



**STATE OF INDIANA**  
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January 27, 2020

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

We have reviewed the Supplemental Audit Report for Charter School of the Dunes, Inc. prepared by Donovan CPAs, Independent Public Accountants, for the period July 1, 2018 to June 30, 2019. 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 an audit result and comment. Management's response is on page 5.

The Supplemental Audit Report and associated audited Financial Statements are filed 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

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

LAKE COUNTY, INDIANA

July 1, 2018 to June 30, 2019



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**CHARTER SCHOOL OF THE DUNES, INC.**  
**LAKE COUNTY, INDIANA**  
**School Officials**  
**July 1, 2018 to June 30, 2019**

<u>Office</u>	<u>Official</u>	<u>Term</u>
President of Board of Directors	Thomas Cera	07/01/18 – 06/30/19
Principal	Justin Stok	07/01/18 – 06/30/19
Director of Finance	Mahdee Iqbal	07/01/18 – 06/30/19



# Donovan CPAs

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, 2019 and have issued our report thereon dated December 12, 2019. 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

Indianapolis, Indiana  
December 12, 2019

**CHARTER SCHOOL OF THE DUNES, INC.**  
**LAKE COUNTY, INDIANA**  
**Audit Results and Comments**  
**July 1, 2018 to June 30, 2019**

**REQUIRED REPORTS**

We tested both biannual Form 9s filed by the School. Although the ending cash balance per the Form 9s reconciled to the ending cash balance per the financial statements, individual fund information was inconsistent with activity reported on the financial statements. Additionally, we noted negative balances that were unrelated to pending reimbursements.

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)

The fund balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which shall be investigated by the charter school. (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, 2018 to June 30, 2019**

The contents of this report were discussed on December 6, 2019 with Mahdee Iqbal (Director of Finance), Justin Stok (Principal), and Thomas Cera (President of Board of Directors). 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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December 12, 2019

Management Response to findings:

1. Charter School of the Dunes will find a management company/consultant to correct and align reporting on both financial statements and Form 9.
2. Charter School of the Dunes will initiate the necessary inter-fund transfers to prevent negative balances in funds