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June 13, 2019

Board of Directors  
Dunebrook, Inc.  
7451 W. Johnson Road  
Michigan City, IN 46360

We have reviewed the audit report of Dunebrook, Inc. which was opined upon by Applegate & Company, PC, Independent Public Accountants, for the period January 1, 2017 to December 31, 2017. Per the *Independent Auditors' Report* the financial statements included in the report present fairly the financial condition of Dunebrook, Inc. as of December 31, 2017 and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Applegate & Company, PC prepared the audit in accordance with guidelines established by the State Board of Accounts.

The report is filed with this letter in our office as a matter of public record.

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

DUNEBROOK, INC.  
Michigan City, Indiana

ANNUAL REPORT  
December 31, 2017

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## Independent Auditor's Report

**Board of Directors  
Dunebrook, Inc.  
Michigan City, Indiana**

We have audited the accompanying financial statements of Dunebrook, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities, functional expenses and cash flows for the years 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 the 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 audits 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. 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 Dunebrook, Inc. as of December 31, 2017 and 2016 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.

*Applegate & Company*  
APPLEGATE & COMPANY  
Certified Public Accountants

Michigan City, Indiana  
July 10, 2018

DUNEBROOK, INC.

STATEMENTS OF ACTIVITIES  
For the year ended December 31, 2017

<u>PUBLIC SUPPORT AND REVENUE</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Public support:				
Contributions - cash	\$ 70,228		\$ 3,196	\$ 73,424
Special events	91,847			91,847
Allocated by The United Way	28,726			28,726
In-kind services and materials (Note 1)	<u>191,428</u>			<u>191,428</u>
Total public support	<u>382,229</u>		<u>3,196</u>	<u>385,425</u>
Grants from governmental agencies:				
Healthy Families Indiana	260,214	\$ 86,571		346,785
Maternal Infant Early Childhood Home Visiting Grant	413,565	37,555		451,120
OFC	33,897			33,897
Department of Child Services - Indiana	1,225,435			1,225,435
Indiana Criminal Justice Institute Grant	57,566			57,566
Michigan City Enrichment Grant	20,000			20,000
LaPorte Community Development Block Grant	<u>10,730</u>			<u>10,730</u>
Total grants from governmental agencies	<u>2,021,407</u>	<u>124,126</u>		<u>2,145,533</u>

- Continued -

DUNEBROOK, INC.

STATEMENTS OF ACTIVITIES (CONTINUED)  
For the year ended December 31, 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Other operating revenue:				
Income released from restrictions		(15,606)		(15,606)
Private grants	151,382	4,825	6,179	162,386
Program service fees	9,070			9,070
Investment income	134			134
Endowment transfer	13,000		(13,000)	
Unrealized gain on investments (Note 3)			31,657	31,657
Loss on disposal of assets	(1,145)			(1,145)
Total other revenue	<u>172,441</u>	<u>(10,781)</u>	<u>24,836</u>	<u>186,496</u>
Total support and revenue	<u>2,576,077</u>	<u>113,345</u>	<u>28,032</u>	<u>2,717,454</u>
 <u>EXPENSES</u>				
Program services	2,373,052			2,373,052
Management and general	186,391		3,789	190,180
Fund-raising	96,662			96,662
Total expenses	<u>2,656,105</u>		<u>3,789</u>	<u>2,659,894</u>
 CHANGE IN NET ASSETS	(80,028)	113,345	24,243	57,560
 NET ASSETS AT BEGINNING OF YEAR	<u>1,644,979</u>	<u>15,606</u>	<u>247,211</u>	<u>1,907,796</u>
 NET ASSETS AT END OF YEAR	<u>\$1,564,951</u>	<u>\$128,951</u>	<u>\$271,454</u>	<u>\$1,965,356</u>

The accompanying notes are an integral part of these financial statements.

DUNEBROOK, INC.

STATEMENTS OF ACTIVITIES

For the year ended December 31, 2016

<u>PUBLIC SUPPORT AND REVENUE</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Public support:				
Contributions - cash	\$ 17,207		\$ 1,050	\$ 18,257
Special events	94,338			94,338
Allocated by The United Way	33,383			33,383
In-kind services and materials (Note 1)	<u>214,886</u>			<u>214,886</u>
Total public support	<u>359,814</u>		<u>1,050</u>	<u>360,864</u>
Grants from governmental agencies:				
Healthy Families Indiana	226,902			226,902
Maternal Infant Early Childhood Home Visiting Grant	383,567			383,567
OFC	33,680			33,680
Department of Child Services - Indiana	1,374,335			1,374,335
Indiana Criminal Justice Institute Grant	44,616			44,616
Michigan City Enrichment Grant	20,000			20,000
LaPorte Community Development Block Grant	<u>9,270</u>			<u>9,270</u>
Total grants from governmental agencies	<u>2,092,370</u>			<u>2,092,370</u>

- Continued -

DUNEBROOK, INC.

STATEMENTS OF ACTIVITIES (CONTINUED)  
For the year ended December 31, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>Other operating revenue:</b>				
Income released from restrictions		\$(27,514)		(27,514)
Private grants	172,320	15,606	6,647	194,573
Program service fees	9,310			9,310
Investment income	140			140
Endowment transfer	12,659		(12,659)	
Unrealized gain on investments (Note 3)			17,067	17,067
Loss on disposal of assets	(47)			(47)
Total other revenue	<u>194,382</u>	<u>(11,908)</u>	<u>11,055</u>	<u>193,529</u>
Total support and revenue	<u>2,646,566</u>	<u>(11,908)</u>	<u>12,105</u>	<u>2,646,763</u>
 <b><u>EXPENSES</u></b>				
Program services	2,458,635			2,458,635
Management and general	181,110		3,464	184,574
Fund-raising	100,860			100,860
Total expenses	<u>2,740,605</u>	<u>          </u>	<u>3,464</u>	<u>2,744,069</u>
CHANGE IN NET ASSETS	(94,039)	(11,908)	8,641	(97,306)
NET ASSETS AT BEGINNING OF YEAR	<u>1,739,018</u>	<u>27,514</u>	<u>238,570</u>	<u>2,005,102</u>
NET ASSETS AT END OF YEAR	<u>\$1,644,979</u>	<u>\$ 15,606</u>	<u>\$247,211</u>	<u>\$1,907,796</u>

The accompanying notes are an integral part of these financial statements.

DUNEBROOK, INC.

STATEMENTS OF FINANCIAL POSITION  
December 31, 2017 and 2016

	<u>ASSETS</u>	<u>2017</u>	<u>2016</u>
<u>CURRENT ASSETS</u>			
Cash and cash equivalents		\$ 456,620	\$ 300,462
Accounts receivable			
Unity Foundation		13,000	12,659
Grants from governmental agencies		282,930	368,921
Other		1,092	6,906
Prepaid family incentives		4,029	6,869
Prepaid expenses		8,640	8,510
Total current assets		<u>766,311</u>	<u>704,327</u>
 <u>PROPERTY AND EQUIPMENT (Note 1)</u>			
Land and land improvements		91,955	91,955
Building		1,504,775	1,504,775
Furniture and fixtures		447,071	450,572
Total cost		2,043,801	2,047,302
Accumulated depreciation		983,605	908,695
Total property and equipment		<u>1,060,196</u>	<u>1,138,607</u>
 <u>OTHER ASSETS</u>			
Endowment fund (Note 3)		271,454	247,211
Total assets		<u>\$2,097,961</u>	<u>\$2,090,145</u>
 <u>LIABILITIES AND NET ASSETS</u>			
<u>CURRENT LIABILITIES</u>			
Accounts payable		\$ 122,841	\$ 172,972
Payroll withholdings payable		6,631	6,794
Retirement plan payable (Note 5)		3,133	2,583
Total current liabilities		<u>132,605</u>	<u>182,349</u>
 <u>NET ASSETS</u>			
Unrestricted		1,564,951	1,644,979
Temporarily restricted (Note 4)		128,951	15,606
Permanently restricted (Note 4)		271,454	247,211
Total net assets		<u>1,965,356</u>	<u>1,907,796</u>
Total liabilities and net assets		<u>\$2,097,961</u>	<u>\$2,090,145</u>

The accompanying notes are an integral part of these financial statements.

DUNEBROOK, INC.

STATEMENTS OF CASH FLOWS

For the years ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Change in net assets	\$ 57,560	\$ (97,306)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Net change to endowment	(24,243)	(8,641)
Depreciation and amortization	78,410	84,041
Loss on disposition of fixed assets	1,145	47
(Increase)/decrease in assets:		
Accounts receivable	91,464	(64,305)
Prepaid family incentives	2,840	10,093
Prepaid expenses	(130)	(2,876)
Increase/(decrease) in liabilities:		
Accounts payable	(50,131)	27,881
Other current liabilities	<u>387</u>	<u>539</u>
Net cash provided/(applied to) operating activities	<u>157,302</u>	<u>(50,527)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Cash payments for property and equipment	<u>(1,144)</u>	<u>(30,078)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	156,158	(80,605)
CASH AT BEGINNING OF YEAR	<u>300,462</u>	<u>381,067</u>
CASH AT END OF YEAR	<u>\$456,620</u>	<u>\$300,462</u>
Cash paid for interest	<u>\$ -0-</u>	<u>\$ -0-</u>

The accompanying notes are an integral part of these financial statements.

DUNEBROOK, INC.

STATEMENTS OF FUNCTIONAL EXPENSES  
For the year ended December 31, 2017

	<u>Program Services</u>	<u>Management &amp; General</u>	<u>Fund- raising</u>	<u>Total Expenses</u>
Salaries	\$1,192,379	\$128,977	\$ 40,112	\$1,361,468
Payroll taxes	87,330	9,447	2,938	99,715
Health insurance	191,309	15,212	11,660	218,181
Retirement plan	25,912	2,580	802	29,294
Professional fees	6,835	13,171		20,006
Direct assistance	14,715			14,715
Contract services	269,581			269,581
In-kind services and materials (Note 1)	191,428			191,428
House supplies	7,038	607		7,645
Office supplies	22,261	732	659	23,652
Telephone	23,615	720	615	24,950
Postage	8,033	127	337	8,497
Utilities	26,328			26,328
Insurance	35,454			35,454
Repairs and maintenance	12,954			12,954
Special programs	30,627			30,627
Printing and copier	8,770	866	1,017	10,653
Advertising	948			948
Travel	91,593	2,048	217	93,858
Conferences and training	4,295	1,140	108	5,543
Special events	7,162		36,805	43,967
Membership dues	4,847	935		5,782
Incentive expense	4,638	1,268	172	6,078
Miscellaneous	5,630	721	1,220	7,571
Rent expense (Note 8)	<u>28,800</u>			<u>28,800</u>
Total expenses before depreciation	2,302,482	178,551	96,662	2,577,695
Depreciation of building and equipment	<u>70,570</u>	<u>7,840</u>		<u>78,410</u>
Total expenses	<u>\$2,373,052</u>	<u>\$186,391</u>	<u>\$ 96,662</u>	<u>\$2,656,105</u>

The accompanying notes are an integral part of these financial statements.

DUNEBROOK, INC.

STATEMENTS OF FUNCTIONAL EXPENSES  
For the year ended December 31, 2016

	<u>Program Services</u>	<u>Management &amp; General</u>	<u>Fund- raising</u>	<u>Total Expenses</u>
Salaries	\$1,194,461	\$123,098	\$ 39,904	\$1,357,463
Payroll taxes	91,369	9,416	3,052	103,837
Health insurance	203,684	13,067	11,161	227,912
Retirement plan	18,440	2,462	798	21,700
Professional fees	6,890	17,932		24,822
Direct assistance	13,444			13,444
Contract services	295,047			295,047
In-kind services and materials (Note 1)	214,886			214,886
House supplies	6,963	142		7,105
Office supplies	22,858	1,443	393	24,694
Telephone	20,875	1,170	755	22,800
Postage	10,403	139	351	10,893
Utilities	24,765			24,765
Insurance	33,411			33,411
Repairs and maintenance	20,242			20,242
Special programs	34,428			34,428
Printing and copier	7,784	83	744	8,611
Advertising	143			143
Travel	104,284	2,096	325	106,705
Conferences and training	11,670	169	128	11,967
Special events	1,424		42,439	43,863
Membership dues	4,758	440		5,198
Incentive expense	5,206	148	86	5,440
Miscellaneous	6,763	901	724	8,388
Rent expense (Note 8)	<u>28,800</u>			<u>28,800</u>
Total expenses before depreciation	2,382,998	172,706	100,860	2,656,564
Depreciation of building and equipment	<u>75,637</u>	<u>8,404</u>		<u>84,041</u>
Total expenses	<u>\$2,458,635</u>	<u>\$181,110</u>	<u>\$100,860</u>	<u>\$2,740,605</u>

The accompanying notes are an integral part of these financial statements.

DUNEBROOK, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2017 and 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF ACTIVITY - Dunebrook, Inc., is a voluntary, not-for-profit organization whose purpose is to advocate for children and to provide positive family support and education.

The Organization was created in 1989 to be a center where intervention and prevention would work together toward the best interests of the children in LaPorte County. Dunebrook was envisioned as a child-centered, safe place devoted to nurturing families and protecting children. The vision and mission of Dunebrook have grown beyond the borders of LaPorte County. Nurturing families, helping parents, and advocating for children have become Dunebrook's greatest strengths.

The staff at Dunebrook works collaboratively with many agencies to provide parenting education and support to thousands of families in LaPorte, Newton, Jasper, Pulaski, Starke and Porter Counties in Indiana. Many of the programs are offered in a home visitation model and/or at various sites including Dunebrook. Information and education are offered on-line through [dunebrook.org](http://dunebrook.org). A substantial amount of the Organization's support is received from governmental agencies.

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DUNEBROOK, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2017 and 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**FINANCIAL STATEMENT PRESENTATION** - The financial statements are presented on the accrual basis of accounting. The Organization uses Accounting Standards Codification, "Financial Statements of Not-for-Profit Organizations." 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. Also, the Organization uses Accounting Standards Codification, "Accounting for Contributions Received and Contributions Made." Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence or nature of any donor restrictions. Such contributions are required to be reported as temporarily restricted support and are then reclassified to unrestricted net assets upon expiration of the purpose restriction. Restricted support is reported as unrestricted, if the restrictions are met in the same reporting period when received.

**USE OF ESTIMATES** - The preparation of financial statements in conformity with generally accepted accounting principles 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

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DUNEBROOK, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2017 and 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

IN-KIND SERVICES - The Organization recognizes contribution revenues and corresponding expenses for services and materials donated. The financial statements reflect only those donated services requiring specific expertise which Dunebrook, Inc. would otherwise need to purchase. In addition, many individuals volunteer their time and perform a variety of tasks that assist Dunebrook, Inc. For the years ended December 31, 2017 and 2016, Dunebrook, Inc. received 1,818 and 1,266 volunteer hours valued at approximately \$32,470 and \$20,826, respectively.

ACCOUNTS RECEIVABLE - Accounts receivable are recorded at net realizable value. Management determines the value based on known troubled accounts, historical experience and other available existing information. The Organization makes direct write-offs when specific accounts are determined to be uncollectible. It is the opinion of management that a further provision for doubtful accounts is not necessary at December 31, 2017 and 2016 and that the direct charge-off method does not differ materially from generally accepted accounting principles.

At December 31, 2017 and 2016, approximately 95% and 97%, respectively, of the accounts receivable balances were due from State and local government agencies.

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DUNEBROOK, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2017 and 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

LAND, BUILDING AND EQUIPMENT - Land, building and equipment are recorded at cost. Donated assets are capitalized at the fair market value on the date of donation. Depreciation of building and equipment is calculated using both accelerated and straight-line methods over the estimated useful lives. For the years ended December 31, 2017 and 2016, depreciation totaled \$78,410 and \$84,041, respectively.

INCOME TAXES - Dunebrook, Inc. is exempt from tax on income under section 501(c)(3) of the Internal Revenue Code. Therefore, these statements do not include any provision for income taxes.

The Financial Accounting Standards Board (FASB) issued Accounting Standards Codification "Accounting for Uncertainty in Income Taxes," that clarifies the accounting and recognition for income tax positions taken or expected to be taken in the Organization's income tax returns. The Organization has adopted the Standard. The Organization evaluates all significant tax positions as required by generally accepted accounting principles in the United States. As of December 31, 2017, the Organization does not believe that it has taken any tax positions that would require the recording of any tax liability nor does it believe that there are any unrealized tax benefits that would either increase or decrease within the next twelve months.

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DUNEBROOK, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2017 and 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Organization's income tax returns are subject to examination by the appropriate taxing jurisdictions and the open tax years are 2014-2017.

NOTE 2 - FAIR VALUE OF FINANCIAL INSTRUMENTS

The Organization has a number of financial instruments, none of which are held for trading purposes. The Organization estimates that the fair value of all financial instruments at December 31, 2017 and 2016 does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statements of financial position. The estimated fair value amounts have been determined by the Organization using available market information and appropriate valuation methodologies. Considerable judgment is necessarily required in interpreting market data to develop the estimates of fair value, and, accordingly, the estimates are not necessarily indicative of the amounts the Organization could realize in a current market exchange.

NOTE 3 - ENDOWMENT AND CHALLENGE FUNDS

The endowment fund is restricted in perpetuity to continue the purpose of the Organization and is managed by a third party trustee. Income generated by the assets held in the endowment fund is to be used for operations and is distributed to the Organization annually. Gains realized on the investments are recorded on the Organization's books,

- Continued -

DUNEBROOK, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2017 and 2016

NOTE 3 - ENDOWMENT AND CHALLENGE FUNDS (Continued)

but are retained in the trust to be distributed to the Organization at the trustee's discretion. The endowment fund has been recorded at market values of \$271,454 and \$247,211 as of December 31, 2017 and 2016, respectively. The unrealized gains of \$31,657 and \$17,067 for the years ended December 31, 2017 and 2016, respectively, are reflected as changes in net assets on the statements of activities.

NOTE 4 - RESTRICTED NET ASSETS

The permanently restricted net assets of the Organization are funds held at the Unity Foundation of LaPorte County.

	<u>2017</u>	<u>2016</u>
Permanently restricted net assets are restricted as follows:		
Endowment fund	<u>\$271,454</u>	<u>\$247,211</u>

At December 31, 2017 and 2016, the temporarily restricted net assets of \$128,951 and \$15,606, respectively, represent cash collected for grants, service fees, and public support received and designated for future projects.

NOTE 5 - SIMPLE RETIREMENT PLAN

Dunebrook, Inc. established a discretionary contributory Simple retirement plan for qualifying employees. Dunebrook, Inc. contributes an amount equal to 2% of each participating employee's compensation. The expense for the years ended December 31, 2017 and 2016 was \$29,294 and \$21,700, respectively.

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DUNEBROOK, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2017 and 2016

NOTE 6 - CONCENTRATIONS OF CREDIT RISK

The Organization maintains its cash balances in a local financial institution. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2017, the Organization's uninsured cash balances totaled \$213,210. These balances fluctuate during the year and can exceed this \$250,000 limit at other times of the year.

NOTE 7 - RELATED PARTY TRANSACTIONS

The Organization leases the Valparaiso location from a Board Member. The rent and utilities paid to this board member totaled \$30,304 and \$29,214 in 2017 and 2016, respectively. The lease agreement was approved by the board.

NOTE 8 - COMMITMENTS

On October 1, 2014, the Organization entered into a three-year lease for its Valparaiso location. Rent expense for the years ended December 31, 2017 and 2016 amounted to \$28,800 and \$28,800, respectively. The agreement expired on September 30, 2017. The Organization is currently leasing the Valparaiso location on a month-to-month basis.

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DUNEBROOK, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2017 and 2016

NOTE 9 - LINE OF CREDIT

At December 31, 2017 and 2016, the Organization had a \$300,000 line of credit with a local bank. The amount of indebtedness at December 31, 2017 and 2016 was \$-0- and \$-0-, respectively. The loan is secured by real and personal property owned by the Organization. The loan interest rate is prime plus 1.75% and the loan matures on October 3, 2019.

NOTE 10 - SUBSEQUENT EVENT

No subsequent events were noted as of July 10, 2018, which is the date the financial statements were available to be issued.

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Ronald J. Delco, CPA  
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Jason M. Nichols, CPA  
Brenda K. Novak, CPA

**Independent Auditors' Report**  
**On Supplementary Information**

**Board of Directors**  
**Dunebrook, Inc.**  
**Michigan City, Indiana**

We have audited the financial statements of Dunebrook, Inc. as of and for the years ended December 31, 2017 and 2016, and have issued our report thereon dated July 10, 2018, which contained an unmodified opinion on those financial statements. Our audits were performed for the purpose of forming an opinion on the financial statements as a whole.

The schedules of financial assistance received is presented for the 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.

  
**APPLEGATE & COMPANY**  
**Certified Public Accountants**

**Michigan City, Indiana**  
**July 10, 2018**

DUNEBROOK, INC.

SCHEDULE OF FINANCIAL ASSISTANCE RECEIVED  
December 31, 2017

<u>Program Title</u>	<u>Government Agency Name</u>	<u>CFDA Number</u>	<u>Amount Received</u>	<u>Amount Disbursed</u>	<u>Type of Funding</u>
Healthy Families (MIEC HV)	Indiana Dept of Child Services	93.505	\$ 374,079	\$ 413,565	Fee for Service/Federal Grant Passthrough State
Healthy Families (TANF)	Indiana Dept of Child Services	93.558	238,093	260,214	Fee for Service/Federal Grant Passthrough State
Community Development Block Grants	US Dept of Housing & Urban Development	14.218	8,730	10,730	Federal Grant Passthrough Local
VOCA	Indiana Criminal Justice Institute	16.575	43,285	57,565	Federal Grant Passthrough State
Community Partners for Child Safety	Indiana Dept of Child Services	93.590	810,902	979,451	Federal Grant Passthrough State
Child Advocacy Center	Indiana Dept of Child Services	93.590	84,534	105,190	Federal Grant Passthrough State
Nurturing Parenting	Indiana Dept of Child Services	93.590	124,957	140,793	Fee for Service/Federal Grant Passthrough State
Healthy Families (State)	Indiana Dept of Child Services	N/A	<u>33,897</u>	<u>33,897</u>	Fee for Service/State and Local
			1,718,477	2,001,405	
Other government grants			20,000	20,000	
Accounts receivable			282,930		
Program disbursements from other funding				<u>281,077</u>	
			<u>\$2,021,407</u>	<u>\$2,302,482</u>	

DUNEBROOK, INC.

SCHEDULE OF FINANCIAL ASSISTANCE RECEIVED

December 31, 2016

<u>Program Title</u>	<u>Government Agency Name</u>	<u>CFDA Number</u>	<u>Amount Received</u>	<u>Amount Disbursed</u>	<u>Type of Funding</u>
Healthy Families (MIEC HV)	Indiana Dept of Child Services	93.505	\$ 346,294	\$ 383,567	Fee for Service/Federal Grant Passthrough State
Healthy Families (TANF)	Indiana Dept of Child Services	93.558	184,172	226,902	Fee for Service/Federal Grant Passthrough State
Community Development Block Grants	US Dept of Housing & Urban Development	14.218	8,000	9,270	Federal Grant Passthrough Local
VOCA	Indiana Criminal Justice Institute	16.575	29,446	44,616	Federal Grant Passthrough State
Community Partners for Child Safety	Indiana Dept of Child Services	93.590	895,074	1,113,745	Federal Grant Passthrough State
Child Advocacy Center	Indiana Dept of Child Services	93.590	63,148	89,170	Federal Grant Passthrough State
Nurturing Parenting	Indiana Dept of Child Services	93.590	143,635	171,420	Fee for Service/Federal Grant Passthrough State
Healthy Families (State)	Indiana Dept of Child Services	N/A	<u>33,680</u>	<u>33,680</u>	Fee for Service/State and Local
			1,703,449	2,072,370	
Other government grants			20,000	20,000	
Accounts receivable			368,921		
Program disbursements from other funding				<u>290,628</u>	
			<u>\$2,092,370</u>	<u>\$2,382,998</u>	