



STATE OF INDIANA
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January 12, 2016

Charter School Board
Charter School of the Dunes, Inc.
7300 East Melton Road
Gary, IN 46403

We have reviewed the Supplemental Audit Report prepared by Fitzgerald/Isaac LLC, Independent Public Accountants, for the period July 1, 2014 to June 30, 2015. 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 3 contains two audit results and comments. Management's response is on page 5.

In addition to the report presented herein, a Financial Statements and Independent Auditors' Report for Charter School of the Dunes, Inc. was prepared in accordance with the guidelines established by the State Board of Accounts.

The Supplemental Audit Report and the Financial Statements and Independent Auditors' Report are filed in our office as a matter of public record.

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

SUPPLEMENTAL AUDIT REPORT
OF
CHARTER SCHOOL OF THE DUNES, INC.

LAKE COUNTY, INDIANA

July 1, 2014 to June 30, 2015

CHARTER SCHOOL OF THE DUNES, INC.

LAKE COUNTY, INDIANA

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CHARTER SCHOOL OF THE DUNES, INC.

LAKE COUNTY, INDIANA

School Officials

July 1, 2014 to June 30, 2015

<u>Office</u>	<u>Official</u>	<u>Term</u>
President of Board of Directors	Thomas Cera	07/01/14 – 06/30/15
School Director	Tara Stachowiak	07/01/14 – 07/31/15
School Treasurer	Marikite Segrest	07/01/14 – 06/30/15

The Board of Directors
Charter School of the Dunes, Inc.

We have audited the consolidated financial statements of **Charter School of the Dunes, Inc. and Affiliate** (the "School") as of and for the year ended June 30, 2015 and have issued our report thereon dated November 11, 2015. As part of our audit, we tested the School's compliance with provisions of the *Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools* issued by the Indiana State Board of Accounts and related provisions of laws, regulations, contracts and grant agreements. Reported in the Audit Results and Comments are matters where we believe the School was not in compliance with those provisions.



Indianapolis, IN
November 11, 2015

CHARTER SCHOOL OF THE DUNES, INC.

LAKE COUNTY, INDIANA

Audit Results and Comments

July 1, 2014 to June 30, 2015

TEXTBOOK RENTAL AND SCHOOL LUNCH REIMBURSEMENT

We selected a sample of 15 students for the purpose of verifying the income eligibility for subsidized meals and textbook reimbursement. Within this sample we noted:

- One instance where it was determined that the student qualified for reduced meal payments, when the application supported that they did not qualify for subsidy.
- One instance where the application could not be located, but the student was recorded as qualifying for free meals.
- One instance where the eligibility determination section of the form was not completed.

Charter schools must provide accurate information to the Indiana Department of Education pertaining to the number of students that received free/reduced textbooks. If a variance occurs between the charter school records and the report provided the IDOE, then written communication must also request a determination if any increases or decreases in funding will result to the charter school because of the variance. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 8)

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 10)

ELIGIBILITY VERIFICATION

Verification of income eligibility was performed in compliance with federal regulations; however, the Verification Collection Report was not submitted to the Indiana Department of Education by the established due date.

Charter schools 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. Charter schools shall file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 10)

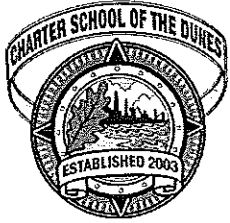
CHARTER SCHOOL OF THE DUNES, INC.

LAKE COUNTY, INDIANA

Exit Conference

July 1, 2014 to June 30, 2015

The contents of this report were discussed on November 19, 2015 with Paul Orner (Board Treasurer), Thomas Cera (Board Chair), Joi Patterson (President), and Geoffrey Cherry (Consultant). The Official Response has been made a part of this report and may be found on page 5.



Charter School of the Dunes

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www.csdunes.org

November 23, 2015

Mr. Eugene P. Fitzgerald,

This letter is in response to the findings in the July 1, 2014 to June 30, 2015 Supplemental Audit.

Lunch Qualification: To remedy the issues related to the mismanagement of free/reduce lunch qualification identified in the supplemental audit report, we have made improvements to personnel and our management system. We have strengthened our processes of enrollment and withdrawals, which includes the processing of lunch applications. We have retained necessary school leadership and student services personnel to ensure accuracy. In addition, we have implemented policies and procedures to guaranteed accurate and timely processing of lunch applications, appeals and withdrawals.

Please feel free to contact me if you have any questions.

Tom Cera,
Board Chair
Charter School of the Dunes
tjcera@gmail.com

cc:

Mr. Paul Orner, Board Treasurer
Charter School of the Dunes

Dr. Joi Patterson, President
Charter School of the Dunes

Ms. Michelle McCollough, Director of Finance
Charter School of the Dunes

Mr. Geoffrey Cherry, external consultant
Orbital