



STATE OF INDIANA
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B47342

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December 20, 2016

Charter School Board
Charter School of the Dunes
7300 Melton Rd
Gary, IN 46403

We have reviewed the Supplemental Audit Report prepared by Donovan P.C., Independent Public Accountants, for the period July 1, 2015 to June 30, 2016. 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 finding in the report. Page 3 contains one audit result and comment.

In addition to the report presented herein, a Financial Statements and Independent Auditors' Report for the Charter School of the Dunes, 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, 2015 to June 30, 2016



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CHARTER SCHOOL OF THE DUNES, INC.
LAKE COUNTY, INDIANA
School Officials
July 1, 2015 to June 30, 2016

| <u>Office</u> | <u>Official</u> | <u>Term</u> |
|---------------------------------|---------------------|---------------------|
| President of Board of Directors | Thomas Cera | 07/01/15 – 06/30/16 |
| School Director | Tara Stachowiak | 07/01/15 – 07/31/16 |
| School Controller | Michelle McCollough | 07/01/15 – 06/30/16 |



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, 2016 and have issued our report thereon dated December 2, 2016. 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.

DONOVAN

A handwritten signature in dark ink that reads 'DONOVAN' in a cursive, slightly stylized font.

Indianapolis, Indiana
December 2, 2016

CHARTER SCHOOL OF THE DUNES, INC.
LAKE COUNTY, INDIANA
Exit Conference
July 1, 2015 to June 30, 2016

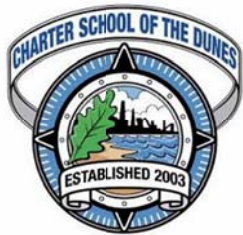
PAYROLL POLICIES AND COMPLIANCE

We selected a sample of 15 employees from the February 15, 2016 payroll register for testing. Approval for pay rates were documented, however an updated contract for five of the tested employees were not able to be provided.

All compensation and benefits paid to employees must be included in the labor contract or salary schedule unless otherwise authorized by statute. (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, 2015 to June 30, 2016

The contents of this report were discussed on December 2, 2016 with Michelle McCollough (Director of Finance and Operations) and Geoffrey Cherry (Financial Management Consultant). The Official Response has been made a part of this report and may be found on page 5.



Management Response to Findings

Dec 02, 2016

Donovan, P.C.
9245 N. Meridian Street, Suite 302
Indianapolis, IN 46260

In response to the auditor's finding noted in the Charter School of the Dunes 2015-16 Supplemental Audit regarding employees labor contract/salary schedule (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 10), management understands this is required and has begun work to remedy this and to assure policies and procedures are updated to prevent any future occurrence.

Michelle McCullough, Director of Finance & Operations

Constance Smith, Principal