To the Board of Directors and Management
Goodwill LEADS, Inc. (The Excel Center)
1805 W Western Avenue
South Bend, Indiana 46619

In planning and performing our audit of the financial statements of Goodwill LEADS, Inc. (The Excel Center) as of and for the year ended June 30, 2018, in accordance with auditing standards generally accepted in the United States of America, we considered The Excel Center's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 Organization's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. 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.

OTHER MATTERS

Acquiring Property and Equipment

During the course of our audit procedures, we discussed with Organization personnel that the process for acquiring fixed assets may be strengthened through use of a purchase order system. The School Accountant uses judgement when paying invoices, including invoices for purchases of fixed assets, and the Board of Directors retroactively approves them. We recommend that the Organization consider setting up a formal purchase order process where the Board of Directors and/or the Vice President of the Excel Center approves property and equipment additions before purchase. The applicable use of a purchase order system is outlined in the "Guidelines for the Audits of Charter Schools" published by the Indiana State Board of Accounts.

Accounting Procedures Manual

During the course of our audit procedures, we determined that documentation for the Organization's internal controls and processes requires updating. Previously, the Organization had contracted with a third party vendor to assist with accounting duties. Currently, the in-house School Accountant performs the majority of accounting duties. We recommend that the Organization update its documentation to reflect the internal controls and processes currently implemented. It is our understanding that the Organization expects to update the manual during the school year ending June 30, 2019.

This communication is intended solely for the information and use of management, 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.

Kruggel, Lawton & Company, LLC

Kruggel, Lawton & Company LLC

Elkhart, Indiana
December 13, 2018

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