale of investments	1,937,624	319,867
Purchase of certificates of deposit		(37,891)
Proceeds from certificates of deposit	333,310	
Proceeds from sale of property and equipment	529,406	6,922
Net cash used in investing activities	(918,749)	(2,223,309)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on notes payable	(540,000)	(520,000)
Net cash used in financing activities	(540,000)	(520,000)
NET INCREASE IN CASH	5,572,321	1,845,913
Cash, beginning	6,961,331	5,115,418
Cash, ending	$ 12,533,652	$ 6,961,331
Supplemental disclosures of cash flows information:		
Cash payments for interest	$ 17,458	$ 23,187

See Notes to Financial Statements.

GOODWILL INDUSTRIES OF MICHIANA, INC.

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Activities and Significant Accounting Policies

Goodwill Industries of Michiana, Inc. (the Organization) is a private not for profit corporation serving the needs of citizens in Northern Indiana, Eastern Illinois and Southwestern Michigan who are vocationally disabled and disadvantaged. The Organization is affiliated with and chartered by Goodwill Industries International, Inc.

The Organization derives its revenues from providing Workforce Development services, selling salvage textiles, and performing contract services for companies in Northern Indiana, Eastern Illinois and Southwestern Michigan, all of which have credit terms of 15 to 30 days. The Organization also operates twenty two retail outlets with locations in Merrillville, Mishawaka, Michigan City, Warsaw, Logansport, Goshen, Valparaiso, Gary, Granger, Hobart, LaPorte, Portage, Rochester, St. John, three in South Bend, three in Elkhart, one in Lansing, Illinois and one in Niles, Michigan. The Organization's total revenues do not include sales tax as management considers themselves a pass through conduit for collecting and remitting sales tax. Workforce Development services are offered in South Bend, Mishawaka, Elkhart, Michigan City, Gary, Plymouth, Warsaw, Valparaiso, Knox, LaPorte, Portage, Rochester, St. John, Winamac, LaGrange and Lansing, Illinois.

Basis of Presentation – Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Accounting Standards Codification System (ASC) ASC 958-205. Under ASC 958-205, the Organization is required to report information regarding its financial position and activities according to three classes of net assets; unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted Net Assets – Reflect assets which have not been restricted as to use by donors. A designation within this asset group represents assets restricted by the board of directors.

Temporarily Restricted Net Assets – Reflect contributed assets whose use by the Organization has been limited by donors for a specific time period or purpose.

Permanently Restricted Net Assets – Reflect contributions with donor imposed restrictions which do not expire and which allow, in certain cases, only the income earned thereon to be expended by the Organization.

Recognition of Workforce Development Service fees – Workforce Development Service fees are recorded when the service has been performed or expenditures have been made.

Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Certificates of Deposit - Certificates of deposit with original maturities greater than three months and remaining maturities less than one year are classified as short term. Certificates of deposit with remaining maturities greater than one year are classified as long term.

Note 1. Nature of Activities and Significant Accounting Policies (continued)

Accounts Receivable - The Organization considers all outstanding balances as of December 31, 2012 and 2011 to be fully collectible. Management closely monitors outstanding balances and writes off, as of year end, all uncollectible balances. Accordingly, no allowance for doubtful accounts has been recorded. Interest is not typically charged on past due accounts.

Contributions – Contributions received are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets as net assets released from restrictions.

Inventories - Inventories consist of merchandise purchased for resale and workshop jobs in process are valued at the lower of cost (first In, first out method) or market. Donated merchandise is valued at fair value utilizing a computational approximation. Gifts that have no value and cannot be sold by the Organization are not recognized.

Property and Equipment - Donations of property and equipment received are recorded at fair market value as of the date received. These donations are reported as unrestricted support 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 Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Purchased property and equipment are recorded at cost. When property and equipment is sold, retired or otherwise disposed of, the related cost and accumulated depreciation would be eliminated from the accounts and any resulting gain or loss would be charged to income. Maintenance and repairs are charged to expense as incurred while major renewals and betterments are capitalized. Depreciation is computed on the straight line method over the estimated useful lives of the assets. Estimated useful lives of the assets are as follows:

Building and improvements	10-40 years
Equipment	3-10 years

Bond Issuance Costs – Bond issuance costs have been capitalized and are being amortized over the life of the related debt using the straight line method.

Beneficial Interest in Assets Held by the Community Foundations – The Organization records periodic distributions of income and realizes changes in the market value of its beneficial interest as gains or losses in the statements of activities.

Note 1. Nature of Activities and Significant Accounting Policies (continued)

Contributed Services – A number of unpaid volunteers have made significant contributions of their time to the Organization. During the years ended December 31, 2012 and 2011, the value of contributed time is not reflected in the accompanying financial statements since the volunteers' time does not meet the requirements for recognition under ASC 958-605.

Income Taxes – The Organization's policy is to record an unrecognized tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained upon examination by the tax authorities. Interest and penalties related to gross unrecognized tax benefits would be included within the provision for income taxes. To the extent accrued interest and penalties do not ultimately become payable, amounts accrued would be reduced in the period that such determination is made and reflected as a reduction of the overall income tax provision. The Organization does not have any uncertain tax positions at December 31, 2012. The Organization files a federal and an Indiana state tax return. Management believes the tax years that remain subject to examination by the federal and Indiana tax jurisdictions date back to the year ending December 31, 2009.

Subsequent Events – The Organization has evaluated subsequent events for recognition and disclosure through February 22, 2013, which is the date the Organization's financial statements were available to be issued.

Note 2. Income Tax Status

The Organization is a not for profit organization that is exempt from income taxes under Section 501(c) (3) of the Internal Revenue Code and a similar sections of the applicable states tax laws which provides exemption from federal and state income taxes.

Note 3. Fair Value Measurements

ASC 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

The standards describe three levels of inputs that may be used to measure fair value:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Observable inputs other than Level 1 prices as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Note 3. Fair Value Measurements (continued)

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The Organization utilizes the market approach to measure fair value for its financial assets and liabilities. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. Assets and liabilities measured at fair value on a recurring basis are summarized below:

	Fair Value Measurements at December 31, 2012			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 21,330	$	$	$ 21,330
Mutual funds	1,853,015			1,853,015
	$ 1,874,345	$	$	$ 1,874,345
Amounts included in: Beneficial interest in assets held by the Community Foundations	$	$	$ 215,824	$ 215,824

	Fair Value Measurements at December 31, 2011			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 26,646	$	$	$ 26,646
Mutual funds	1,612,358			1,612,358
	$ 1,639,004	$	$	$ 1,639,004
Amounts included in: Beneficial interest in assets held by the Community Foundations	$	$	$ 198,943	$ 198,943

Unrealized gains or losses on investments are recorded in the Statement of Activities.

The beneficial interest in the Community Foundations is considered a level 3 investment and is based upon externally developed models that use unobservable inputs due to limited market activity of the instrument. The change in the beneficial interest measured at fair value for which the Organization has used level 3 inputs to determine fair value as of December 31, 2012 and 2011 consisted of unrealized gains (losses) of $16,882 and $(3,720), respectively which is included in the change in net assets (unrestricted) on the statement of activities.

Note 4. Property and Equipment

The cost of property and equipment and the related accumulated depreciation at December 31, 2012 and 2011 is as follows:

	2012	2011
Land	$ 8,628,071	$ 8,517,569
Buildings and improvements	23,884,381	23,521,872
Equipment	4,808,778	4,311,710
	37,321,230	36,351,151
Less accumulated depreciation	(15,723,858)	(14,882,002)
	$ 21,597,372	$ 21,469,149

Note 5. Property Held for Sale

In December 2009, the Organization's management approved a store location to be placed for sale. Pursuant to ASC 958 Accounting for the Impairment or Disposal of Long Lived Assets, the Organization reports the assets separately as property held for sale in the statement of financial position. Additionally, the assets are being valued at the lower of their carrying value or their estimated sales price less estimated costs to sell.

Note 6. Bond Issuance Costs

The costs incurred to obtain financing of several new retail stores have been capitalized and are being amortized as described below:

	Amortization Period	2012	2011
Bond issuance costs	20 years	$ 239,017	$ 239,017
Less accumulated amortization		(110,211)	(98,748)
		$ 128,806	$ 140,269

Note 7. Line of Credit

The Organization has two unsecured lines of credit, a $1,500,000 line with Lake City Bank and a $2,000,000 line with 1st Source Bank, neither of which had a balance outstanding at December 31, 2012 and 2011. Borrowings against the lines of credit bear interest at prime rate with no floor at Lake City Bank, or 3.25%, and .75% below prime with no floor at 1st Source Bank, or 2.5% at December 31, 2012.

Note 8. Notes Payable

Notes payable at December 31, 2012 and 2011 consist of the following:

	2012	2011
Promissory note, Series 2001, City of South Bend, Indiana, Variable Rate Economic Development Revenue Bonds.	$ 640,000	$ 1,180,000
Promissory note, Series 2005, Indiana Housing & Community Development Authority, Variable Rate Economic Development Revenue Bonds.	5,425,000	5,425,000
Promissory note, Series 2005A, Indiana Housing & Community Development Authority, Variable Rate Economic Development Revenue Bonds.	2,410,000	2,410,000
	$ 8,475,000	$ 9,015,000

The Series 2001 promissory note is evidence of a loan to the Organization by the City of South Bend, Indiana (the "Issuer"). The loan was made from the proceeds of the sale of revenue bonds, Series 2001 (Goodwill Industries of Michiana, Inc. Project), issued under an Indenture of Trust and Security Agreement dated January 30, 2001 between the Issuer and U.S. Bank Corporate Trust Services, as Trustee. Interest on the promissory note, at variable rates with a 10% maximum rate, is payable quarterly. The effective rate of interest at December 31, 2012 was .19%. Principal is payable semi-annually, with final maturity in January 2014. The Organization has obtained a $659,556 irrevocable letter of credit from a financial institution which may be drawn upon by the Trustee in the event of default by the Organization. Outstanding drafts or acceptances under the letter of credit, of which none were outstanding at December 31, 2012, are payable on demand with interest at the national prime rate (3.25% at December 31, 2012) and are collateralized by real estate. The payment of principal and interest on the Series 2001 revenue bonds is made by the Trustee from a bond fund.

The Series 2005 promissory note is evidence of a loan to the Organization by the Indiana Housing & Community Development Authority (the "Issuer"). The loan was made from the proceeds of the sale of revenue bonds, Series 2005 (Goodwill Industries of Michiana, Inc. Project), issued under an Indenture of Trust and Security Agreement dated March 17, 2005 between the Issuer and U.S. Bank Corporate Trust Services, as Trustee. Interest on the promissory note, at variable rates with a 10% maximum rate, is payable quarterly. The effective rate of interest at December 31, 2012 was .14%. In July 2017, principal is payable semi annually, with final maturity in January 2026. The Organization has obtained a $5,590,764 irrevocable letter of credit from a financial institution which may be drawn upon by the Trustee in the event of default by the Organization. Outstanding drafts or acceptances under the letter of credit, of which none were outstanding at December 31, 2012, are payable on demand with interest at the national prime rate (3.25% at December 31, 2012) and are collateralized by real estate. The payment of principal and interest on the Series 2005 revenue bonds is made by the Trustee from a bond fund.

Note 8. Notes Payable (continued)

The Series 2005A promissory note is evidence of a loan to the Organization by the Indiana Housing & Community Development Authority (the "Issuer"). The loan was made from the proceeds of the sale of revenue bonds, Series 2005 (Goodwill Industries of Michiana, Inc. Project), issued under an Indenture of Trust and Security Agreement dated December 16, 2005 between the Issuer and U.S. Bank Corporate Trust Services, as Trustee. Interest on the promissory note, at variable rates with a 10% maximum rate, is payable quarterly. The effective rate of interest at December 31, 2012 was .14%. In July 2013, principal is payable semi-annually, with final maturity in July 2017. The Organization has obtained a $2,483,639 irrevocable letter of credit from a financial institution which may be drawn upon by the Trustee in the event of default by the Organization. Outstanding drafts or acceptances under the letter of credit, of which none were outstanding at December 31, 2012, are payable on demand with interest at the national prime rate (3.25% at December 31, 2012) and are collateralized by real estate. The payment of principal and interest on the Series 2005A revenue bonds is made by the Trustee from a bond fund.

As of December 31, 2012, annual maturities of notes payable for each of the next five years ending December 31 are as follows: 2013 - $575,000; 2014 - $590,000; 2015 - $600,000; 2016 - $635,000; 2017- $660,000 and $5,415,000 through the final maturity date of 2026.

Based on the borrowing rates currently available to the Organization for loans with similar terms and average maturities, the fair value of the debt instruments approximates their carrying value as of December 31, 2012. These agreements include various affirmative and negative covenants. The Organization was in compliance with all covenants.

Note 9. Advertising

The Organization expenses the cost of advertising the first time advertising takes place. Advertising expense was $1,787,379 and $1,555,403 for the years ended December 31, 2012 and 2011, respectively. Coupon redemption is a large portion of advertising expense and was $1,163,255 and $1,006,527 for the years ended December 31, 2012 and 2011, respectively.

Note 10. Contingencies

Under the terms of State and Federal grants, periodic audits are required and certain costs may be challenged as to allowability under the terms of the grants. Grant resources are expendable only for operating purposes specified by the grant. Such audits could lead to reimbursement to the grantor agencies. However, management is of the opinion that the risk of material disallowance is remote. Therefore, no provision for contingencies has been reflected in the financial statements.

Note 11. Lease Commitments and Occupancy Expense

The Organization leases locations in LaPorte and two in Elkhart under non cancelable lease agreements which require annual base rentals of $10,200, $126,570 and $60,500, respectively. These agreements require additional charges for such items as common area maintenance, real estate taxes, utilities and insurance. These agreements expire between August 2013 and July 2015. The lease expense includes common area maintenance, real estate taxes, utilities and insurance for all of the Organization's locations.

Note 11. Lease Commitments and Occupancy Expense (continued)

The total occupancy expense for the years ended December 31, 2012 and 2011 was $1,564,988 and $1,454,370, respectively.

In March 2008, the Organization entered into a 72 month non cancelable lease for nine trucks. The lease agreement requires a monthly base payment of $10,543. In April 2009, the Organization entered into a 60 month non cancelable lease for a copier. The lease agreement requires a monthly base payment of $1,763. In December 2010, the Organization entered into a 36 month non cancelable lease for a donation box. The lease requires a monthly payment of $400. In December 2010, the Organization entered into a 36 month non cancelable lease for a printer. The lease agreement requires a monthly base payment of $217. In August 2011, the Organization entered into a 72 month non cancelable lease for a donation box. The lease requires a monthly payment of $500. The total lease expense for all of the Organization's equipment for the years ended December 31, 2012 and 2011 was $149,314 and $166,029, respectively.

The total minimum lease commitments at December 31, 2012 are as follows: 2013 - $356,150; 2014 - $243,957; 2015 - $81,033; 2016 - $7,200; and 2017- $4,700.

Note 12. Retirement Plan

The Organization has a section 403(b) retirement plan for its employees. The plan provides for individual custodial accounts for participating employees with varied investment options. The Organization made contributions to this plan in the amount of 3% of wages for all full time employees who have completed one year of continuous service, at least 1,000 hours of service and obtained the age eighteen or older and also matched employee contributions up to an additional 2%. Retirement expense was $394,260 and $388,502 for the years ended December 31, 2012 and 2011, respectively.

Note 13. Beneficial Interest in Assets Held by the Community Foundations

In 1996 the Organization entered into agreements with the Community Foundation of St. Joseph County, Inc. and the Elkhart County Community Foundation. The Organization applies the provisions of ASC 958-605, Transfers of Assets to a Not for Profit Organization or Charitable Trust That Raises or Holds Contributions for Others. The Organization recognized the transfer of investment assets, as a beneficial interest in assets held by Community Foundations. The Community Foundations recognized a liability to the Organization, because the Organization has specified itself as the beneficiary. The Community Foundations have variance power over the funds. With respect to contributions received by the Community Foundation on behalf of the Organization from other donors, as prescribed by ASC 958-605, this portion (fair value of $103,400 and $98,725 at December 31, 2012 and 2011, respectively) has not been reflected as part of the Organization's beneficial interest as the donor granted the Community Foundations variance power, which precludes recognition of expected cash flows by the beneficiary.

Note 14. Schedule of Expenditures of Federal Awards

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Organization and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non Profit Organizations.* Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 15. Michiana Goodwill Boosters

These financial statements do not include the amounts of the Michiana Goodwill Boosters (MGB) a not for profit organization that is exempt from income taxes under Section 501(c) (4) of the internal revenue code and a similar section of the Indiana tax law. At December 31, 2012, MGB had a cash balance of $40,488. During the year ended December 31, 2012 MGB received $127,568 in revenue and incurred $132,321 of expenses. MGB was established for the benefit of the Organization. Its purpose is to acquaint persons with the mission, programs and needs of Goodwill Industries of Michiana, Inc. and support and assist in its work.

Note 16. Legal and Other Contingencies

The Organization is subject to various legal proceedings and claims that arise in the ordinary course of business. In accordance with generally accepted accounting principles, the Organization records a liability when it is probable that a loss has been incurred and the amount is reasonably estimable. There is significant judgment required in both the probability determination and as to whether an exposure can be reasonably estimated. In management's opinion, the Organization does not have a potential liability related to any current legal proceeding and claims that would individually or in aggregate materially adversely affect its financial condition or operating results. However, the outcomes of legal proceedings and claims brought against the Organization are subject to significant uncertainty. Should the Organization fail to prevail in any of these legal matters or should several of these legal matters be resolved against the Organization in the same reporting period, the operating results of a particular reporting period could be materially adversely affected.

GOODWILL INDUSTRIES OF MICHIANA, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2012

Federal Grantor / Pass-Through Grantor / Program Title	Federal CFDA Number	Agency or pass-through Number	Disbursements/ Expenditures
U.S. Department of Health and Human Service			
Passed-through State or Local Governments or Other Organizations			
Division of Disability, Aging, and Rehabilitative Services of the Indiana Family and Social Services Administration			
Adult Day Services	93.667	71-04-3H-2609	$ 17,144
U.S. Department of Agriculture			
Passed-through State or Local Governments or Other Organizations:			
Indiana Family and Social Services Administration			
Arbor Program	10.561		1,123,907
U.S. Department of Education			
Passed-through State or Local Governments or Other Organizations			
Division of Disability, Aging, and Rehabilitative Services of the Indiana Family and Social Services Administration			
Vocational Rehabilitation	84.126A	71-09-0X-2609	406,953
U.S. Department of Housing and Urban Development			
Passed-through State or Local Governments or Other Organizations			
City of Elkhart			
Community Development Block Grant	14.218	231-5-631-431-4141	5,385
Passed-through State or Local Governments or Other Organizations			

GOODWILL INDUSTRIES OF MICHIANA, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2012

Federal Grantor / Pass-Through Grantor / Program Title	Federal CFDA Number	Agency or pass-through Number	Disbursements/ Expenditures
U.S. Department of Justice			
Passed-through State or Local Governments or Other Organizations			
City of South Bend			
Weed and Seed Alliance	16.595		7,251
Total Expenditures of Federal Awards			$ 1,560,640

The above schedule of expenditures of federal awards includes the federal grant activity of the Organization and is presented on the accrual basis of accounting. This information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non Profit Organizations.

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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*

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Goodwill Industries of Michiana, Inc.
South Bend, Indiana

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 Goodwill Industries of Michiana, Inc. (the Organization), which comprise the statement of financial position as of December 31, 2012, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 22, 2013.

Internal Control Over Financial Reporting
In planning and performing our audit of the financial statements, we considered Goodwill Industries of Michiana, Inc.'s internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements.

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.

We have examined in accordance with attestation standards established by the American Institute of Certified Public Accountants, Goodwill Industries of Michiana, Inc.'s internal control over financial reporting as of December 31, 2012, based on criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and our report dated February 22, 2013 expressed and unqualified opinion.

Compliance and Other Matters
As part of obtaining reasonable assurance about whether Goodwill Industries of Michiana, Inc.'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 determination of financial statement amounts. We have examined the compliance with certain provisions of laws, regulations, contracts and grant agreements and in a report dated February 22, 2013 expressed an unqualified 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. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Jurgovski + Fredlake CPAs

South Bend, Indiana
February 22, 2013

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REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Goodwill Industries of Michiana, Inc.
South Bend, Indiana

Report on Compliance for Each Major Federal Program
We have audited Goodwill Industries of Michiana, Inc.'s compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Goodwill Industries of Michiana, Inc.'s major federal programs for the year ended December 31, 2012. Goodwill Industries of Michiana, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility
Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility
Our responsibility is to express an opinion on compliance for each of Goodwill Industries of Michiana, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Goodwill Industries of Michiana, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Goodwill Industries of Michiana, Inc.'s compliance.

Opinion on Each Major Federal Program
In our opinion, Goodwill Industries of Michiana, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2012.

Report on Internal Control Over Compliance
Management of Goodwill Industries of Michiana, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Goodwill Industries of Michiana, Inc.'s internal control over compliance with the type of requirements that could have a direct and material effect on each major federal program to determine our auditing procedures that are appropriate in the

circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMG Circular A-133.

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

We have examined the compliance with certain provisions of laws, regulations, contracts and grant agreements and in a report dated February 22, 2013 expressed an unqualified opinion.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing is based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133
We have audited the financial statements of Goodwill Industries of Michiana, Inc. as of and the year ended December 31, 2012, and have issued our report thereon dated February 22, 2013, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Jurgovski + Friedlade CPAs

South Bend, Indiana
February 22, 2013

GOODWILL INDUSTRIES OF MICHIANA, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2012

1. Summary of Auditor's results:

   a. The auditor's report expresses an unqualified opinion on the financial statements of Goodwill Industries of Michiana, Inc. for the year ended December 31, 2012.

   b. No significant deficiencies relating to the audit of the financial statements are reported in this schedule.

   c. No instances of noncompliance material to the financial statements of Goodwill Industries of Michiana, Inc., which would be required to be reported in accordance with Government Auditing Standards, were disclosed during the audit.

   d. No significant deficiencies in internal control over major federal award programs were disclosed during the audit and reported in this schedule.

   e. The auditor's report on compliance for the major federal award programs for Goodwill Industries of Michiana, Inc. expresses an unqualified opinion on the major federal programs.

   f. The threshold used for distinguishing between Type A and Type B programs was $300,000.

   g. Vocational Rehabilitation Program (CFDA #84.126A) was the major program identified.

   h. Arbor Program (CFDA #10.561) and Vocational Rehabilitation Program (CFDA #84.126A) were classified as Type A programs and all other programs were classified as Type B.

   i. Goodwill Industries of Michiana, Inc. qualified as a low risk auditee.

   j. There were no audit findings required to be disclosed under OMB Circular A-133 Section 510(a).

2. Findings related to the financial statements which are required to be reported in accordance with GAGAS:

   None

3. Findings and questioned costs for federal awards including audit findings as defined in OMB Circular A-133 Section 510(a):

   None

GOODWILL INDUSTRIES OF MICHIANA, INC.

SUMMARY OF PRIOR AUDIT FINDINGS
For the Year Ended December 31, 2012

There were no prior year audit findings.

Memorandum of
Other Required Communications

Goodwill Industries of Michiana, Inc.

February 22, 2013

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Greg Jurgonski
John A. Fredlake

To the Board of Directors
Goodwill Industries of Michiana, Inc.
South Bend, Indiana

Required Communications

We have audited the financial statements of Goodwill Industries of Michiana, Inc. for the year ended December 31, 2012 and have issued our report thereon dated February 22, 2013. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under Auditing Standards Generally Accepted in the United States of America

As stated in our engagement letter dated December 4, 2012, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement and are fairly presented in accordance with accounting principles generally accepted in the United States of America. Because of the concept of reasonable assurance and because we did not perform a detailed examination of all transactions, there is a risk that material errors, irregularities, or illegal acts, including fraud and defalcations, may exist and not be detected by us.

Significant Accounting Policies

Management has the responsibility for selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by Goodwill Industries of Michiana, Inc. are described in Note 1 to the financial statements. We noted no transactions entered into by the Organization during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were the calculation of donated merchandise and the additional accrual of the health insurance liability.

Significant Audit Adjustments

For purposes of this letter, professional standards define a significant audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. We proposed one significant audit adjustment during our audit.

- To record accrued property taxes

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Issues Discussed Prior to Retention of Independent Auditors

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

We were pleased to serve Goodwill Industries of Michiana, Inc. as its independent auditors for 2012 and look forward to our continued relationship. We provide the above information to assist you in performing your oversight responsibilities and would be pleased to discuss this letter or any matters further, should you desire.

This communication is intended solely for the information and use of Goodwill Industries of Michiana, Inc., management, the audit and corporate compliance committee, the Board of Directors and others within the Organization and is not intended to be and should not be used by anyone other than these specified parties.

Jurgonski & Fredlake CPAs

Jurgonski + Fredlake CPAs

South Bend, Indiana
February 22, 2013

GOODWILL INDUSTRIES OF MICHIANA, INC.

FINANCIAL AND COMPLIANCE AUDIT

December 31, 2011 and 2010

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Goodwill Industries of Michiana, Inc.
South Bend, Indiana

We have audited the accompanying statements of financial position of Goodwill Industries of Michiana, Inc. (a not for profit Organization) (the Organization) as of December 31, 2011 and 2010 and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits. We have also examined in accordance with attestation standards established by the American Institute of Certified Public Accountants, Goodwill Industries of Michiana, Inc.'s internal control over financial reporting as of December 31, 2011, based on the criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and our report dated February 17, 2012 expressed an unqualified opinion.

We conducted our audits 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Goodwill Industries of Michiana, Inc. as of December 31, 2011 and 2010 and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 17, 2012 on our consideration of the Organization's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, 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.

Jurgonski & Fredlake CPAs

South Bend, Indiana
February 17, 2012

GOODWILL INDUSTRIES OF MICHIANA, INC.

STATEMENTS OF FINANCIAL POSITION
December 31, 2011 and 2010

	2011	2010
ASSETS		
Current assets		
Cash	$ 6,961,331	$ 5,115,418
Certificates of deposit	1,176,549	1,304,893
Accounts receivable	480,145	492,445
Inventories	983,465	931,024
Prepaid expenses and deposits	176,572	128,809
Total current assets	9,778,062	7,972,589
Property and equipment, at depreciated cost	21,469,149	20,641,227
Property held for sale	205,005	205,005
Investments	1,639,004	1,723,785
Certificates of deposit	942,762	776,527
Bond issuance costs, at amortized cost	140,269	153,781
Beneficial interest in assets held by the Community Foundations at fair value	198,943	202,663
Total assets	$ 34,373,194	$ 31,675,577
LIABILITIES AND NET ASSETS		
Current liabilities		
Current portion of notes payable	$ 540,000	$ 520,000
Accounts payable	185,774	183,394
Accrued expenses	1,225,758	984,460
Total current liabilities	1,951,532	1,687,854
Notes payable, net of current portion	8,475,000	9,015,000
Unrestricted net assets		
Board designated fund	16,030,552	14,618,766
Other	7,916,110	6,353,957
Total unrestricted net assets	23,946,662	20,972,723
Total liabilities and net assets	$ 34,373,194	$ 31,675,577

See Notes to Financial Statements.

GOODWILL INDUSTRIES OF MICHIANA, INC.

STATEMENTS OF ACTIVITIES
For The Years Ended December 31, 2011 and 2010

	2011	2010
	Unrestricted Net Assets	Unrestricted Net Assets
Revenues:		
Government agencies, rehabilitation fees	$ 1,906,362	$ 1,828,637
Contributions	422,600	475,258
Contributions in kind	29,025	35,109
Sales of merchandise and services	24,166,732	22,584,016
Gain on sale of property and equipment	355	1,551
Realized gain (loss) in investments	39,269	(43,261)
Unrealized change in investment fair market value over cost	(127,184)	244,718
Unrealized change in beneficial interest	(3,720)	9,447
Interest income	61,884	55,610
Miscellaneous income from operations	26,531	32,130
Total revenues	26,521,854	25,223,215
Expenses:		
Program Services:		
Workshop	6,545,927	6,416,362
Store	11,486,130	10,647,036
Cafeteria	172,119	170,453
Workforce Development Services	2,489,276	2,383,193
Total program services	20,693,452	19,617,044
Supporting services, management and general	2,854,463	2,757,757
Total expenses	23,547,915	22,374,801
Change in net assets	2,973,939	2,848,414
Net assets, beginning of year	20,972,723	18,124,309
Net assets, end of year	$ 23,946,662	$ 20,972,723

See Notes to Financial Statements.

GOODWILL INDUSTRIES OF MICHIANA, INC.

STATEMENTS OF CASH FLOWS
For The Years Ended December 31, 2011 and 2010

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 2,973,939	$ 2,848,414
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	1,354,718	1,417,060
Gain on sale of property and equipment	(355)	(1,551)
Amortization of bond issuance costs	13,512	13,512
Realized (gain) loss on investments	(39,269)	43,261
Unrealized change in investment fair market value over cost	127,184	(244,718)
Unrealized change in beneficial interest	3,720	(9,447)
Change in assets and liabilities		
Decrease (increase) in		
Accounts receivable	12,300	(97,506)
Inventories	(52,441)	17,987
Prepaid expenses and deposits	(47,763)	(12,647)
Increase in		
Accounts payable	2,380	1,571
Accrued expenses	241,297	75,609
Net adjustments	1,615,283	1,203,131
Net cash provided by operating activities	4,589,222	4,051,545
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(2,189,206)	(1,392,219)
Purchase of investments	(323,001)	(313,590)
Proceeds from sale of investments	319,867	312,642
Purchase of certificates of deposit	(37,891)	(1,291,569)
Proceeds from certificates of deposit		756,432
Proceeds from sale of property and equipment	6,922	1,551
Net cash used in investing activities	(2,223,309)	(1,926,753)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on notes payable	(520,000)	(505,000)
Net cash used in financing activities	(520,000)	(505,000)
NET INCREASE IN CASH	1,845,913	1,619,792
Cash, beginning	5,115,418	3,495,626
Cash, ending	$ 6,961,331	$ 5,115,418
Supplemental disclosures of cash flows information:		
Cash payments for interest	$ 23,187	$ 27,437

See Notes to Financial Statements.

GOODWILL INDUSTRIES OF MICHIANA, INC.

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Activities and Significant Accounting Policies

Goodwill Industries of Michiana, Inc. (the Organization) is a private not for profit corporation serving the needs of citizens in Northern Indiana, Eastern Illinois and Southwestern Michigan who are vocationally disabled and disadvantaged. The Organization is affiliated with and chartered by Goodwill Industries International, Inc.

The Organization derives its revenues from providing Workforce Development services, selling salvage textiles, and performing contract services for companies in Northern Indiana, Eastern Illinois and Southwestern Michigan, all of which have credit terms of 30 days. The Organization also operates twenty two retail outlets with locations in Merrillville, Mishawaka, Michigan City, Warsaw, Logansport, Goshen, Valparaiso, Gary, Granger, Hobart, LaPorte, Portage, Rochester, St. John, three in South Bend, three in Elkhart, one in Lansing, Illinois and one in Niles, Michigan. The Organization's total revenues do not include sales tax as management considers themselves a pass through conduit for collecting and remitting sales tax. Workforce Development services are offered in South Bend, Elkhart, Michigan City, Gary, Plymouth, Valparaiso, Knox, LaPorte, Portage, Rochester, St. John, Winamac, LaGrange and Lansing, Illinois.

Basis of Presentation – Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in its Accounting Standards Codification System (ASC) ASC 958-205. Under ASC 958-205, the Organization is required to report information regarding its financial position and activities according to three classes of net assets; unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted Net Assets – Reflect assets which have not been restricted as to use by donors. A designation within this asset group represents assets restricted by the board of directors.

Temporarily Restricted Net Assets – Reflect contributed assets whose use by the Organization has been limited by donors for a specific time period or purpose.

Permanently Restricted Net Assets – Reflect contributions with donor imposed restrictions which do not expire and which allow, in certain cases, only the income earned thereon to be expended by the Organization.

Recognition of Workforce Development Service fees – Workforce Development Service fees are recorded when the service has been performed or expenditures have been made.

Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Certificates of Deposit - Certificates of deposit with original maturities greater than three months and remaining maturities less than one year are classified as short term. Certificates of deposit with remaining maturities greater than one year are classified as long term.

Note 1. Nature of Activities and Significant Accounting Policies (continued)

Accounts Receivable - The Organization considers all outstanding balances as of December 31, 2011 and 2010 to be fully collectible. Management closely monitors outstanding balances and writes off, as of year end, all uncollectible balances. Accordingly, no allowance for doubtful accounts has been recorded.

Contributions – Contributions received are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets as net assets released from restrictions.

Inventories - Inventories consist of merchandise purchased for resale and workshop jobs in process are valued at the lower of cost (first in, first out method) or market. Donated merchandise is valued at fair value utilizing a computational approximation. Gifts that have no value and cannot be sold by the Organization are not recognized.

Property and Equipment - Donations of property and equipment received are recorded at fair market value as of the date received. These donations are reported as unrestricted support 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 Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Purchased property and equipment are recorded at cost. When property and equipment is sold, retired or otherwise disposed of, the related cost and accumulated depreciation would be eliminated from the accounts and any resulting gain or loss would be charged to income. Maintenance and repairs are charged to expense as incurred while major renewals and betterments are capitalized. Depreciation is computed on the straight line method over the estimated useful lives of the assets. Estimated useful lives of the assets are as follows:

Building and improvements	10-40 years
Equipment	3-10 years

Bond Issuance Costs – Bond issuance costs have been capitalized and are being amortized over the life of the related debt using the straight line method.

Beneficial Interest in Assets Held by the Community Foundations – The Organization records periodic distributions of income and realizes changes in the market value of its beneficial interest as gains or losses in the statements of activities.

Note 1. Nature of Activities and Significant Accounting Policies (continued)

Contributed Services – A number of unpaid volunteers have made significant contributions of their time to the Organization. During the years ended December 31, 2011 and 2010, the value of contributed time is not reflected in the accompanying financial statements since the volunteers' time does not meet the requirements for recognition under ASC 958-605.

Income Taxes – The Organization's policy is to record an unrecognized tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained upon examination by the tax authorities. Interest and penalties related to gross unrecognized tax benefits would be included within the provision for income taxes. To the extent accrued interest and penalties do not ultimately become payable, amounts accrued would be reduced in the period that such determination is made and reflected as a reduction of the overall income tax provision. The Organization does not have any uncertain tax positions at December 31, 2011. The Organization files a federal and an Indiana state tax return. The tax years that remain subject to examination by the federal and Indiana tax jurisdictions date back to the year ending December 31, 2008.

Subsequent Events – The Organization has evaluated subsequent events for recognition and disclosure through February 17, 2012, which is the date the Organization's financial statements were available to be issued.

Note 2. Support from Governmental Units

The Organization receives a substantial amount of its support from federal and state governments. A significant reduction of the level of support, if this were to occur, may have a significant effect on the Organization's programs and activities.

Note 3. Income Tax Status

The Organization is a not for profit organization that is exempt from income taxes under Section 501(c) (3) of the Internal Revenue Code and a similar sections of the applicable states tax laws which provides exemption from federal and state income taxes.

Note 4. Fair Value Measurements

ASC 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

The standards describe three levels of inputs that may be used to measure fair value:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Observable inputs other than Level 1 prices as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Note 4. Fair Value Measurements (continued)

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The Organization utilizes the market approach to measure fair value for its financial assets and liabilities. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. Assets and liabilities measured at fair value on a recurring basis are summarized below:

	Fair Value Measurements at December 31, 2011			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 26,646	$	$	$ 26,646
Mutual funds	1,612,358			1,612,358
	$ 1,639,004	$	$	$ 1,639,004
Amounts included in: Beneficial interest in assets held by the Community Foundations	$	$	$ 198,943	$ 198,943

	Fair Value Measurements at December 31, 2010			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 20,900	$	$	$ 20,900
Mutual funds	1,702,885			1,702,885
	$ 1,723,785	$	$	$ 1,723,785
Amounts included in: Beneficial interest in assets held by the Community Foundations	$	$	$ 202,663	$ 202,663

Unrealized gains or losses on investments are recorded in the Statement of Activities.

The beneficial interest in the Community Foundations is considered a level 3 investment and is based upon externally developed models that use unobservable inputs due to limited market activity of the instrument. The change in the beneficial interest measured at fair value for which the Organization has used level 3 inputs to determine fair value as of December 31, 2011 and 2010 consisted of unrealized gains (losses) of $(3,720) and $9,447, respectively which is included in the change in net assets (unrestricted) on the statement of activities.

Note 5. Property and Equipment

The cost of property and equipment and the related accumulated depreciation at December 31, 2011 and 2010 is as follows:

	2011	2010
Land	$ 8,517,569	$ 8,193,510
Buildings and improvements	23,521,872	21,952,800
Equipment	4,311,710	4,139,389
	36,351,151	34,285,699
Less accumulated depreciation	(14,882,002)	(13,644,472)
	$ 21,469,149	$ 20,641,227

Note 6. Property Held for Sale

In December 2009, the Organization's management approved a store location to be placed for sale. Pursuant to ASC 958 Accounting for the Impairment or Disposal of Long Lived Assets, the Organization reports the assets separately as property held for sale in the statement of financial position. Additionally, the assets are being valued at the lower of their carrying value or their estimated sales price less estimated costs to sell.

Note 7. Bond Issuance Costs

The costs incurred to obtain financing of several new retail stores have been capitalized and are being amortized as described below:

	Amortization Period	2011	2010
Bond issuance costs	20 years	$ 239,017	$ 239,017
Less accumulated amortization		(98,748)	(85,236)
		$ 140,269	$ 153,781

Note 8. Line of Credit

The Organization has a $1,500,000 line of credit with a bank, none of which was outstanding at December 31, 2011 and 2010. The line of credit bears interest at prime rate with a floor of 3.5%. The effective rate was 3.5% at December 31, 2011, and is unsecured.

Note 9. Notes Payable

Notes payable at December 31, 2011 and 2010 consist of the following:

	2011	2010
Promissory note, Series 2001, City of South Bend, Indiana, Variable Rate Economic Development Revenue Bonds.	$ 1,180,000	$ 1,280,000
Promissory note, Series 2005, Indiana Housing & Community Development Authority, Variable Rate Economic Development Revenue Bonds.	5,425,000	5,725,000
Promissory note, Series 2005A, Indiana Housing & Community Development Authority, Variable Rate Economic Development Revenue Bonds.	2,410,000	2,530,000
	$ 9,015,000	$ 9,535,000

The Series 2001 promissory note is evidence of a loan to the Organization by the City of South Bend, Indiana (the "Issuer"). The loan was made from the proceeds of the sale of revenue bonds, Series 2001 (Goodwill Industries of Michiana, Inc. Project), issued under an Indenture of Trust and Security Agreement dated January 30, 2001 between the Issuer and U.S. Bank Corporate Trust Services, as Trustee. Interest on the promissory note, at variable rates with a 10% maximum rate, is payable quarterly. The effective rate of interest at December 31, 2011 was .15%. Principal is payable semi-annually, with final maturity in January 2014. The Organization has obtained a $1,216,056 irrevocable letter of credit from a financial institution which may be drawn upon by the Trustee in the event of default by the Organization. Outstanding drafts or acceptances under the letter of credit, of which none were outstanding at December 31, 2011, are payable on demand with interest at the national prime rate (3.25% at December 31, 2011) and are collateralized by real estate. The payment of principal and interest on the Series 2001 revenue bonds is made by the Trustee from a bond fund.

The Series 2005 promissory note is evidence of a loan to the Organization by the Indiana Housing & Community Development Authority (the "Issuer"). The loan was made from the proceeds of the sale of revenue bonds, Series 2005 (Goodwill Industries of Michiana, Inc. Project), issued under an Indenture of Trust and Security Agreement dated March 17, 2005 between the Issuer and U.S. Bank Corporate Trust Services, as Trustee. Interest on the promissory note, at variable rates with a 10% maximum rate, is payable quarterly. The effective rate of interest at December 31, 2011 was .12%. In July 2017, principal is payable semi annually, with final maturity in January 2026. The Organization has obtained a $5,590,764 irrevocable letter of credit from a financial institution which may be drawn upon by the Trustee in the event of default by the Organization. Outstanding drafts or acceptances under the letter of credit, of which none were outstanding at December 31, 2011, are payable on demand with interest at the national prime rate (3.25% at December 31, 2011) and are collateralized by real estate. The payment of principal and interest on the Series 2005 revenue bonds is made by the Trustee from a bond fund.

Note 9. Notes Payable (continued)

The Series 2005A promissory note is evidence of a loan to the Organization by the Indiana Housing & Community Development Authority (the "Issuer"). The loan was made from the proceeds of the sale of revenue bonds, Series 2005 (Goodwill Industries of Michiana, Inc. Project), issued under an Indenture of Trust and Security Agreement dated December 16, 2005 between the Issuer and U.S. Bank Corporate Trust Services, as Trustee. Interest on the promissory note, at variable rates with a 10% maximum rate, is payable quarterly. The effective rate of interest at December 31, 2011 was .12%. In July 2013, principal is payable semi-annually, with final maturity in July 2017. The Organization has obtained a $2,483,639 irrevocable letter of credit from a financial institution which may be drawn upon by the Trustee in the event of default by the Organization. Outstanding drafts or acceptances under the letter of credit, of which none were outstanding at December 31, 2011, are payable on demand with interest at the national prime rate (3.25% at December 31, 2011) and are collateralized by real estate. The payment of principal and interest on the Series 2005A revenue bonds is made by the Trustee from a bond fund.

As of December 31, 2011, annual maturities of notes payable for each of the next five years ending December 31 are as follows: 2012 - $540,000; 2013 - $575,000; 2014 - $590,000; 2015 - $600,000 and 2016 - $635,000 and $6,075,000 through the final maturity date of 2026.

Based on the borrowing rates currently available to the Organization for loans with similar terms and average maturities, the fair value of the debt instruments approximates their carrying value as of December 31, 2011. These agreements include various affirmative and negative covenants. The Organization was in compliance with all covenants.

Note 10. Advertising

The Organization expenses the cost of advertising the first time advertising takes place. Advertising expense was $1,555,403 and $1,434,457 for the years ended December 31, 2011 and 2010, respectively. Coupon redemption is a large portion of advertising expense and was $1,006,527 and $967,775 for the years ended December 31, 2011 and 2010, respectively.

Note 11. Contingencies

Under the terms of State and Federal grants, periodic audits are required and certain costs may be challenged as to allowability under the terms of the grants. Grant resources are expendable only for operating purposes specified by the grant. Such audits could lead to reimbursement to the grantor agencies. However, management is of the opinion that the risk of material disallowance is remote. Therefore, no provision for contingencies has been reflected in the financial statements.

Note 12. Lease Commitments and Occupancy Expense

The Organization leases locations in LaPorte and two in Elkhart under non cancelable lease agreements which require annual base rentals of $10,200, $126,570 and $8,832, respectively. These agreements require additional charges for such items as common area maintenance, real estate taxes, utilities and insurance. These agreements expire between March 2012 and August 2015. The lease expense includes common area maintenance, real estate taxes, utilities and insurance for all of the Organization's locations.

Note 12. Lease Commitments and Occupancy Expense (continued)

The total occupancy expense for the years ended December 31, 2011 and 2010 was $1,454,370 and $1,409,574, respectively.

In March 2008, the Organization entered into a 72 month non cancelable lease for nine trucks. The lease agreement requires a monthly base payment of $10,362. In September 2009, the Organization entered into a 36 month non cancelable lease for a donation box. The lease agreement requires a monthly base payment of $100. In April 2009, the Organization entered into a 60 month non cancelable lease for a copier. The lease agreement requires a monthly base payment of $1,763. In December 2010, the Organization entered into a 36 month non cancelable lease for a donation box. The lease requires a monthly payment of $400. In December 2010, the Organization entered into a 36 month non cancelable lease for a printer. The lease agreement requires a monthly base payment of $217. In August 2011, the Organization entered into a 72 month non cancelable lease for a donation box. The lease requires a monthly payment of $500. The total lease expense for all of the Organization's equipment for the years ended December 31, 2011 and 2010 was $166,029 and $141,628, respectively.

The total minimum lease commitments at December 31, 2011 is as follows: 2012 - $311,943; 2013 - $293,467; 2014 - $192,631; 2015 - $81,033; 2016 - $7,200; and thereafter $4,700.

Note 13. Retirement Plan

The Organization has a section 403(b) retirement plan for its employees. The plan provides for individual custodial accounts for participating employees with varied investment options. The Organization made contributions to this plan in the amount of 3% of wages for all full time employees who have completed one year of continuous service, at least 1,000 hours of service and obtained the age eighteen or older and also matched employee contributions up to an additional 2%. Retirement expense was $388,502 and $382,527 for the years ended December 31, 2011 and 2010, respectively.

Note 14. Beneficial Interest in Assets Held by the Community Foundations

In 1996 the Organization entered into agreements with the Community Foundation of St. Joseph County, Inc. and the Elkhart County Community Foundation. The Organization applies the provisions of Codification of Financial Accounting Standards ASC 958-605, Transfers of Assets to a Not for Profit Organization or Charitable Trust That Raises or Holds Contributions for Others. The Organization recognized the transfer of investment assets, as a beneficial interest in assets held by Community Foundations. The Community Foundations recognized a liability to the Organization, because the Organization has specified itself as the beneficiary. The Community Foundations have variance power over the funds. With respect to contributions received by the Community Foundation on behalf of the Organization from other donors, as prescribed by ASC 958-605, this portion (fair value of $98,725 and $99,448 at December 31, 2011 and 2010, respectively) has not been reflected as part of the Organization's beneficial interest as the donor granted the Community Foundations variance power, which precludes recognition of expected cash flows by the beneficiary.

Note 15. Schedule of Expenditures of Federal Awards

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Organization and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non Profit Organizations.* Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 16. Michiana Goodwill Boosters

These financial statements do not include the amounts of the Michiana Goodwill Boosters (MGB) a not for profit organization that is exempt from income taxes under Section 501(c) (4) of the internal revenue code and a similar section of the Indiana tax law. At December 31, 2011, MGB had a cash balance of $45,240. During the year ended December 31, 2011 MGB received $126,052 in revenue and incurred $123,282 of expenses. MGB was established for the benefit of the Organization. Its purpose is to acquaint persons with the mission, programs and needs of Goodwill Industries of Michiana, Inc. and support and assist in its work.

GOODWILL INDUSTRIES OF MICHIANA, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2011

Federal Grantor / Pass-Through Grantor / Program Title	Federal CFDA Number	Agency or pass-through Number	Disbursements/ Expenditures
U.S. Department of Health and Human Service			
Passed-through State or Local Governments or Other Organizations			
Division of Disability, Aging, and Rehabilitative Services of the Indiana Family and Social Services Administration			
Adult Day Services	93.667	71-04-3H-2609	$ 14,949
Office of Faith-Based and Community Initiatives of the Indiana Family and Social Services Administration			
Good Works Indiana	93.558	F20-11-SF-0021	10,000
U.S. Department of Agriculture			
Passed-through State or Local Governments or Other Organizations:			
Indiana Family and Social Services Administration			
Arbor Program	10.561		1,350,849
U.S. Department of Education			
Passed-through State or Local Governments or Other Organizations			
Division of Disability, Aging, and Rehabilitative Services of the Indiana Family and Social Services Administration			
Vocational Rehabilitation	84.126A	71-09-0X-2609	367,334
U.S. Department of Housing and Urban Development			
Passed-through State or Local Governments or Other Organizations			
City of Elkhart			
Community Development Block Grant	14.218	231-5-631-431-4141	9,577
Passed-through State or Local Governments or Other Organizations			

GOODWILL INDUSTRIES OF MICHIANA, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2011

Federal Grantor / Pass-Through Grantor / Program Title	Federal CFDA Number	Agency or pass-through Number	Disbursements/ Expenditures
U.S. Department of Justice			
Passed-through State or Local Governments or Other Organizations			
City of South Bend			
Weed and Seed Alliance	16.595		16,348
Total Expenditures of Federal Awards			$ 1,769,057

The above schedule of expenditures of federal awards includes the federal grant activity of the Organization and is presented on the accrual basis of accounting. This information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non Profit Organizations.

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
Goodwill Industries of Michiana, Inc.
South Bend, Indiana

We have audited the financial statements of Goodwill Industries of Michiana, Inc. (the Organization) as of and for the year ended December 31, 2011, and have issued our report thereon, dated February 17, 2012. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Goodwill Industries of Michiana, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements.

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.

We have examined in accordance with attestation standards established by the American Institute of Certified Public Accountants, Goodwill Industries of Michiana, Inc.'s internal control over financial reporting as of December 31, 2011, based on the criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and our report dated February 17, 2012 expressed an unqualified opinion.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Goodwill Industries of Michiana, Inc.'s financial statements are free of 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 determination of financial statement amounts. We have examined the compliance with certain provisions of laws, regulations, contracts and grant agreements and in a report dated February 17, 2012 expressed an unqualified opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

This report is intended solely for the information and use of Management, the audit and corporate compliance committee, the Board of Directors, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Jaqua & Fralick CPAs

South Bend, Indiana
February 17, 2012

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Directors
Goodwill Industries of Michiana, Inc.
South Bend, Indiana

Compliance

We have audited Goodwill Industries of Michiana, Inc.'s compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each Goodwill Industries of Michiana, Inc.'s major federal programs for the year ended December 31, 2011. Goodwill Industries of Michiana, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Goodwill Industries of Michiana, Inc.'s management. Our responsibility is to express an opinion on Goodwill Industries of Michiana, Inc.'s compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Goodwill Industries of Michiana, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Goodwill Industries of Michiana, Inc.'s compliance with those requirements.

In our opinion, Goodwill Industries of Michiana, Inc. complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2011.

Internal Control Over Compliance

Management of Goodwill Industries of Michiana, Inc. is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Goodwill Industries of Michiana, Inc.'s internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMG Circular A-133.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

We have examined the compliance with certain provisions of laws, regulations, contracts and grant agreements and in a report dated February 17, 2012 expressed an unqualified opinion.

This report is intended solely for the information and use of Management, the audit and corporate compliance committee, the Board of Directors, others within the entity, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

South Bend, Indiana
February 17, 2012

GOODWILL INDUSTRIES OF MICHIANA, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2011

1. Summary of Auditor's results:

   a. The auditor's report expresses an unqualified opinion on the financial statements of Goodwill Industries of Michiana, Inc. for the year ended December 31, 2011.

   b. No significant deficiencies relating to the audit of the financial statements are reported in this schedule.

   c. No instances of noncompliance material to the financial statements of Goodwill Industries of Michiana, Inc., which would be required to be reported in accordance with Government Auditing Standards, were disclosed during the audit.

   d. No significant deficiencies in internal control over major federal award programs were disclosed during the audit and reported in this schedule.

   e. The auditor's report on compliance for the major federal award programs for Goodwill Industries of Michiana, Inc. expresses an unqualified opinion on the major federal programs.

   f. The threshold used for distinguishing between Type A and Type B programs was $300,000.

   g. Arbor Program (CFDA #10.561) was the major program identified.

   h. Arbor Program (CFDA #10.561) and Vocational Rehabilitation Program (CFDA #84.126A) were classified as Type A programs, and all other programs were classified as Type B.

   i. Goodwill Industries of Michiana, Inc. qualified as a low risk auditee.

   j. There were no audit findings required to be disclosed under OMB Circular A-133 Section 510(a).

2. Findings related to the financial statements which are required to be reported in accordance with GAGAS:

   None

3. Findings and questioned costs for federal awards including audit findings as defined in OMB Circular A-133 Section 510(a):

   None

GOODWILL INDUSTRIES OF MICHIANA, INC.

SUMMARY OF PRIOR AUDIT FINDINGS
For the Year Ended December 31, 2011

There were no prior year audit findings.

Memorandum of
Other Required Communications

Goodwill Industries of Michiana, Inc.

February 17, 2012

Jurgonski & Fredlake CPAs
418 W. Jefferson Blvd., South Bend, Indiana 46601

Office (574) 251-1414
Fax (574) 251-1477

Greg Jurgonski
John A. Fredlake
Joseph T. Barkman

To the Board of Directors
Goodwill Industries of Michiana, Inc.
South Bend, Indiana

Required Communications

We have audited the financial statements of Goodwill Industries of Michiana, Inc. for the year ended December 31, 2011 and have issued our report thereon dated February 17, 2012. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under Auditing Standards Generally Accepted in the United States of America

As stated in our engagement letter dated October 19, 2011, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement and are fairly presented in accordance with accounting principles generally accepted in the United States of America. Because of the concept of reasonable assurance and because we did not perform a detailed examination of all transactions, there is a risk that material errors, irregularities, or illegal acts, including fraud and defalcations, may exist and not be detected by us.

Significant Accounting Policies

Management has the responsibility for selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by Goodwill Industries of Michiana, Inc. are described in Note 1 to the financial statements. We noted no transactions entered into by the Organization during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were the calculation of donated merchandise and the additional accrual of the health insurance liability.

Significant Audit Adjustments

For purposes of this letter, professional standards define a significant audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. We proposed no significant adjustments during our audit.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Issues Discussed Prior to Retention of Independent Auditors

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

We were pleased to serve Goodwill Industries of Michiana, Inc. as its independent auditors for 2011 and look forward to our continued relationship. We provide the above information to assist you in performing your oversight responsibilities and would be pleased to discuss this letter or any matters further, should you desire.

This communication is intended solely for the information and use of Goodwill Industries of Michiana, Inc., management, the audit and corporate compliance committee, the Board of Directors and others within the Organization and is not intended to be and should not be used by anyone other than these specified parties.

Jurgonski & Fredlake CPAs

Jurgonski & Fredlake CPAs

South Bend, Indiana
February 17, 2012

Goodwill Industries of Michiana, Inc.
Period Ending - March 31, 2014

Current Operating Fund

Assets:			**Liabilities & Fund Balance:**		
Cash & Cash Equivalents		$5,310,934.76	Accounts Payable		$225,294.54
Change Funds		32,779.00	Accrued Taxes		195,287.56
Accounts Receivable		603,124.61	Accrued Salaries		542,025.34
Inventories		942,463.51	Accrued Vacations		409,969.66
Prepaid Expenses		187,816.22	Other Current Liabilities		900,985.40
			Deferred Revenue		15,533.06
			Opening Fund Balance (1-1-14)	$4,324,749.83	
			Year-To-Date Gain (Loss)	463,272.71	
					$4,788,022.54
Total Assets		**$7,077,118.10**	**Total Liabilities & Fund Balance**		**$7,077,118.10**

Land Building & Equipment Fund

Assets:			**Liabilities & Fund Balance:**			
Cash & Cash Equivalents		$3,279,339.16	Interest Payable			$1,229.53
Deposits		39,900.00	Taxes Payable			2,557.40
Prepaid Bond Fees		21,290.72	Short Term Bond Payable			295,000.00
Bond Issuance Costs		108,194.58	Long Term Bond Payable			7,210,000.00
Leasehold Improvement		35,466.76	Store Mortgage Loans Payable			10,476,520.93
Land		9,193,710.33	Opening Fund Balance (1-1-14)		$8,885,124.81	
Buildings	$26,319,616.08		Rental Income	$396,000.00		
Equipment	5,030,052.09		In-Kind Contributions	5,310.22		
Accumulated Depreciation	(16,905,373.74)		Interest Earned	1,040.17		
		$14,444,294.43	Interest Expense	(132,186.04)		
			Property Tax Expense (Refund)	5,010.55		
			Bond Fees	(19,115.98)		
			Amortization of Bond Issuance Costs	(2,730.90)		
			Amortization Expense (Leasehold Imp)	(1,564.71)		
			Year-To-Date Gain (Loss)		$251,763.31	
						$9,136,888.12
Total Assets		**$27,122,195.98**	**Total Liabilities & Fund Balance**			**$27,122,195.98**

Board Designated Endowment Fund

Assets:		**Liabilities & Fund Balance:**		
Cash & Cash Equivalents	$6,247,692.48	Opening Fund Balance (1-1-14)		$20,993,147.49
Certificates of Deposit	1,788,793.15	Gain (Loss) on Foundation Investments	$9,587.73	
Long Term Investments	2,401,025.36	Interest Earned	138,685.33	
Community Foundation Investments	249,396.73	Gain (Loss) on Long Term Investments	37,008.10	
Store Mortgage Loans Receivable	10,476,520.93	Workforce Development Services Subsidy	(15,000.00)	
		Year-To-Date Gain (Loss)		$170,281.16
Total Assets	**$21,163,428.65**	**Total Liabilities & Fund Balance***		**$21,163,428.65**

* Includes restricted of $249,396.73 and unrestricted of $20,914,031.92.

Program Statistics:	Month	Month-LY	YTD	Lst-YTD
Pay Checks Per Week	678	642	682	653
Persons Placed on Jobs	74	46	168	94
Client Training Days	1,064	860	3,088	2,731

Goodwill Industries of Michiana, Inc.
Income and Expense Statement w/ Variance
Current Operating Fund Report #100
For the Three Months Ending March 31, 2014

	March				Year To Date			
	Actual	Prior Year	Prior Yr Var	%	Actual	Prior Year	Prior Yr Var	%
OPERATING REVENUE:								
Store Sales	$1,937,243.73	$1,992,034.68	($54,790.95)	(3%)	$4,931,596.21	$5,452,570.09	($520,973.88)	(10%)
Salvage Sales	241,991.16	269,063.32	(27,072.16)	(10%)	678,057.11	872,219.05	(194,161.94)	(22%)
Industrial Services Income	60,314.71	68,660.53	(8,345.82)	(12%)	153,194.86	172,560.54	(19,365.68)	(11%)
Cafeteria Income	8,181.10	10,847.26	(2,666.16)	(25%)	23,918.32	31,062.58	(7,144.26)	(23%)
WDS Income	131,177.65	97,958.20	33,219.45	34%	381,858.60	284,073.13	97,785.47	34%
Interest Income	303.40	489.79	(186.39)	(38%)	617.40	977.95	(360.55)	(37%)
Misc. Income	6,210.30	2,828.70	3,381.60	120%	11,450.05	11,535.31	(85.26)	(1%)
Total Operating Revenue	2,385,422.05	2,441,882.48	(56,460.43)	(2%)	6,180,692.55	6,824,998.65	(644,306.10)	(9%)
OPERATING EXPENSES:								
Wages & Salaries	1,070,916.86	1,130,353.62	(59,436.76)	(5%)	3,089,221.55	3,151,635.17	(62,413.62)	(2%)
Employee Benefits:								
Health Insurance	125,000.00	100,000.00	25,000.00	25%	285,433.56	324,500.00	(39,066.44)	(12%)
Health Insurance Tax	1,500.00	0.00	1,500.00	0%	4,500.00	0.00	4,500.00	0%
Retirement Expense	28,307.00	29,808.90	(1,501.90)	(5%)	91,290.12	94,291.50	(3,001.38)	(3%)
Other Benefits	5,966.80	5,942.80	24.00	0%	17,902.90	17,841.10	61.80	0%
Total Employee Benefits	160,773.80	135,751.70	25,022.10	18%	399,126.58	436,632.60	(37,506.02)	(9%)
Payroll Taxes:								
FICA	72,594.16	70,096.74	2,497.42	4%	234,849.39	228,740.84	6,108.55	3%
Unemployment	2,735.00	5,839.10	(3,104.10)	(53%)	9,947.93	20,496.06	(10,548.13)	(51%)
Workers Compensation	13,301.57	11,314.32	1,987.25	18%	40,272.00	34,722.85	5,549.15	16%
Total Payroll Taxes	88,630.73	87,250.16	1,380.57	2%	285,069.32	283,959.75	1,109.57	0%
Total Wage Related Expense	249,404.53	223,001.86	26,402.67	12%	684,195.90	720,592.35	(36,396.45)	(5%)
Total Wages & Related Expense	1,320,321.39	1,353,355.48	(33,034.09)	(2%)	3,773,417.45	3,872,227.52	(98,810.07)	(3%)
Other Related Expense:								
Professional Services	49,342.64	37,834.96	11,507.68	30%	110,405.36	88,815.76	21,589.60	24%
Industrial Services Supplies	13,782.06	7,233.69	6,548.37	91%	29,094.55	18,903.25	10,191.30	54%
Purchased Supplies - "C" & New Goods	17,933.24	53,415.90	(35,482.66)	(66%)	48,301.75	153,478.91	(105,177.16)	(69%)
Purchased Supplies - Credentials	1,004.56	3,510.50	(2,505.94)	(71%)	3,014.04	9,127.20	(6,113.16)	(67%)
Other Supplies	48,265.08	39,047.97	9,217.11	24%	141,069.84	138,297.86	2,771.98	2%
WDS Training Services	1,439.61	(461.81)	1,901.42	(412%)	2,283.53	1,933.18	350.35	18%
Telecommunications	15,252.93	13,990.36	1,262.57	9%	43,659.28	43,530.10	129.18	0%
Postage/Shipping	26,632.02	13,249.32	13,382.70	101%	59,751.99	45,971.34	13,780.65	30%
Occupancy	296,595.74	260,923.33	35,672.41	14%	904,975.19	778,307.34	126,667.85	16%
Advertising/Printing	80,424.08	68,587.95	11,836.13	17%	190,315.99	171,476.23	18,839.76	11%
Coupon Redemption	105,674.39	122,027.97	(16,353.58)	(13%)	287,458.86	310,256.72	(22,797.86)	(7%)
Transportation	66,871.23	66,752.40	118.83	0%	230,464.93	198,070.83	32,394.10	16%
Staff Training	1,215.41	2,212.99	(997.58)	(45%)	2,874.93	728.75	2,146.18	295%
Dues	11,663.25	17,402.08	(5,738.83)	(33%)	39,346.75	43,758.28	(4,411.53)	(10%)
Awards/Grants	2,091.75	2,578.00	(486.25)	(19%)	6,824.75	4,208.76	2,615.99	62%
Total Other Related Expense	738,187.99	708,305.61	29,882.38	4%	2,099,841.74	2,006,864.51	92,977.23	5%
Total Operating Expense	2,058,509.38	2,061,661.09	(3,151.71)	0%	5,873,259.19	5,879,092.03	(5,832.84)	0%
Earned Revenue Over Expense	326,912.67	380,221.39	(53,308.72)	(14%)	307,433.36	945,906.62	(638,473.26)	(67%)
Subsidy:								
Contributions	71,555.46	61,043.89	10,511.57	17%	131,446.87	121,001.11	10,445.76	9%
Subsidies	8,380.72	7,694.03	686.69	9%	24,392.48	23,303.84	1,088.64	5%
Total Subsidy	79,936.18	68,737.92	11,198.26	16%	155,839.35	144,304.95	11,534.40	8%
Net Income (Loss) Before Board Appropriation	406,848.85	448,959.31	(42,110.46)	(9%)	463,272.71	1,090,211.57	(626,938.86)	(58%)
Net Income (Loss) After Board Appropriation	$406,848.85	$448,959.31	($42,110.46)	(9%)	$463,272.71	$1,090,211.57	($626,938.86)	(58%)

GOODWILL INDUSTRIES OF MICHIANA, INC.
STATEMENTS OF FINANCIAL POSITION
March 31, 2014 - December 31, 2013 - March 31, 2013

	March 2014	December 2013	March 2013
ASSETS			
Current Assets:			
Cash and cash equivalents	$ 16,659,539	$ 16,304,759	$ 15,368,870
Accounts receivable	603,125	725,367	701,536
Inventories	942,464	958,935	958,130
Prepaid expenses and deposits	249,007	164,912	286,651
Total Current Assets	$ 18,454,135	$ 18,153,973	$ 17,315,187
Property, Plant and Equipment:			
Land	$ 9,193,710	$ 9,193,710	$ 8,808,065
Buildings and improvements	26,543,779	26,467,151	24,186,146
Equipment	5,030,052	4,960,418	5,013,998
Accumulated depreciation and amortization	(17,094,071)	(17,092,506)	(15,985,810)
Total Property, Plant and Equipment	$ 23,673,470	$ 23,528,773	$ 22,022,399
Long Term Investments:			
Investments	$ 2,401,025	$ 2,361,159	$ 2,028,351
Community Foundations at fair market value	249,397	239,809	219,917
Total Long Term Investments	$ 2,650,422	$ 2,600,968	$ 2,248,268
Other Assets:			
Bond issuance costs, at amortized cost	$ 108,195	$ 110,925	$ 125,940
Total Other Assets	$ 108,195	$ 110,925	$ 125,940
Total Assets	$ 44,886,222	$ 44,394,639	$ 41,711,794
LIABILITIES AND NET ASSETS			
Current Liabilities:			
Current portion of notes payable	$ 295,000	$ 295,000	$ 290,000
Accounts payable	225,295	220,251	236,299
Accrued expenses	2,067,588	2,171,366	2,188,191
Total Current Liabilities	$ 2,587,883	$ 2,686,617	$ 2,714,490
Long Term Liabilities:			
Notes payable, net of current portion	$ 7,210,000	$ 7,505,000	$ 7,900,000
Total Long Term Liabilities	$ 7,210,000	$ 7,505,000	$ 7,900,000
Unrestricted Net Assets:			
Board designated endowment	$ 20,914,032	$ 20,753,338	$ 19,055,664
Other	13,924,910	13,209,875	11,821,723
Total Unrestricted Net Assets	$ 34,838,942	$ 33,963,213	$ 30,877,387
Permanently Restricted Net Assets:			
Board designated endowment	$ 249,397	$ 239,809	$ 219,917
Total Net Assets	$ 35,088,339	$ 34,203,022	$ 31,097,304
Total Liabilities and Net Assets	$ 44,886,222	$ 44,394,639	$ 41,711,794

Program Statistics:	Month	Month-LY	YTD	Last YTD
Pay Checks Per Week	678	642	682	653
Persons Placed on Jobs	74	46	168	94
Client Training Days	1,064	860	3,088	2,731

Report By: Kim Malicki
Report Date: April 7, 2014

Goodwill Industries of Michiana, Inc.
Consolidated Income Statement
Year-To-Date: March 31, 2014, 2013 and YTD
Report Date: 04/07/14

	March		YTD	
	2014	**2013**	**2014**	**2013**
Operating Revenue:				
Store Sales	$1,937,244	$1,992,035	$4,931,596	$5,452,570
Salvage Sales	241,991	269,063	678,057	872,219
Workforce Development Services	131,178	97,958	381,859	284,073
Industrial Services	60,315	68,661	153,195	172,561
Cafeteria	8,181	10,847	23,918	31,063
Interest Earned	303	490	617	978
Miscellaneous	6,210	2,828	11,451	11,535
Total Operating Revenue	$2,385,422	$2,441,882	$6,180,693	$6,824,999
Operating Expense:				
Wages & Salaries	$1,070,917	$1,130,354	$3,089,222	$3,151,635
Employee Benefits	160,774	135,752	399,127	436,633
Payroll Taxes	88,631	87,250	285,069	283,960
Professional Services and Fees	49,343	37,835	110,405	88,816
Supplies	80,984	103,209	221,479	319,807
WDS Training Services	1,440	(462)	2,284	1,933
Telecommunications	15,253	13,990	43,659	43,530
Postage and Shipping	26,632	13,249	59,752	45,971
Occupancy	296,596	260,923	904,975	778,307
Advertising and Printing	186,098	190,616	477,775	481,733
Transportation	66,871	66,752	230,465	198,071
Staff Training	1,215	2,213	2,875	729
Dues	11,663	17,402	39,347	43,758
Awards and Grants	2,092	2,578	6,825	4,209
Total Operating Expense	$2,058,509	$2,061,661	$5,873,259	$5,879,092
Revenue over Expense	$326,913	$380,221	$307,434	$945,907
Contributions	79,936	68,738	155,839	144,305
Operating Income	$406,849	$448,959	$463,273	$1,090,212
Other Income:				
Internal Store Rent	$132,000	$126,000	$396,000	$378,000
Interest Income	5,262	4,985	8,769	9,808
Gain on Investments	37,008	151,705	46,596	155,798
Miscellaneous	0	0	5,310	0
Total Other Income	$174,270	$282,690	$456,675	$543,606
Other Expenses:				
Debt Service	$6,228	$7,394	$20,346	$25,152
Workforce Development Services Subsidy	5,000	5,000	15,000	15,000
Depreciation and Amortization	1,432	1,066	4,296	3,199
Tax Expense	0	0	(5,011)	0
Total Other Expenses	$12,660	$13,460	$34,631	$43,351
Other Income over Expense	$161,610	$269,230	$422,044	$500,255
Net Income	$568,459	$718,189	$885,317	$1,590,467

Report By: Kim Malicki

Goodwill Industries of Michiana, Inc.
Period Ending - December 31, 2013

Current Operating Fund

Assets:			**Liabilities & Fund Balance:**		
Cash & Cash Equivalents		$4,865,792.17	Accounts Payable		$215,300.51
Change Funds		32,779.00	Accrued Taxes		179,308.15
Accounts Receivable		725,366.53	Accrued Salaries		649,713.58
Inventories		958,935.10	Accrued Vacations		409,969.66
Prepaid Expenses		124,178.46	Other Current Liabilities		910,023.52
			Deferred Revenue		17,986.01
			Opening Fund Balance (1-1-13)	$4,962,088.61	
			Year-To-Date Gain (Loss)	4,362,661.22	
			Board Appropriation	(5,000,000.00)	
					4,324,749.83
Total Assets		**$6,707,051.26**	**Total Liabilities & Fund Balance**		**$6,707,051.26**

Land Building & Equipment Fund

Assets:			**Liabilities & Fund Balance:**			
Cash & Cash Equivalents		$3,490,528.83	Accounts Payable			$4,950.58
Deposits		39,900.00	Interest Payable			1,807.87
Prepaid Bond Fees		833.32	Taxes Payable			2,557.40
Bond Issuance Costs		110,925.48	Short Term Bond Payable			295,000.00
Leasehold Improvement		37,031.47	Long Term Bond Payable			7,505,000.00
Land		9,193,710.33	Store Mortgage Loans Payable			10,476,520.93
Buildings	$26,242,987.84		Opening Fund Balance (1-1-13)		$5,549,978.96	
Equipment	4,960,418.06		Rental Income	$1,542,000.00		
Accumulated Depreciation	(16,905,373.74)		Interest Earned	3,941.29		
		14,298,032.16	Gain on Sale of Asset	30,526.60		
			Interest Expense	(533,496.87)		
			Property Tax Expense	(7,079.73)		
			Bond Fees	(88,119.63)		
			Amortization of Bond Issuance Costs	(17,880.57)		
			Amortization Expense (Leasehold Imp)	(1,965.39)		
			Depreciation Expense	(1,592,779.85)		
			Year-To-Date Gain (Loss)		(664,854.15)	
			Board Appropriation		4,000,000.00	
						8,885,124.81
Total Assets		**$27,170,961.59**	**Total Liabilities & Fund Balance**			**$27,170,961.59**

Board Designated Endowment Fund

Assets:		**Liabilities & Fund Balance:**		
Cash & Cash Equivalents	$6,379,966.96	Opening Fund Balance (1-1-13)		$18,994,770.81
Certificates of Deposit	1,535,691.94	Gain (Loss) on Foundation Investments	$23,984.71	
Long Term Investments	2,361,158.66	Interest Earned	573,067.79	
Community Foundation Investments	239,809.00	Gain (Loss) on Long Term Investments	461,324.18	
Store Mortgage Loans Receivable	10,476,520.93	Workforce Development Services Subsidy	(60,000.00)	
		Year-To-Date Gain (Loss)		998,376.68
		Board Appropriation		1,000,000.00
Total Assets	**$20,993,147.49**	**Total Liabilities & Fund Balance***		**$20,993,147.49**

* Includes restricted of $239,809.00 and unrestricted of $20,753,338.49.

Program Statistics:	Month	Month-LY	YTD	Lst-YTD
Pay Checks Per Week	689	665	665	649
Persons Placed on Jobs	342	77	1,011	752
Client Training Days	1,054	1,176	12,030	16,351

Goodwill Industries of Michiana, Inc.
Income and Expense Statement w/ Variance
Current Operating Fund Report #102
For the Twelve Months Ending December 31, 2013

	December				Year To Date			
	Actual	Prior Year	Prior Yr Var	%	Actual	Prior Year	Prior Yr Var	%
OPERATING REVENUE:								
Store Sales	$1,743,126	$1,823,404	($80,278)	(4)	$22,600,043	$22,320,210	$279,833	1
Salvage Sales	217,520	237,904	(20,383)	(9)	3,451,852	3,767,344	(315,492)	(8)
Industrial Services Income	51,424	64,053	(12,629)	(20)	657,515	622,992	34,523	6
Cafeteria Income	8,019	9,351	(1,332)	(14)	106,427	130,059	(23,632)	(18)
WDS Income	276,408	130,586	145,822	112	1,676,800	1,751,508	(74,707)	(4)
Interest Income	589	686	(97)	(14)	6,050	6,035	14	0
Misc. Income	3,810	8,638	(4,828)	(56)	37,349	35,073	2,276	6
Total Operating Revenue	2,300,896	2,274,621	26,275	1	28,536,037	28,633,221	(97,184)	0
OPERATING EXPENSES:								
Wages & Salaries	1,143,126	1,068,159	74,967	7	13,233,132	12,670,947	562,185	4
Employee Benefits:								
Health Insurance	(89,226)	(16,798)	(72,428)	431	1,010,274	1,733,202	(722,928)	(42)
Health Insurance Tax	0	0	0	0	288	0	288	0
Retirement Expense	29,961	33,774	(3,813)	(11)	368,350	394,257	(25,907)	(7)
Other Benefits	(31,231)	(37,164)	5,933	(16)	11,307	8,596	2,711	32
Total Employee Benefits	(90,497)	(20,188)	(70,309)	348	1,390,219	2,136,055	(745,836)	(35)
Payroll Taxes:								
FICA	74,306	71,185	3,121	4	937,876	915,616	22,260	2
Unemployment	1,538	6,813	(5,275)	(77)	52,064	78,960	(26,895)	(34)
Workers Compensation	13,734	1,740	11,994	689	148,396	116,041	32,355	28
Total Payroll Taxes	89,578	79,738	9,840	12	1,138,336	1,110,616	27,720	2
Total Wage Related Expense	(919)	59,550	(60,469)	(102)	2,528,554	3,246,671	(718,116)	(22)
Total Wages & Related Expense	1,142,206	1,127,709	14,498	1	15,761,687	15,917,618	(155,932)	(1)
Other Related Expense:								
Professional Services	89,842	66,745	23,097	35	676,904	688,481	(11,577)	(2)
Industrial Services Supplies	7,692	7,690	1	0	85,127	87,445	(2,318)	(3)
Purchased Supplies - "C" & New Goods	145	41,424	(41,279)	(100)	527,676	521,827	5,849	1
Purchased Supplies - Credentials	10,353	1,463	8,890	608	54,541	72,760	(18,218)	(25)
Other Supplies	80,624	93,705	(13,081)	(14)	743,717	788,510	(44,793)	(6)
WDS Training Services	4,997	1,496	3,500	234	17,855	14,993	2,862	19
Telecommunications	16,028	15,052	976	6	188,860	181,916	6,944	4
Postage/Shipping	18,668	20,561	(1,894)	(9)	213,733	233,934	(20,200)	(9)
Occupancy	353,806	285,521	68,285	24	3,261,876	3,136,700	125,176	4
Advertising/Printing	53,495	23,669	29,826	126	708,795	624,124	84,671	14
Coupon Redemption	111,435	103,653	7,781	8	1,449,638	1,163,255	286,383	25
Transportation	82,587	72,986	9,601	13	901,882	840,163	61,719	7
Staff Training	11,500	6,800	4,701	69	43,648	35,770	7,878	22
Dues	13,285	12,687	598	5	164,088	154,755	9,333	6
Awards/Grants	2,450	2,587	(137)	(5)	26,747	19,705	7,042	36
Total Other Related Expense	856,907	756,039	100,867	13	9,065,088	8,564,336	500,752	6
Total Operating Expense	1,999,113	1,883,748	115,365	6	24,826,774	24,481,954	344,820	1
Earned Revenue Over Expense	301,783	390,873	(89,090)	(23)	3,709,263	4,151,267	(442,004)	(11)
Subsidy:								
Contributions	132,818	393,469	(260,651)	(66)	643,398	853,264	(209,866)	(25)
Contributed Goods	10,000	0	10,000	0	10,000	10,000	0	0
Total Subsidy	142,818	393,469	(250,651)	(64)	653,398	863,264	(209,866)	(24)
Net Income (Loss) Before Board Appropriation	444,602	784,342	(339,741)	(43)	4,362,661	5,014,531	(651,870)	(13)
Board Appropriation	0	0	0	0	(5,000,000)	(4,000,000)	(1,000,000)	25
Net Income (Loss) After Board Appropriation	$444,602	$784,342	($339,741)	(43)	($637,339)	$1,014,531	($1,651,870)	(163)

GOODWILL INDUSTRIES OF MICHIANA, INC.
STATEMENTS OF FINANCIAL POSITION
December 2013 and December 2012

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	December 2013	December 2012
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 16,304,759	$ 14,319,653
Accounts receivable	725,367	777,750
Inventories	958,935	959,076
Prepaid expenses and deposits	164,912	153,078
Total Current Assets	$ 18,153,973	$ 16,209,557
Property, Plant and Equipment:		
Land	$ 9,193,710	$ 8,803,071
Buildings and improvements	26,467,151	24,176,006
Equipment	4,960,418	4,808,777
Accumulated depreciation and amortization	(17,092,506)	(15,985,477)
Total Property, Plant and Equipment	$ 23,528,773	$ 21,802,377
Long Term Investments:		
Investments	$ 2,361,159	$ 1,874,345
Community Foundations at fair market value	239,809	215,824
Total Long Term Investments	$ 2,600,968	$ 2,090,169
Other Assets:		
Bond issuance costs, at amortized cost	$ 110,925	$ 128,806
Total Other Assets	$ 110,925	$ 128,806
Total Assets	$ 44,394,639	$ 40,230,909
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Current portion of notes payable	$ 295,000	$ 285,000
Accounts payable	220,251	232,578
Accrued expenses	2,171,366	2,016,492
Total Current Liabilities	$ 2,686,617	$ 2,534,070
Long Term Liabilities:		
Notes payable, net of current portion	$ 7,505,000	$ 8,190,000
Total Long Term Liabilities	$ 7,505,000	$ 8,190,000
Unrestricted Net Assets:		
Board designated endowment	$ 20,753,338	$ 18,778,947
Other	13,209,875	10,512,068
Total Unrestricted Net Assets	$ 33,963,213	$ 29,291,015
Permanently Restricted Net Assets:		
Board designated endowment	$ 239,809	$ 215,824
Total Net Assets	$ 34,203,022	$ 29,506,839
Total Liabilities and Net Assets	$ 44,394,639	$ 40,230,909

Program Statistics:	Month	Month LY	YTD	Last YTD
Pay Checks Per Week	689	665	665	649
Persons Placed on Jobs	342	77	1,011	752
Client Training Days	1,054	1,176	12,030	16,351

Report By: Kim Malicki
Report Date: January 23, 2014

Goodwill Industries of Michiana, Inc.
Consolidated Income Statement
Year-To-Date: December 31, 2013, 2012 and YTD
Report Date: 1/17/14

	December		YTD	
	2013	**2012**	**2013**	**2012**
Operating Revenue:				
Store Sales	$1,743,126	$1,823,404	$22,600,043	$22,320,210
Salvage Sales	217,520	237,904	3,451,852	3,767,344
Workforce Development Services	276,408	130,586	1,676,800	1,751,508
Industrial Services	51,424	64,053	657,515	622,992
Cafeteria	8,019	9,351	106,427	130,059
Interest Earned	589	686	6,050	6,035
Miscellaneous	3,810	8,637	37,350	35,073
Total Operating Revenue	$2,300,896	$2,274,621	$28,536,037	$28,633,221
Operating Expense:				
Wages & Salaries	$1,143,126	$1,068,159	$13,233,132	$12,670,947
Employee Benefits	(90,497)	(20,188)	1,390,219	2,136,055
Payroll Taxes	89,578	79,738	1,138,336	1,110,616
Professional Services and Fees	89,842	66,745	676,904	688,481
Supplies	98,813	144,282	1,411,061	1,470,540
WDS Training Services	4,997	1,496	17,855	14,993
Telecommunications	16,028	15,052	188,860	181,916
Postage and Shipping	18,668	20,561	213,733	233,934
Occupancy	353,806	285,521	3,261,876	3,136,700
Advertising and Printing	164,929	127,322	2,158,433	1,787,379
Transportation	82,587	72,986	901,882	840,163
Staff Training	11,500	6,800	43,648	35,770
Dues	13,285	12,687	164,088	154,755
Awards and Grants	2,450	2,587	26,747	19,705
Total Operating Expense	$1,999,112	$1,883,748	$24,826,774	$24,481,954
Revenue over Expense	$301,784	$390,873	$3,709,263	$4,151,267
Contributions	142,818	393,469	653,398	863,264
Operating Income	$444,602	$784,342	$4,362,661	$5,014,531
Other Income:				
Internal Store Rent	$132,000	$126,000	$1,542,000	$1,572,000
Interest Income	20,538	3,933	53,183	38,392
Gain on Investments	149,071	18,566	485,309	265,233
Gain on Sale of Fixed Assets	23,840	14,070	30,527	353,851
Total Other Income	$325,449	$162,569	$2,111,019	$2,229,476
Other Expenses:				
Debt Service	$7,599	$8,987	$97,790	$112,582
Workforce Development Services Subsidy	5,000	5,000	60,000	60,000
Depreciation and Amortization	1,586,545	1,464,574	1,612,626	1,478,391
Grape Road Property Tax Expense	0	0	0	32,857
Tax Expense	0	0	7,080	0
Total Other Expenses	$1,599,144	$1,478,561	$1,777,496	$1,683,830
Other Income over Expense	($1,273,695)	($1,315,992)	$333,523	$545,646
Net Income	($829,093)	($531,650)	$4,696,184	$5,560,177

Report By: Kim Malicki

Attachment 24: Litigation Documentation

Goodwill LEADS, Inc., Goodwill Industries of Michiana, Inc. INIschools, LLC or any other related business entity do not have a history of litigation.