



OF INDIANA

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December 30, 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, 2018 to December 31, 2018. Per the *Independent Auditor's Report* the financial statements included in the report present fairly the financial condition of Dunebrook, Inc. as of December 31, 2018 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.

A handwritten signature in blue ink that reads "Paul D. Joyce".

Paul D. Joyce, CPA
State Examiner

DUNEBROOK, INC.
Michigan City, Indiana

ANNUAL REPORT
December 31, 2018

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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, 2018 and 2017, 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

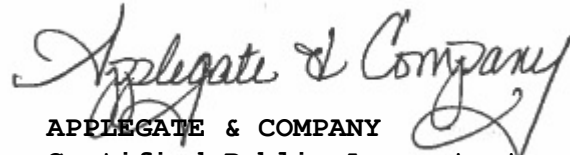
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about 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, 2018 and 2017 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
Certified Public Accountants

Michigan City, Indiana
September 3, 2019

DUNEBROOK, INC.

STATEMENTS OF ACTIVITIES

For the years ended December 31, 2018 and 2017

	2018			2017		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>PUBLIC SUPPORT AND REVENUE</u>						
Public support:						
Contributions - cash	\$ 36,513	\$ 259	\$ 36,772	\$ 70,228	\$ 3,196	\$ 73,424
Special events	106,335		106,335	91,847		91,847
Allocated by the United Way	33,633		33,633	28,726		28,726
In-kind services and materials (Note 1)	148,888		148,888	191,428		191,428
Total public support	325,369	259	325,628	382,229	3,196	385,425
Grants from governmental agencies:						
Healthy Families Indiana	256,741		256,741	260,214	86,571	346,785
Maternal Infant Early Childhood Home Visiting Grant	421,476		421,476	413,565	37,555	451,120
OFC	35,860		35,860	33,897		33,897
Department of Child Services Indiana Indiana Criminal Justice Institute Grant	1,040,455		1,040,455	1,225,435		1,225,435
Michigan City Enrichment Grant	74,812		74,812	57,566		57,566
LaPorte Community Development Block Grant	20,000		20,000	20,000		20,000
Michigan City Community Development Block Grant	10,000		10,000	10,730		10,730
Total grants from governmental agencies	1,865,344		1,865,344	2,021,407	124,126	2,145,533

- Continued -

DUNEBROOK, INC.

STATEMENTS OF ACTIVITIES (CONTINUED)
For the years ended December 31, 2018 and 2017

	2018			2017		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Other operating revenue:						
Income released from restrictions		(128,951)	(128,951)		(15,606)	(15,606)
Private grants	278,424	142,147	420,571	151,382	4,825	156,207
Program service fees	5,745		5,745	9,070		9,070
Investment income, net of fees	193	6,215	6,408	134	2,927	3,061
Endowment transfer	13,000	(13,000)		13,000	(13,000)	
Unrealized gain/(loss) on investments		(31,822)	(31,822)		31,120	31,120
Loss on disposal of assets				(1,145)		(1,145)
Total other revenue	<u>297,362</u>	<u>(25,411)</u>	<u>271,951</u>	<u>172,441</u>	<u>10,266</u>	<u>182,707</u>
 Total support and revenue	<u>2,488,075</u>	<u>(25,152)</u>	<u>2,462,923</u>	<u>2,576,077</u>	<u>137,588</u>	<u>2,713,665</u>
 <u>EXPENSES (NOTE 3)</u>						
Program services	2,180,709		2,180,709	2,373,052		2,373,052
Management and general	182,129		182,129	186,391		186,391
Fundraising	101,831		101,831	96,662		96,662
Total expenses	<u>2,464,669</u>		<u>2,464,669</u>	<u>2,656,105</u>		<u>2,656,105</u>
 CHANGE IN NET ASSETS	23,406	(25,152)	(1,746)	(80,028)	137,588	57,560
 NET ASSETS AT BEGINNING OF YEAR	<u>1,564,951</u>	<u>400,405</u>	<u>1,965,356</u>	<u>1,644,979</u>	<u>262,817</u>	<u>1,907,796</u>
 NET ASSETS AT END OF YEAR	<u>\$1,588,357</u>	<u>\$375,253</u>	<u>\$1,963,610</u>	<u>\$1,564,951</u>	<u>\$400,405</u>	<u>\$1,965,356</u>

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

DUNEBROOK, INC.

STATEMENTS OF FINANCIAL POSITION
December 31, 2018 and 2017

	<u>ASSETS</u>	<u>2018</u>	<u>2017</u>
<u>CURRENT ASSETS</u>			
Cash and cash equivalents		\$ 452,596	\$ 456,620
Accounts receivable:			
Unity Foundation		13,000	13,000
Grants from governmental agencies		326,232	282,930
Other		2,766	1,092
Prepaid family incentives		10,954	4,029
Prepaid expenses		14,580	8,640
Total current assets		<u>820,128</u>	<u>766,311</u>
 <u>PROPERTY AND EQUIPMENT (Note 1)</u>			
Land and land improvements		91,955	91,955
Building		1,534,143	1,504,775
Furniture and fixtures		470,197	447,071
Total cost		<u>2,096,295</u>	<u>2,043,801</u>
Accumulated depreciation		1,055,360	983,605
Total property and equipment		<u>1,040,935</u>	<u>1,060,196</u>
 <u>OTHER ASSETS</u>			
Endowment fund (Note 5)		<u>233,303</u>	<u>271,454</u>
Total assets		<u>\$2,094,366</u>	<u>\$2,097,961</u>
 <u>LIABILITIES AND NET ASSETS</u>			
<u>CURRENT LIABILITIES</u>			
Accounts payable		\$ 123,200	\$ 122,841
Payroll withholdings payable		4,575	6,631
Retirement plan payable (Note 7)		2,981	3,133
Total current liabilities		<u>130,756</u>	<u>132,605</u>
 <u>NET ASSETS (Note 1)</u>			
Without donor restrictions		1,588,357	1,564,951
With donor restrictions (Note 6)		375,253	400,405
Total net assets		<u>1,963,610</u>	<u>1,965,356</u>
Total liabilities and net assets		<u>\$2,094,366</u>	<u>\$2,097,961</u>

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

DUNEBROOK, INC.

STATEMENTS OF CASH FLOWS

For the years ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Change in net assets	\$ (1,746)	\$ 57,560
Adjustments to reconcile change in net assets to net cash from operating activities:		
Net change to endowment	38,151	(24,243)
Depreciation	72,288	78,410
Loss on disposition of fixed assets		1,145
(Increase)/decrease in assets:		
Accounts receivable	(44,976)	91,464
Prepaid family incentives	(6,925)	2,840
Prepaid expenses	(5,940)	(130)
Increase/(decrease) in liabilities:		
Accounts payable	359	(50,131)
Other current liabilities	(2,208)	387
Net cash provided by operating activities	<u>49,003</u>	<u>157,302</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Cash payments for property and equipment	<u>(53,027)</u>	<u>(1,144)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(4,024)	156,158
CASH AT BEGINNING OF YEAR	<u>456,620</u>	<u>300,462</u>
CASH AT END OF YEAR	<u>\$452,596</u>	<u>\$456,620</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, 2018

	<u>Program</u> <u>Services</u>	<u>Supporting Services</u>		<u>Total</u>
		<u>Admin-</u> <u>istrative</u>	<u>Fund-</u> <u>raising</u>	
Salaries	\$1,084,398	\$135,553	\$ 42,836	\$1,262,787
Payroll taxes	79,314	9,914	3,133	92,361
Health insurance	178,923	6,159	11,350	196,432
Retirement plan	20,620	2,711	857	24,188
Professional fees	6,770	12,513		19,283
Direct assistance	12,575			12,575
Contract services	257,324			257,324
In-kind services and materials (Note 1)	148,888			148,888
House supplies	6,558	398	25	6,981
Office supplies	23,617	618	192	24,427
Telephone	21,319	720	771	22,810
Postage	6,481	133	275	6,889
Utilities	24,468			24,468
Insurance	36,896			36,896
Repairs and maintenance	20,197			20,197
Special programs	42,310			42,310
Printing and copier	8,378	353	848	9,579
Advertising	8,078			8,078
Travel	72,827	1,410	198	74,435
Conferences and training	20,086	25	262	20,373
Special events	380		36,805	37,185
Membership dues	5,145	308	947	6,400
Incentive expense	4,523	2,371	1,751	8,645
Miscellaneous	6,376	1,713	1,581	9,670
Rent expense (Note 9)	19,200			19,200
Total expenses before depreciation	2,115,651	174,899	101,831	2,392,381
Depreciation	65,058	7,230		72,288
Total expenses	<u>\$2,180,709</u>	<u>\$182,129</u>	<u>\$101,831</u>	<u>\$2,464,669</u>

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DUNEBROOK, INC.

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

	<u>Program Services</u>	<u>Supporting Services</u>		<u>Total</u>
		<u>Admin- istrative</u>	<u>Fund- raising</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 9)	<u>28,800</u>			<u>28,800</u>
Total expenses before depreciation	2,302,482	178,551	96,662	2,577,695
Depreciation	<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.

NOTES TO FINANCIAL STATEMENTS
December 31, 2018 and 2017

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. 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, 2018 and 2017

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" which requires the Organization to report information regarding its financial position and activities according to the following net asset classifications:

C Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

C Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified to net assets without donor restrictions in the statements of activities.

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DUNEBROOK, INC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2018 and 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

CONTRIBUTIONS RECEIVED AND CONTRIBUTIONS MADE - The Organization uses Accounting Standards Codification, "Accounting for Contributions Received and Contributions Made." Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

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, 2018 and 2017

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 AND MATERIAL - 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, 2018 and 2017, Dunebrook, Inc. received 939 and 1,818 volunteer hours valued at approximately \$16,772 and \$32,470, respectively, and is included with in-kind services. In-kind services and material are as follows:

	<u>2018</u>	<u>2017</u>
In-kind services	\$ 36,542	\$ 52,641
In-kind material	<u>112,346</u>	<u>138,787</u>
Total	<u>\$148,888</u>	<u>\$191,428</u>

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

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DUNEBROOK, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2018 and 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

necessary at December 31, 2018 and 2017 and that the direct charge-off method does not differ materially from generally accepted accounting principles.

At December 31, 2018 and 2017, approximately 95% and 95%, respectively, of the accounts receivable balances were due from State and local government agencies.

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, 2018 and 2017, depreciation totaled \$72,288 and \$78,410, 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

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DUNEBROOK, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2018 and 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

principles in the United States. As of December 31, 2018, 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. The Organization's income tax returns are subject to examination by the appropriate taxing jurisdictions and the open tax years are 2015-2018.

NEW ACCOUNTING PRONOUNCEMENT - On August 18, 2016, the Financial Accounting Standards Board issued ASU 2016-14, Not-for-Profit Entities (Topic 958) - *Presentation of Financial Statements of Not-for-Profit Entities*, which is effective for years beginning after December 15, 2017. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The ASU has also been applied retrospectively to all periods presented.

NOTE 2 - AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets at December 31, 2018 and 2017:

- Continued -

DUNEBROOK, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2018 and 2017

NOTE 2 - AVAILABILITY AND LIQUIDITY (Continued)

	<u>2018</u>	<u>2017</u>
Cash and equivalents	\$452,596	\$456,620
Investments	<u>233,303</u>	<u>271,454</u>
Total financial assets	685,899	728,074
Less: endowment fund balance	<u>(233,303)</u>	<u>(271,454)</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$452,596</u>	<u>\$456,620</u>

NOTE 3 - FUNCTIONAL EXPENSES

The costs of providing program and other activities have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated among the program services and supporting services benefited. Such allocations are determined by management on an equitable basis.

NOTE 4 - 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, 2018 and 2017 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

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DUNEBROOK, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2018 and 2017

NOTE 4 - FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

of fair value, and, accordingly, the estimates are not necessarily indicative of the amounts the Organization could realize in a current market exchange.

NOTE 5 - ENDOWMENT FUND

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, 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 \$233,303 and \$271,454 as of December 31, 2018 and 2017, respectively. The unrealized loss of \$(31,822) for the year ended December 31, 2018 and the unrealized gain of \$31,120 for the year ended December 31, 2017 are reflected as other operating revenue on the statements of activities.

NOTE 6 - NET ASSETS WITH DONOR RESTRICTIONS

The net assets with donor restrictions of the Organization are as follows:

	<u>2018</u>	<u>2017</u>
Endowment fund	\$233,303	\$271,454
Deferred revenue	141,950	128,951
	<u>\$375,253</u>	<u>\$400,405</u>

- Continued -

DUNEBROOK, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2018 and 2017

NOTE 7 - 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, 2018 and 2017 was \$24,188 and \$29,294, respectively.

NOTE 8 - 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, 2018, the Organization's uninsured cash balances totaled \$199,363. These balances fluctuate during the year and can exceed this \$250,000 limit at other times of the year.

NOTE 9 - RELATED PARTY TRANSACTIONS

The Organization leased the Valparaiso location from a Board Member. The rent and utilities paid to this board member totaled \$20,248 and \$30,304 in 2018 and 2017, respectively. The lease agreement was approved by the board.

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DUNEBROOK, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2018 and 2017

NOTE 10 - 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, 2018 and 2017 amounted to \$19,200 and \$28,800, respectively. The agreement expired on September 30, 2017. The Organization was leasing the Valparaiso location on a month-to-month basis and ended the lease September 30, 2018.

NOTE 11 - LINE OF CREDIT

At December 31, 2018 and 2017, the Organization has a \$300,000 line of credit with a local bank. The amount of indebtedness at December 31, 2018 and 2017 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 12 - SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through September 3, 2019, which is the date that the accompanying financial statements were available for issuance.

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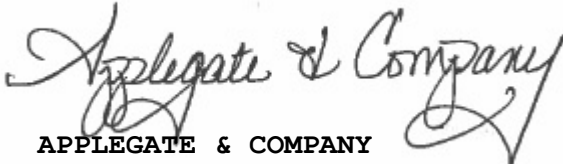
Paul E. Applegate, CPA
John E. Applegate, PA
(1920-1993)
Blake E. Applegate, CPA
Megan M. Applegate, CPA
Ronald J. Delco, CPA
Charles C. Fox, CPA
Jason M. Nichols, CPA

Independent Auditor's 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, 2018 and 2017, and have issued our report thereon dated September 3, 2019, 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
September 3, 2019

DUNEBROOK, INC.

SCHEDULE OF FINANCIAL ASSISTANCE RECEIVED

December 31, 2018

<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	\$ 349,971	\$ 421,476	Fee for Service/Federal Grant Passthrough State
Healthy Families (TANF)	Indiana Dept of Child Services	93.558	210,751	256,741	Fee for Service/Federal Grant Passthrough State
Community Development Block Grants	US Dept of Housing & Urban Development	14.218	14,000	16,000	Federal Grant Passthrough Local
VOCA	Indiana Criminal Justice Institute	16.575	45,948	74,812	Federal Grant Passthrough State
Community Partners for Child Safety	Indiana Dept of Child Services	93.590	741,815	897,288	Federal Grant Passthrough State
Child Advocacy Center	Indiana Dept of Child Services	93.590	85,612	107,197	Federal Grant Passthrough State
Nurturing Parenting	Indiana Dept of Child Services	93.590	35,970	35,970	Fee for Service/Federal Grant Passthrough State
Healthy Families (State)	Indiana Dept of Child Services	N/A	<u>35,045</u>	<u>35,860</u>	Fee for Service/State and Local
			1,519,112	1,845,344	
Other government grants			20,000	20,000	
Accounts receivable			326,232		
Program disbursements from other funding				<u>250,307</u>	
			<u>\$1,865,344</u>	<u>\$2,115,651</u>	

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>	