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January 9, 2019

Charter School Board
Excel Centers, LLC
1635 W. Michigan St.
Indianapolis, IN 46222

We have reviewed the Supplemental Audit Report for Excel Centers, LLC prepared by Greenwalt CPAs, Inc., Independent Public Accountants, for the period July 1, 2017 to June 30, 2018. In our opinion, the Supplemental Audit Report was prepared in accordance with the guidelines established by the State Board of Accounts.

We call your attention to the findings in the report. Page 4 contains three audit results and comments. Management's response is on page 6.

The Supplemental Audit Report and associated audited Financial Statements are filed in our office as a matter of public record.

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

SUPPLEMENTAL AUDIT REPORT OF
EXCEL CENTERS, LLC
MARION COUNTY, INDIANA
JULY 1, 2017 TO JUNE 30, 2018

GREENWALT^{CPAs}

We Deliver Peace of Mind

EXCEL CENTERS, LLC
SUPPLEMENTAL AUDIT REPORT
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SCHOOL OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Goodwill Education Initiatives, Inc. Treasurer	Daniel J. Riley, CPA	12/03/2012 – 12/02/2013 12/03/2013 – 12/02/2014 12/03/2014 – 12/02/2015 12/03/2015 – 12/02/2016 12/03/2016 – 12/02/2017 12/03/2017 – 12/02/2018
Goodwill of Central and Southern Indiana, Inc. Vice President, Mission and Education Initiatives	Betsy Delgado	not applicable
Goodwill Education Initiatives, Inc. Board Chair	Claudia Cummings	01/01/2017 – 12/31/2017 01/01/2018 – 12/31/2018



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH GUIDELINES FOR THE AUDITS OF CHARTER SCHOOLS
PERFORMED BY PRIVATE EXAMINERS

To the Board of Directors of
Goodwill Education Initiatives, Inc. and Excel Centers, LLC:

We have audited the financial statements of the Excel Centers, LLC (Excel Centers) as of and for the year ended June 30, 2018, and have issued our report thereon dated December 3, 2018.

In connection with that audit and with our consideration of Excel Centers' internal controls as required by the *Guidelines for the Audits of Charter Schools Performed by Private Examiners* (Guide), issued by the Indiana State Board of Accounts, we performed procedures prescribed under the Guide for the year ended June 30, 2018.

As required by the Guide, we performed procedures to test compliance with the requirements that are applicable to Excel Centers. Our procedures were substantially narrower in scope than an audit, the objective of which is the expression of an opinion on the Excel Centers' compliance with these requirements. Accordingly, we do not express such an opinion.

The results of our tests disclosed instances of noncompliance with those requirements, which are described in the accompanying Schedule of Audit Results and Comments.

The purpose of this report is solely to describe the scope of our testing over compliance with the requirements prescribed under the Guide and the results of that testing, and not to provide a legal determination of compliance with those requirements. Accordingly, this report is not suitable for any other purpose.

Greenwalt CPAs, Inc.

December 3, 2018

EXCEL CENTERS, LLC

MARION COUNTY

SCHEDULE OF AUDIT RESULTS AND FINDINGS

Financial records were not reconciled on a monthly basis

Excel Centers did not reconcile accounts receivables and fixed assets monthly. Excel Centers is required to follow the requirements outlined in the Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 8.

All financial records must be kept up-to-date and reconciled monthly. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 8.)

Credit card purchase was not approved or supported by a purchase order

One of five credit card purchases tested did not have a corresponding purchase order. This purchase also did not have proper approval of purchase. Excel Centers is required to follow the requirements outlined in the Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 10.

Credit cards shall 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 expenses to provide the charter school and other administration with timely and accurate accounting information and monitoring of the accounting system. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 10.)

Tax was charged on one credit card purchase.

One of five credit card purchases tested had tax charged on the purchase. Excel Centers purchased white boards on which they were taxed \$129.99. Excel Centers is required to follow the requirements outlined in the Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 10.

Charter schools are eligible for an exemption from the state sales tax on purchases. To obtain the exemption for a Sales Tax Exemption Certificate, application shall be made to the Sales Tax Division of the Department of Revenue. This certificate must be presented at the time a purchase is made to avoid paying sales tax. If sales tax is paid erroneously, a refund application may be obtained from the Sales Tax Division. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 10.)

EXCEL CENTERS, LLC

MARION COUNTY, INDIANA

EXIT CONFERENCE

The contents of this report were discussed on December 3, 2018 with C. Perry Griffith, Jr., Betsy Delgado, Kent Kramer, Daniel J. Riley, Don Palmer, Jay Oliver (via conference call) and Lynn Greggs. The officials concurred with our findings.



Supplemental Audit Report of
Excel Centers, LLC
Marion County, Indiana

Schedule of Adult Results and Comments – Management Response

Financial records were not reconciled on a monthly basis

Management Response:

Two key positions within the Excel Center finance team were open for a portion of FY17-18, resulting in Fixed Assets and Accounts Receivable reconciliations to not be completed timely during that period. Both positions have been filled and reconciliations are now being completed as required.

Credit card purchase was not approved or supported by a purchase order

Management Response:

The charge was incurred for a rental car for an employee who was asked to support a distant Excel Center for an extended period. The cost of a rental car was less expensive than the cost of mileage reimbursement, so the employee's supervisor initiated the charge on their corporate card but did not use a PO. While the intent was to be a good steward and use the lower cost rental car v. mileage reimbursement (which would have been submitted on an employee expense account), it created confusion on how to report and approve the transaction. Management plans to add language to both the purchasing and travel policies to clarify, as well as use technology improvements to automate our purchasing and procurement workflows to complete the approval process.

Tax was charged on one credit card purchase

Management Response:

The purchase in question was made at Walmart, which has the Excel Center tax exempt information on file, and should have applied it to the purchase. Management has communicated the purchasing policy to school office managers and directors on credit card purchasing to ensure the exemption is applied at the time of purchase.