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| School Overview |
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*NOTE: The full application, including this form will be posted on the ICSB website. Applicants are advised that local community members, including members of the media, may contact the designated representative for the questions about the change in authorizer application.*

**Name of Charter School:** Charter School of the Dunes

**School Address:** 860 N. Lake St.  
Gary, IN 46403

**Name of Board Chair:** Danielle Sleight

**Office and cell phone numbers:** 219-743-3756

**Email Address:** [daniellesleight@sbcglobal.net](mailto:daniellesleight@sbcglobal.net)

**Name of Head of School/Principal:** Christine Pepa

**Office and cell phone numbers:** (work) 219-939-9690 (cell) 219-313-3268

**Email Address:** [cpepa@csotd.org](mailto:cpepa@csotd.org)

**Year School Opened:** 2003

**Name of Current Authorizer:** Ball State University

**Does the school contract or partner with an Education Service Provider (ESP) or other organization for school management/operation?** Yes \_\_\_ No X\*

\*Ending services June 30, 2013

If yes, identify the ESP or other partner organization:

**Current and Projected Grade Levels and Student Enrollment (per current Charter agreement)**

| Academic Year | Grade Levels Served           | Student Enrollment (Actual or Planned) |
|---------------|-------------------------------|--|
| 2013-2014     | Kindergarten – Eleventh Grade | 575                                    |
| 2014-2015     | Kindergarten – Twelfth Grade  | 650                                    |
| At Capacity   | Kindergarten – Twelfth Grade  | 700                                    |

## Proposal Narrative

### Executive Summary

**Vision:** Charter School of the Dunes (CSD) is an educational setting of excellence where children achieve full potential in their academic, personal, physical, moral, environmental, and cultural development.

**Mission:** Our mission is to inspire success through an innovative curriculum while cultivating environmental stewardship and setting high standards for student achievement through family and community involvement.

All aspects of the everyday functions of the school are implemented with this Vision and Mission in mind.

**Demographics:** Current Grades: K-10  
Enrollment: 460  
African American: 95%  
Asian: .2%  
Hispanic: .4%  
Caucasian: 2.7%  
Multiracial: 1.7%  
Qualified Free/Reduced Meals: 77%  
Instructional Day: 7 ½ hours  
School Year: 190 student instructional days

CSD is pursuing a new authorizer as Ball State will no longer hold its charter as of June 30, 2013. The goal of this proposal is a partnership with an Indiana Charter School Sponsor that understands Charter School of the Dunes' demographics and challenges and will actively collaborate with us as to prepare students for higher education, or the workforce, through a rigorous curriculum and instruction that incorporates an environmental focus.

### Governance and Management

CSD is a 501 c (3) organization which currently has a charter with the public institution of Ball State University. The school has a seven member board of directors; all members are residents of the City of Gary. This governing board reviews at each board meeting academic progress, financial statements, school activities, discipline reports, personnel issues and organizational compliance. The Board reviews the leadership performance using the Indiana RISE evaluation tool. The Board members are as follows: Danielle Sleight, President, founder and parent, 10 year member; Ron Cohen, Vice President, founder and professor, 10 year member; Darnail Lyles, Secretary, Lawyer, 4 year member; Paul Orner, Treasurer, Banker, 4 year member; Melisha Henderson, member, College HR director, 4 year member; Cloteal LaBroi, member, Lawyer and director within the City of Gary's mayor's office, 2 year member; Sholanda Drayton, member, parent, 2 year member.

Although there has been turnover in the past, CSD currently has had the same principal the past four school years; the principal oversees all operations of the school. There are two assistant principals (APs) at CSD whose primary role is instructional coach to the teachers and aides. The APs also assist with professional development, data analysis, evaluations, discipline procedures, and case conferences. CSD has a dean of students who oversees all discipline aspects. The attendance officer at CSD oversees all tardy and attendance aspects and is a school representative with the City of Gary's truancy program. Finally, CSD has a director of special education who oversees staff and compliance for the special education population (21% of the student population).

## **School Overview**

### Education Program

CSD offers a unique educational experience as we address individual needs by developing goals specific for each student. By developing individual goals, it is as though each student has his/her own individualized education plan. Considering the number of students who enroll in our school that are academically behind at least one grade level, this strategy offers an exceptional educational opportunity for our students to be academically successful. In addition to individual goal-setting, CSD students take an environmental science class each year as a specials class. We use the surrounding environment of the Indiana Dunes National Lakeshore and Lake Michigan to expand our students' knowledge of the environment and how to preserve this habitat. Another unique aspect of CSD is the implementation of Character Education throughout the curriculum. Each class incorporates the six pillars of Character as outlined by the Josephson Institute; Trustworthiness, Respect, Responsibility, Fairness, Caring, and Citizenship. CSD also has a specials class that focuses on Character Education through drama and art activities. Our goal in including Character Education in our curriculum is to instill these important pillars into students' lives so they can become productive citizens and begin to break the chain of violence that plagues the city. In addition to being unique academically, we are also unique financially. CSD is a community of parents and staff that believe that all children have a right to a quality educational alternative and that financial hardship should not stand in the way of such an opportunity consequently there are no tuition or book fees at CSD. Providing an education free of any cost is essential for our families since nearly 77% of our students qualify for free/reduced meals. Additionally, we offer uniform purchase assistance and often provide supplies for families in need. Through the years, we've discovered that many of our families have transportation issues due to lack of a vehicle, the cost of automotive repair, shift work, etc. Consequently, CSD incorporated bus service last year even though it is not state funded.

Our philosophical approach to educating students is to meet each student's individual academic needs. Individual student and class goal-setting is a unique and innovative approach that we have at CSD. These goals are teacher-created, based on the analysis of a student's initial benchmark assessment. Progress monitoring then takes place as often as every two weeks. During progress monitoring, if students have not met their goals, additional interventions are created to meet the students' needs. If students have met their goals, then new goals are created for them.

Our school design of individual goal-setting has improved educational outcomes for the student population as evidenced by the growth achieved by students during the mclass, DIBELS, NWEA and ISTEP+ assessment.

The Board is pleased with the gains CSD has had with individual academic performance, but continues to be concerned with the fact that CSD has had historically low overall scores on the state mandated ISTEP+. This low school performance is due to multiple variables; high transient population, new student enrollees with academic levels at least two grade levels behind, high special education population, and a facility that is not conducive to an uninterrupted instructional environment.

\*\* The following table includes only those new enrollees that we were able to benchmark at the beginning of the year and does not reflect the total population of new students as some do not enroll until the school year is well in progress.

| Knowledge Level of the 95 New 3rd - 9th Grade Students for the 2011 - 2012 School Year |               |               |  |               |               |
|--|---------------|---------------|--|---------------|---------------|
| Math   |               |               | Reading  |               |               |
| New Students Knowledge Level When Entering CSD   | # of Students | % of Students | New Students Knowledge Level When Entering CSD | # of Students | % of Students |
| 6 grade levels behind  | 2             | 2%            | 6 grade levels behind                          | 4             | 4%            |
| 5 grade levels behind  | 7             | 7%            | 5 grade levels behind                          | 4             | 4%            |
| 4 grade levels behind  | 8             | 8%            | 4 grade levels behind                          | 7             | 7%            |
| 3 grade levels behind  | 13            | 14%           | 3 grade levels behind                          | 9             | 9%            |
| 2 grade levels behind  | 21            | 22%           | 2 grade levels behind                          | 28            | 29%           |
| 1 grade level behind   | 36            | 38%           | 1 grade level behind                           | 29            | 30%           |
| On/Above Grade Level   | 8             | 8%            | On/Above Grade Level                           | 14            | 15%           |

\* All percentages are rounded to the nearest whole number.

Due to the above challenges, we initiated the following initiatives as a solution:

- Professional Development (PD)
  - Higher Order Questioning skills
  - Total Participation Techniques (Student Engagement)
  - Writing strategies
  - Reading strategies
  - Problem solving
- Individual student goal setting with all students
- Math and ELA class goal setting
- Needs Assessment from Scholastic Achievement Partners

- Bus transportation
- Attendance Officer
- Lower 35<sup>th</sup> Percentile parent meetings
- IREAD K-2
- Literacy Consultant
- Math Consultant
- Study Island/Reading Eggs

Despite the challenges of students coming in behind grade level, with the initiatives we put in place during the school year, we were able to show substantial growth in ISTEP+ test scores; see the following table:

| Charter School of the Dunes I-STEP+ Results |          |          |        |           |           |        |              |              |        |               |               |        |
|---|----------|----------|--------|-----------|-----------|--------|--------------|--------------|--------|---------------|---------------|--------|
| Grade Level                                 | 2011 ELA | 2012 ELA | Growth | 2011 Math | 2012 Math | Growth | 2011 Science | 2012 Science | Growth | 2011 Soc. St. | 2012 Soc. St. | Growth |
| 3rd Grade                                   | 49%      | 66%      | 17%    | 30%       | 50%       | 20%    |              |              |        |               |               |        |
| 4th Grade                                   | 54%      | 60%      | 6%     | 41%       | 60%       | 19%    | 36%          | 53%          | 17%    |               |               |        |
| 5th Grade                                   | 38%      | 63%      | 25%    | 53%       | 53%       | 0%     |              |              |        | 21%           | 38%           | 17%    |
| 6th Grade                                   | 42%      | 50%      | 8%     | 47%       | 55%       | 8%     | 19%          | 18%          | -1%    |               |               |        |
| 7th Grade                                   | 49%      | 51%      | 3%     | 28%       | 49%       | 21%    |              |              |        | 28%           | 24%           | -4%    |
| 8th Grade                                   | 28%      | 39%      | 11%    | 12%       | 24%       | 22%    |              |              |        |               |               |        |

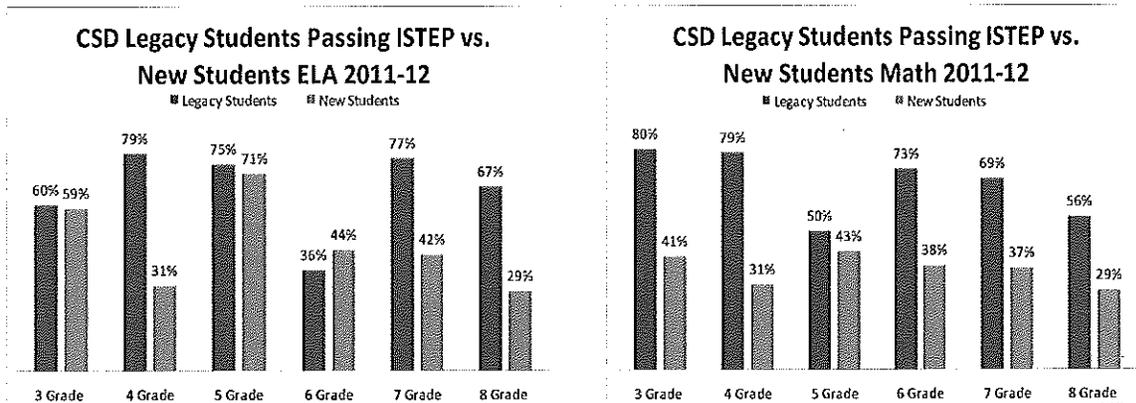
Analysis of the ISTEP+ data indicated lower percentile growth in the middle school grades. To improve this growth for this school year we have re-assigned teachers to better match their strengths, hired a full time math coach, and added additional language and math classes for middle school.

Additional initiatives we put in place to raise student achievement this school year include:

- Director of Special Education;
  - Increase of Special Education population of over 20%
- Math Coach;
- Additional Teacher Aides and Special Education Aides;
- Differentiated Instruction Workshop;
- Enhancement of Wednesday PD from last year;
- Double Math Instructional Time for 6<sup>th</sup> and 7<sup>th</sup> Grade Students;
- Language! Intervention Program for Grades 6-8;
- Accelerated Math and Accelerated Reading;

- Continued PD with Scholastic Achievement Partners;
- Rigor and Relevance focus;
- Curriculum Mapping integrating Common Core Standards;
- Parent University;
  - Student Study Skills and Strategies
  - Healthy Living
  - Raising Teens
  - Understanding Data
  - Goal Setting
  - Math Games
  - Literacy Night
  - Math Night
  - Using Math and ELA websites and programs
- 90 Minute Uninterrupted Reading Blocks;
- ISTEP+ Tutoring Workshops;
- Sylvan Tutoring.

Legacy students are students who have been at CSD four or more years. We do see a greater increase in scores on ISTEP+ for legacy students when compared to new students at our school:



We anticipate a continued trend of new enrollees coming in grade levels behind until we reach capacity and maintain the students until they reach legacy status. In the meantime, we continue assisting the students behind grade level with small group instruction and additional tutoring to raise their achievement levels. Unfortunately, while trying to achieve student legacy status, we will continue to struggle with the new state school performance grading system which emphasizes the pass/fail rate of the ISTEP+ test. Our transient student population presents a formidable challenge to improvement in the state grading system year to year, as the students performing in the bottom 25% of each school must improve at the same rate as the average of all other schools in the state. Therefore, our lowest performing 25% students, the most challenged transient students, must improve as much as the lowest performing 25% of students in schools with far less transient populations, such as Crown Point and Carmel school districts.

All school assessments are aligned to the school's curriculum framework and state performance standards. Our schedule for assessments at CSD is as follows:

| <b>Assessment</b>        | <b>Grades Taking</b> | <b>Windows</b>        |
|--------------------------|----------------------|-----------------------|
| NWEA                     | 3-9                  | Sept 1-Sept 30, 2012  |
| NWEA                     | 3-9                  | Dec. 10-Jan 31, 2013  |
| NWEA                     | 3-9                  | Apr. 18-May 30, 2013  |
| ISTEP+- Multiple Choice  | 3-8                  | April 29-May 10, 2013 |
| Online                   | 3-8                  | Mar 4-Mar 13, 2013    |
| ISTEP+ Applied Skills    | 3                    | Mar 18-Mar 20, 2013   |
| IREAD                    | 9                    | Dec. 10-17, 2012      |
| ECA (must Narrow Window) | 3-8                  | Apr 22-Jun 5, 2013    |
| Acuity                   | 3-8                  | Oct. 10-Oct. 31, 2012 |
| Acuity                   | 3-8                  | May 9-May 30, 2013    |
| Acuity                   | 3-8                  | Mar 14-Apr. 5, 2013   |
| Acuity                   | 3-8                  | Jan 7-Jan 28, 2013    |

To evaluate student performance, in addition to the above mentioned standard tests and progress monitoring, we also have teacher-created assessments that align to the state standards. Teacher-created assessments are ongoing throughout the school year.

To provide as effective instruction as possible for these assessments, teachers have aligned the curriculum to Core and State Standards and follow a curriculum pacing guide to ensure materials are learned in a timely manner. For all year preparation of ISTEP+ testing, we have incorporated school-wide writing prompts as well as math extended response questions that occur monthly.

Test results and instructional strategies to meet the students' needs are also shared with the entire school community, with presentations at a CSD board meeting as well as at a parent informational meeting.

The Administrative Team, consisting of the principal and assistant principals, analyzes the student data for each assessment. Strategies are then put in place to enhance the students' strengths and to improve knowledge in the deficient areas. Examples of these strategies are listed below:

- Individual goal-setting;
- Intensive small group instruction based on skill set;
- Researched-based intervention programs such as Voyager;
- RtI;
- Parent workshops to teach study skill strategies to parents to work with children at home;
- Test preparation in all grades to learn common format and language;
- Tutoring before and after school;

- Summer school.

Another procedure put into place is to retain a child if he/she has not shown substantial growth as evidenced by the school-wide assessments. The child is then required to attend summer school. If the student does not show substantial growth during summer school, the child is retained for the next school year.

While analyzing our data, we realized we were not moving in a consistent upward direction for student achievement and, therefore, revamped our approach to instruction as well as incorporated new curriculum strategies. We then identified the barriers that existed to establish the success we ultimately wanted to achieve. As a result, we have created curriculum maps for all grade levels and subjects along with aligning all curricula to the Core and State Standards. Also, based on initial student assessment, teachers created individual goals for every student and engaged in progress monitoring to determine if the goal has been achieved. If the goal was met, a new goal was created. If a student needs additional assistance in achieving the goal, alternative interventions are initiated. We have also reconfigured our small group settings to better reflect the needs of the students by having settings that are for moderate remediation while other groups have been established for intensive remediation. We have also included Higher Order Thinking questions for all lesson plans as well as including TPT lessons for student engagement. Additionally, we are focusing heavily on teacher effectiveness by incorporating a new coaching/evaluation instrument to ensure teachers are being effective instructionally. Although teachers have had contracts that were not renewed due to performance in the past, this year we are incorporating a more rigorous evaluation instrument and will not renew a contract if the teacher does not meet the criteria established in this new rigorous evaluation tool. Finally, we are addressing our high transient student population. With this influx, we gain new students who are academically behind at least one grade level. We have approximately 23% of our student population new each year and over 85% of them are below grade level. To overcome this barrier, we have created intensive small group instruction for those students who are at least one grade level behind.

#### Financial Management

CSD staff members responsible for managing the school finances are the principal and business manager. The school does contract Bookkeeping Plus, Inc. for bookkeeping service. CSD has historically been financially sound and continues to be fiscally solvent. The current location of the school is owned by the City of Gary and therefore the CSD Board purchased land for a new facility outright years ago. After a thorough and comprehensive review by the Indiana Department of Education, Charter School of the Dunes was awarded a multi-million dollar bond allocation purchased by Chase Bank and BMO Harris Bank to undertake one of the largest economic development projects in Gary and Northwest Indiana. The new \$12,600,000 LEED rated 60,000 SF K-12 school is currently under construction.

#### Operations and Compliance

CSD is in a dire situation in regards to our existing facility. We currently lease our building from Gary Art Works, which leases from the City of Gary. The main building is a former naval armory and only has the capacity to house a few classrooms, main office, cafeteria and gymnasium. All students except kindergarteners are located in modulars and must transition

outside to go to other classes, lunch, and specials. Intermediate students do not have restrooms in their modular and must transition outside to use the restroom in the main building. In inclement weather, preparing students for this outside transition takes away from instructional time, as students need to become properly prepared to encounter the elements. This transitioning interferes with instructional time, deters focus, and can be a safety hazard as the winter months are especially difficult (see photos below):



Since the inception of the school, the Board has searched for another facility that would be more conducive to a learning environment. The Board attempted to buy a closed facility from the Gary Public Schools. When that ventured failed, the Board then bought seven acres of land on which to build a facility. Our plans to build had to be expedited when we were notified that the City of Gary has started a renovation project that includes the development of the land that we currently use as our school. With this development, our school could be evicted from our current facility as early as next year.

CSD has no current or past litigation.

#### Other Information

CSD needs to improve student performance in math and ELA state assessments. The strategies we have in place to improve these deficiencies were emphasized throughout this proposal. Although immediate improvements have been made, it will take time to obtain the result we seek to achieve; raising all student achievement to the level at or above the state average. We will continue to analyze the data throughout the school year so proper adjustments can be initiated to reach our goals.

We are on an educational journey with such momentum that we will excel as a school that will be recognized not only for its superior academic achievement, but also as a cornerstone of the community. Our students will build an educational foundation to be life-long learners who have the intrinsic desire to establish and achieve their goals while becoming productive citizens of their community who respect the environment.

CSD is searching for a sponsor that will partner with us as we continue to build our educational foundation. This year we have expanded to tenth grade and will be adding a grade level each year until we are a K-12 grade school. We will also be improving our academic program as we include the following modifications:

- Placing new students according to their academic grade despite their age in order to be taught and tested at the appropriate state mandated level;
- Implementing an academic credit recovery program for high school students that allows a student to work outside the school day to learn failed subjects in anticipation of the next testing cycle;
- Requiring remedial classes in math and English for all grades;
- Providing instructional coaches to all teachers in math, English, and science to improve student comprehension, retention, and ultimate success;
- Enhancing our higher ability programs to include Advanced Placement classes as well as college coursework opportunities;
- Integrating project-based curriculum;
- Partnering with local career centers.

We believe that by working collaboratively with an involved sponsor, CSD can overcome the obstacles it currently encounters, while strengthening its successes, allowing it to become a school of academic excellence on all levels.

# ATTACHMENT 1

Danielle Sleight  
7645 Oak Avenue  
Gary, IN 46403  
[DanielleSleight@sbcglobal.net](mailto:DanielleSleight@sbcglobal.net)

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**Experience**

2004-Present      Small Business Owner  
Internet Retail Sales

1997-2004        Harbor Canvas  
Owner marine canvas company

1994-1996        Burrell Video Center, Merrillville, Indiana  
District Manager, Blockbuster Video Franchise

**Volunteer**

2003-Present     Charter School of the Dunes  
Founder  
Board Treasurer 2003-2009  
Board President 2009-Present

2007-Present     Field Station Cooperative  
Board of Directors

2001-2005        Miller Citizens Corporation  
Board of Directors, Vice President

**Education**

B.A., Barat College, Lake Forest, Illinois, 1990

Ronald Dennis Cohen  
8641 Pine Ave.  
Gary, In. 46403  
(219) 938-0661  
[rcohen@iun.edu](mailto:rcohen@iun.edu)

**Education:**

Univ. of California-Berkeley, BA in History 1962  
Univ. of Minnesota-Minneapolis, MA in History 1964  
Univ. of Minnesota-Minneapolis, PhD in History 1967

**Positions Held:**

Professor of History Emeritus, 2004-2009, Indiana University Northwest  
Professor of History, Dept. of History, Indiana University Northwest, 1985-2004.  
Associate Professor of History, Dept. of History, Indiana University Northwest,  
Gary, 1975-1985.  
Assistant Professor of History, Dept. of History, Indiana University Northwest,  
Gary, 1970-1975.

**Books (a selected list):**

1. *The Paradox of Progressive Education: The Gary Plan and Urban Schooling* (with Raymond A. Mohl, Port Washington, N.Y.: Kennikat Press, 1979).
2. Cohen and James B. Lane, *Gary: A Pictorial History* (Virginia Beach, Va.: Donning Co., 1983; expanded ed. 2003).
3. *Children of the Mill: Schooling and Society in Gary, Indiana, 1906-1960* (Bloomington, IN: Indiana University Press, 1990). Reprinted in paperback, N.Y.: Routledge, 2002, with a new introduction by William Reese.
4. Cohen, ed., "Wasn't That a Time!": *Firsthand Accounts of the Folk Music Revival* (Metuchen, N.J.: Scarecrow Press, 1995). Reissued in paperback 2002.
5. *Rainbow Quest: The Folk Music Revival and American Society, 1940-1970* (Amherst: Univ. of Massachusetts Press, 2002). Selected as a CHOICE Outstanding Academic book, 2003.
6. *Folk Music: The Basics* (N.Y.: Routledge, 2006).
7. *A History of Folk Music Festivals in the United States: Feasts of Musical Celebration* (Lanham, MD: Scarecrow Press, 2008).
8. Cohen and Bob Riesman, *Chicago Folk: Images of the Sixties Music Scene: The Photographs of Raeburn Flerlage* (Toronto: ECW Press, 2009).
9. *Work and Sing: A History of Occupational and Labor Union Songs in the United States* (Carquinez Press, 2009).

**DARNAIL LYLES  
ATTORNEY & COUNSELOR**

**RESUME**

**EDUCATION**

1976 Graduate of St. Ignatius College Preparatory, Chicago, Illinois.

1981 Graduate of Howard University with a Bachelor of Science in Psychology and Sociology.

1986 Graduate of the Howard University School of Law.

**LEGAL EXPERIENCE**

June, 1986-1989 Assistant City Attorney - City of Gary Law Department. Civil practice with emphasis on Municipal Law.

October, 1989-1991 Public Defender Lake Superior Criminal Court for the Honorable James E. Letsinger. Crown Point, Indiana. Criminal defense.

October, 1989-1990 Associated with the Law Firm of Shropshire & Hawkins, Gary, Indiana. Civil and Criminal practice.

September, 1990-1995 Associated with the Law Firm of King & Meyer, P.C., 363 S. Lake Street, Gary, Indiana. Practiced in the areas of personal injury, medical malpractice, criminal defense, real estate development, municipal law, bond counsel and business matters.

January 1, 1997- December 31, 2005- General Counsel for the Gary/Chicago Airport Authority, Gary, Indiana. January 1, 2003- December 31, 2005-General Counsel for the Gary Police Department.

January 1, 1996- August 31, 1999- Partner in the Law Firm of Meyer, Lyles & Godshalk, P.C., 363 S. Lake Street, Gary, Indiana. Practiced in the areas of personal injury, criminal defense, real estate development, medical malpractice, municipal law, aviation law, bond counsel, gaming and business matters. Represented the Gary Sanitary District in litigation and the City of Gary with regard to Operator compliance with the existing Gaming Agreements and litigation.

September 1, 1999-May 31, 2007- Established the Law Firm of Darnail Lyles, Attorney & Counselor at Law, 504 Broadway, Suite 719, Gary, Indiana. Practice areas remain the same.

June 1, 2007 to present established the Firm of Darnail Lyles, Attorney & Counselor, 5528 Melton Road, Miller Beach, Gary, Indiana. Practice areas expanded to include social security/disability, adoptions and business collections.

#### COURTS

Admitted to practice in the Supreme Court and all lower Courts of Indiana, Northern and Southern District Federal Courts of Indiana, Northern and Southern District Federal Courts of Illinois, Southern District of South Carolina and the United States Court of Appeals for the Seventh Circuit.

#### MEMBERSHIPS AND ASSOCIATIONS

Past President and Member of the Kimbrough Bar Association, Lake County Bar Association, Indiana State Bar Association, National Association of Criminal Defense Lawyers, American Trial Lawyers Association, Calumet Inns of Court, Phi Delta Phi Legal Fraternity, Pershing Rifles and Kappa Alpha Psi. Part Owner of the Gary Steelheads Basketball Team and Showtime Sports and Entertainment.

#### GENERAL CONTRACTOR

General Contractor 1992 to December 31, 2001

#### REAL ESTATE DEVELOPED

340 Lincoln Street (2 Units), Gary, Indiana 1987

4830 Kentucky (SF), Gary, Indiana 1988

401 Jefferson, (6 units) Gary, Indiana 1988

350 Buchanan, (3units) Gary, Indiana 1989

376 Madison, Gary (9 Units), Indiana 1991

7645 Oak Avenue, (SF) Gary, Indiana 1993

330 South Lake Street (SF), Gary, Indiana 1994

376 Jefferson, (4 Units) Gary, Indiana 1994

5937 Juniper, (SF) Miller Beach, Gary, Indiana 2006

5528 Melton Road (Commercial), Miller Beach, Gary, Indiana 2007

Serenity Lake Senior Independent Living Facility (100 Units) Miller Beach, Gary, Indiana. Projected completion date November 2010.

1001 N. Wayne Street  
Gary, IN 46403  
Phone 219.938.2676  
Email: pworner@comcast.net

**Paul W. Orner**

**Work Experience**

Mercantile National Bank of Indiana/Harris N.A. Hammond, IN  
Vice President 2003 - present

- Pre-Harris acquisition, Manager of Lending and Corporate Services. Responsible for one of two lending divisions and the cash management product line. Subsequently, I have had responsibility for a primarily middle-market portfolio with typical responsibilities as described immediately below.

Bank One, N.A. Merrillville, IN  
Vice President, 2<sup>nd</sup> VP, AVP, CAO 1990 - 2003

- Senior banker in the Middle Market Division. Responsible for all aspects of development, management, and administration of a commercial loan portfolio. Work closely with customers, senior management and credit to negotiate, structure, underwrite and approve commercial loan commitments up to \$40MM. Work with legal counsel to document and close complex loan agreements. Market full range of products and services to corporate clients and prospects. I have strong credit skills, and am particularly knowledgeable of Treasury Management and International products.

Corporate Product Manager, Marketing Officer 1988 - 1990

- Oversaw development and implementation of bank's first electronic cash management products (mainframe and PC-based ACH products, investment sweep). Acted as liaison to Corporate Banking Division with sole responsibility for marketing new products to corporate customers. Treasury management relationships grew from none to over 50 during this period.

Commercial Loan Associate, Credit Analyst 1986 - 1988

- Assisted in reviewing and classifying the commercial loan portfolio of an acquired bank, as well as having my initial responsibility for commercial loan relationships. Credit analyst for fifteen months.

H & R Block Hammond, IN 1984 - 1986  
Manager, Business Services Division

- Responsible for all aspects of establishing this "new" division in the Hammond region. Our product was a turnkey accounting and tax service for small business. Engagements increased from about 10 to 45 by the end of 1985, when the Corporation decided to exit the business nationally.

Gardup Construction Co. Gary, IN 1981 - 1986  
Office Manager

- Managed clerical staff of 3-4. Had general responsibility for all office functions including purchasing subcontract-letting, shop drawing approval, project coordination, change-orders, legal matters, etc.

**Education**

University of Evansville Evansville, IN 1977 - 1981  
BS - Business Administration  
Finance major, Economics minor

Melisha Jones-Henderson  
7717 Indian Boundary ■ Gary, IN 46403  
(219) 938 - 8092  
melisha7717@sbcglobal.net

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**CORE COMPETENCIES**

- |                          |                         |                              |
|--------------------------|-------------------------|------------------------------|
| ■ Financial Management   | ■ Operations Management | ■ Organizational Development |
| ■ Performance Management | ■ Employee Relations    | ■ Benefit Administration     |
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**PROFESSIONAL EXPERIENCE**

**CALUMET COLLEGE OF ST. JOSEPH - Whiting, IN**

6/2000 - Present

**Vice President of Student Affairs/Director of Human Resources**

4/2008 - present

- Responsible for \$10 million in credit hour production, budget projections, direction and oversight of all operations in student services area
- Institutional planning with President and 3 other Vice Presidents
- Responsible for the distribution of \$2.5 million of institutional aid to students, and oversight of financial aid through the government and financial institutions
- Directs 10 Department Managers, and general oversight of 45 employees
- Responsible for providing guidance, advice and discipline for 1300 students
- Administer benefits, new hire information, conduct interviews, process background checks, counseling, terminations and all other human resource functions
- Manage salary and benefits for 400 employees
- Oversee payroll processing functions & distribution, safety and security operations of the institution

**Director of Human Resources & Payroll**

9/2002 - 4/2008

- Administer payroll and human resources for 400 employees
- File and maintain payroll contracts, leap stipends, independent study, academic and accelerated programs
- Process retirement spreadsheets and calculations.
- Conduct interviews, new hire orientations, benefits meetings, process background checks, counseling, creation and review of policies and procedures
- Administer workman's compensation, family medical leave, oversee disciplinary actions, manage personnel records, manage vacation requests, review job descriptions and salary ranges, process terminations and resignations
- Co-wrote the new policies and procedures manual and performance appraisal system
- Chairman of Compensation Committee, and Employee appreciation committees to provide incentive and morale boosting programs (including special events and awards)

**Human Resources, Payroll & Accounting Clerk**

6/2000 - 9/2002

- Responsible for calculating and processing payroll hours, taxes, and transfers for 130 employees
- Create purchase orders, input invoices and cut accounts payable checks for the entire college
- Administer health benefits packages and health insurance issues with employees
- Process all human resources packages; familiarize individuals with different benefit options
- Work close with the VP of Business & Finance

Melisha Jones-Henderson  
7717 Indian Boundary ■ Gary, IN 46403  
(219) 938 - 8092  
melisha7717@sbcglobal.net

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PROFESSIONAL EXPERIENCE CONTINUED

EXEL LOGISTICS

7/1996 - 5/2000

Office Manager/Assistant to the General Manager

9/1997-5/2000

- Responsible for the end of the month financial closing, and payroll for 2 location cost centers
- Processed and administered end of fiscal year closing
- Assisted the General Manager with budget projections
- Oversee all human resource functions and hiring practices
- Processed all billing

Administrative Assistant/Payroll Clerk

7/1996 - 9/1997

- Responsible for data entry and processing payroll every week for 80 associates
- Examine all accounts payable invoices and match purchase orders with invoices
- Perform coding and data entry once a week for all invoices into Oracle database
- Conduct human resources orientations and perform human resource duties such as new hires, workmen's compensation, terminations and benefits
- Also work as a Customer Service Representative

WOODMAR COUNTRY CLUB

12/1991 - 7/1996

Accounts Payable Inventory Clerk

4/1993 - 7/1996

- Responsible for updating the accounts payable files, matching all purchase orders with the correct invoices
- Analyzing each invoice and posting expenses to the proper departments, and printing checks for all vendors
- Inputting monthly food & beverage inventory into the system to produce the monthly sales and usage reports

Receptionist

12/1991 - 4/1993

- Answered phones, assisted club members and visitors

EDUCATION

Masters of Business Administration (MBA) ■ Indiana Wesleyan - Marion, IN ■ 2007  
Bachelors of Science Organization Management ■ Calumet College - Whiting, IN ■ 2003

PROFESSIONAL ASSOCIATIONS

Northwest IN Society of Human Resources Managers (NWISHRM) ■ 2002-Present  
Central Association of College & University Business Officers (CACUBO) ■ 2007-Present

COMPUTER SKILLS

Microsoft Office Suite, Great Plains, ECI Empower Payroll System, Empower Student Software, UNIVERS Student Software, Oracle, Quicken, Quick Books, P C Time clock, ADP software.

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REFERENCES

Dr. Angellque Brown  
Physician  
6111 Harrison Street  
Merrillville, IN 46410  
(219) 887 - 1340

Lisa Wilson  
Pre-Trial Service Officer  
Federal Courts  
16007 English Oaks Ave #A  
Bowie, MD 20716  
(301) 218 - 1147

Kyle Allen  
Gary City Councilman  
401 Broadway  
Gary, IN 46404  
(219) 746 - 6380

Dwayne Dillahunty  
Indian State Police  
9400 Juniper  
Gary, IN 46403  
(219) 939 - 2158

Ollie Thomas  
Registered Pharmacist  
6516 Kansas  
Hammond, IN 46323  
(219) 845 - 2724

# CLOTEAL M. LABROI, ESQ.

1521 West 45<sup>th</sup> Ave, Gary, Indiana 46408  
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## EDUCATION

### UNIVERSITY OF MEMPHIS

CECIL C. HUMPHREY'S SCHOOL OF LAW, Memphis, TN *August 2006 – May 2010*  
Juris Doctorate Degree  
(Degree Awarded May 2010)

Bar Admission – State Bar of Georgia, 2011

### ROOSEVELT UNIVERSITY, Chicago, IL

*January 2006 - May 2006*

Paralegal Studies Program  
(Awarded - American Bar Association approved paralegal certificate)

### TENNESSEE STATE UNIVERSITY, Nashville, TN

*August 1998 - May 2002*

Bachelor of Science, Mass Communications – Public Relations Emphasis  
(*Cum Laude honors*)

## PROFESSIONAL EXPERIENCE

### THE LAW OFFICE OF DEMOCRATIC MAYORAL NOMINEE

KAREN FREEMAN-WILSON, Gary, IN

*Associate*

*April 2011-Present*

- Assisted with factual and legal issues and drafted legal memorandum for clients.
- Conducted settlement agreements for clients with opposing counsel and mediators.
- Conducted document reviews and assessed the relevance and responsiveness of documents.
- Currently assisting with the closing of the law practice and transition for Democratic Mayoral Nominee Karen Freeman-Wilson.

### THE UNIVERSITY OF MEMPHIS SCHOOL OF LAW, Memphis, TN

*Graduate Assistant/Alumni Recruiter*

*August 2008-December 2010*

- Assisted with the coordination and implementation of the Tennessee Institute for Pre-law Summer Alternative Admissions program.
- Assisted with the minority recruitment for the U of M Law School, including travel recruitment and forums.
- Administrative duties, including data entry, copying, filing, and faxing.

### THE WHARTON FIRM, Memphis, TN

*Law Clerk*

*September 2007-November 2007*

- Analyzed factual and legal issues and drafted legal memorandum.
- Assisted attorney's with trial preparation which resulted in a \$4 million verdict for their client.
- Responsible for abstracting deposition summaries for law firm.
- Conducted document reviews and assessed the relevance or responsiveness of documents.
- Organized and maintained files for clients and attorneys.

### NASHVILLE ELECTRIC SERVICE, Nashville, TN

*Law Clerk- Office of General Counsel*

*May 2007 – August 2007*

- Researched and examined legal documents and applicable law to draft opinions on issues before the General Counsel for one of the 12 largest public electric utilities in the nation distributing 700,000 customers in Middle Tennessee.
- Analyzed factual and legal issues and drafted legal memorandum which included conclusions.
- Attended employer/employee mediation and worker's compensation proceedings and settlements with General Counsel.
- Assisted General Counsel with trial preparation.

Cont'd

**CLAUSEN MILLER, P.C., Chicago, IL**

*Paralegal Intern*

*January 2006-May 2006*

- Organized and maintained files for clients and attorneys in cases involving insurance companies, financial clients and corporations.
- Conducted document reviews for clients by assessing the relevance or responsiveness of documents, using knowledge about the facts of the case and the issues of the law.
- Assisted attorney's in preparing for depositions and maintaining the firm's practice of serving and representing the insurance industry.
- Abstracted depositions that were used as is by attorneys at trial.
- Instrumental in trial preparation.

**MEMPHIS GRIZZLIES-NBA, Memphis, TN**

*Media Relations Specialist*

*February 2003-May 2005*

- Facilitated coordination of interviews for players.
- Wrote feature articles on events for team website and publications.
- Authored month-in-review for post season media guide 2002-2003.
- Aided in development of team media guide for 2003-2004 season.
- Responsible for credentialing of local and national media.
- Responsible for the hiring and overseeing of game night interns.
- Authored "Grizzlies This Week" department publication.
- Authored game-by-game match ups for Grizzlies game-day programs.
- Instrumental in the coordination of local and national media during season.
- Wrote game notes for road games.
- Assisted in covering home practices and shootarounds.
- Researched and coordinated special projects including NBA Coach of the Year campaigns and team logo launch.
- Secured editorial coverage and coordinated distribution of press releases.
- Wrote and edited feature profiles and articles for grizzlies.com
- Researched and provided opponent statistics for coaches home and away.
- Implemented press conferences, photo sessions and media events.

**BALTIMORE RAVENS-NFL, Baltimore, MD**

*Intern-Media Relations Department*

*July 2002-January 2003*

- Instrumental in the coordination of local and national media during training camp for the 2002-2003 season.
- Implementation of successful Ravens charity events.
- Facilitated game-day operations and credentials for the 2002-2003 season.
- Acquired post game quotes from players and coaches to be placed on team website.
- Facilitated coordination of interviews for players and coaches.
- Authored community press releases and team information.
- Instrumental in overall operation of media relations department.

**NASHVILLE PREDATORS-NHL, Nashville, TN**

*Intern-Media Relations Department*

*January 2002-May 2002*

- Responsible for game-day handwritten game sheets and out-of-town scores during 2001-2002 NHL season.
- Organized statistical compilation of information.
- Acquired quotes from players and coaches during season to be placed on team website.
- Authored corporate communication press releases and information

**SAN FRANCISCO 49ERS-NFL, San Francisco, CA**

*Intern-Media Relations Department*

*July 2001-August 2001*

- Wrote feature articles on the team and the organization that were used in various publications for game-day programs.
- Aided in the coordination of local and national media during training camp for the 2001-2002 season.
- Facilitated coordination of interviews for players and coaches.
- Acquired post game quotes from players and coaches during training camp to be placed on team website.

*Cont'd*

**INDIANA PACERS- NBA, Indianapolis, IN**

*Intern- Media Relations Department*

*May 2000-August 2000*

- Assisted in the coordination of all local and national media during the **Eastern Conference Playoffs** and the **National Basketball Association Finals 2000**.
- Administrative duties, including data entry, copying, filing, and faxing.
- Acquired post game quotes from visiting coaches and players.
- Instrumental in the statistical compilation of information.

**HONORS**

Association of Women Attorney's Scholarship recipient -- (2010)  
Rita S. Geier Scholarship recipient--University of Memphis School of Law  
Ben F. Jones Chapter -National Bar Association -- IL Scholarship Recipient (2006)  
Hammond Business and Professional Women's Scholarship recipient  
Tennessee State University -- Gary, Indiana Alumni Chapter Scholarship recipient

**ACTIVITIES**

Active Member -- Association of Women Attorney's  
Active Member -- Alpha Kappa Alpha Sorority, Incorporated

**REFERENCES AVAILABLE UPON REQUEST**

SHALONDA L. DRAYTON  
1030 Willard Street  
Gary, IN 46404  
(219) 427-8125  
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RELIABLE, DILIGENT, AND TECHNICALLY SKILLED ACCOUNTS PAYABLE SPECIALIST known for accuracy, attention to detail and timeliness in managing disbursement functions for diverse-industry employers. A/P career spans 17 years and has included accountability for the remittance of approximately \$4M-\$5M per month. Backed by solid proficiencies in generally accepted accounting principles (GAAP), MS Office Suite, various construction and healthcare software, as well as EDI systems.

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### PROFESSIONAL EXPERIENCE

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March, 2008-June, 2011: The Methodist Hospitals, Inc., Gary, IN

Accounts Payable Specialist

Responsibilities included preparing and entering invoices and check requests into the accounts payable system. Ensuring invoices were coded, approved and paid within credit terms. Verified pricing and quantities ordered and received through Purchasing and promptly resolved discrepancies. Renegotiated payment terms with vendors to improve cash flow and reconciled vendor statements. Maintained accurate and compliant A/P files and records.

September, 2003 -- March, 2008: McDaniel Fire Systems, Porter, IN

Accounting Assistant

Responsibilities included processing invoices for all 11 offices nationwide in a timely manner. Verified proper approvals and signatures on invoices. Prepared monthly DSO report to conduct cash calls. Reduced DSO by 18%. Communicated with customers within collection guidelines to receive payment. Initiated letters and placed phone calls to delinquent account holders with a 90% success (payment) rate. Handled angry clients in an interpersonally effective manner. Audited delinquent accounts and submitted to an outside collection agency. Assisted Financial Analyst in planning and execution of budgets and job cost. Developed policies and procedures for Account Collections and Purchase Order system for Accounts Payable.

October, 1999 -- July, 2003: Webb Construction, Inc., Gary, IN

Assistant Controller

Responsibilities included Payroll for 80 - 125 employees weekly, preparing monthly union reports and certified payroll registers, projecting weekly cash flow statements, bank reconciliation, and Accounts Payable. Analyzed financial records to forecast future financial position within budget requirements.

January, 1994 - March, 1999: Dungy's Accounting & Tax Service, Gary, IN

Office Manager

Responsible for preparing Individual, Partnership, and Corporate Tax returns with the appropriate schedules. Evaluated and addressed clients concerns regarding tax changes. Responsible for Accounts Payable and Receivable for the office and the bookkeeping of several businesses.

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### EDUCATION

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September, 1993 - June, 1994 Davenport University - Merrillville, Indiana

Major: Accounting

September, 1987 - June, 1991 West Side High School - Gary, Indiana

Major: Business

August, 1989 - June, 1991 Gary Area Career Center - Gary, Indiana

Major: Accounting

# ATTACHMENT 2

Charter School of the Dunes  
Board Meeting  
January 22, 2013

I. Call to Order and Roll Call

- The meeting was called to order by Danielle Sleight at 5:33 p.m.

- Parties in attendance:

Board Members: Danielle Sleight, Ron Cohen, Shalonda Drayton,

Cloteal LaBroi, Paul Orner, Melisha Henderson

Charter School of the Dunes: Christine Pepa

- Guests: 0
- Number of Public Attendees: 0

II. Approval of Agenda

- Motion to approve the agenda, Shalonda Drayton; seconded, Paul Orner. All were in favor.

III. Approval of Closed Session

- Danielle Sleight made a motion to add a closed session to the end of the agenda. All were in favor.

IV. Approval of November 2012 Minutes

- Paul Orner made a motion to approve the November minutes with the corrections he mentioned; Shalonda Drayton, seconded. All were in favor.

V. Public Comment{s}: None

VI. Charter Renewal

- CSD is currently benchmarking for grades K-3, which means they are tracking the progress of the students. CSD is also administering State required acuity testing and the EWBDA ~~ASCSA~~ program. Also CSD starts ISTEP testing in March.

#### B. Enrollment

- Enrollment is at 460 students. There is still a waiting list for 3<sup>rd</sup> and 7<sup>th</sup> grade students.

#### C. Suspensions and Expulsions

- There were 15 out-of-school suspensions. The majority of those suspended was middle school students, whom have been in trouble before.

#### D. Facilities

- No update as of yet. Patch work is being done as needed.

#### E. Community and Parent Events

- Christine has a community meeting with the students tomorrow at 8 a.m. and an informational meeting with parents tomorrow at 2 p.m. to discuss the charter renewal. Christine also has an ~~PRESENT~~ Indiana University meeting at 4:30 p.m. tomorrow.

#### F. Payroll

- Last payroll on the 29<sup>th</sup> was successful.
- No new policies to update.
- One staff member used donated money improperly. She was suspended for 5 days without pay and afterwards placed on

**Charter School of the Dunes  
Board Meeting  
November 27, 2012**

**I. Call to Order and Roll Call**

- Meeting called to order by Danielle Sleight at 5:42 p.m.
- Parties in attendance:  
Board Members: Danielle Sleight, Ron Cohen, Paul Orner, Shalonda Drayton, Melisha Henderson  
Charter School of the Dunes: Christine Pepa  
American Quality Schools Corporation (AQS): Chris Austin
- Guests: 0
- Number of Public Attendees: 0

**II. Approval of Agenda**

- Motion to approve agenda, Shalonda Drayton; seconded, Paul Orner. All were in favor.

**III. Approval of October 2012 Minutes**

- Motion to approve, Ron Cohen; seconded, Shalonda Drayton. All were in favor.

**IV. Public Comment(s): None**

**V. Financial Report**

- All is well from a cash flow perspective.
- Assorting the accounting for the building was mentioned discussion, properly setting up the general ledger accounts. Regarding the audit, Marikite ran CSOTD's audit scenario by Brian Anderson from Bookkeeping Plus. He responded that CSOTD is on track and there is nothing additional to be done at this point. Everything is in place at this point and should remain. Danielle will contact Tony Smith for further guidance.
- Paul is working on getting CSOTD set up with online banking through Chase. In the meantime, he spoke with Tony regarding access to funds that would cover potential incidental billings, such as Bookkeeping Plus for \$140. Tony has yet to confirm but was pretty sure that CSOTD could advance it, rather than expense it. Transactions of this type will appear on the balance sheet as "Due from CSOTD Holdings". CSOTD will receive these payments, as well as July/August rental fees, as reimbursements.
- There is a question regarding \$214,479 listed as "Due: CSOTD Holding" under Accounts Receivable. Paul recommends that CSOTD view the general ledger accounts for Land Acquisition and Development, numbers 41000, 45100, 45100.319, and 45100.720. Details regarding these entries are needed. When money is received from the Treasury, those amounts must be in order for presentation to Allison. Christine will follow up to get clarity on a few items.
- Motion to accept the Financial Reports, Paul Orner; seconded, Shalonda Drayton. All were in favor.
- Board officers signed off on vouchers.

## VI. New Facility - Update

- Construction is still on schedule. The West Building's main steel has been established with some of the secondary steel. The joists will arrive later this week. The West Building will be completed early next week. The erection of the center main steel began last Wednesday, when the steel was delivered. The joists for the center main steel will arrive in another week. The East Building will be delivered on Monday, December 3<sup>rd</sup>. The window and wall panels will arrive mid-December. The goal is to have the entire West Building enclosed by mid-January. The weather will not hinder the construction of the steel.
- Last month, Danielle and Christine met with Eric from CDM, at CDM, and went over remaining purchased hours for service. They discussed all of the final details relating to hardwood floors, to painting, to dividers in the gym. They wanted to get a full insight of Eric's vision. They also spoke with someone to get guidance on building furniture.
- The new facility will have lockers. The high school kids will have full lockers upstairs; the younger children will have half lockers downstairs; kindergarteners will use cubbies. There will also be lockers in the gym bathrooms, of which students will supply their own locks.
- Melisha will provide Danielle with furniture catalogs especially for schools. Melisha's school has had recent success with furniture purchasing. McShane supplied furniture for their science labs. Melisha also suggested Hon Furniture. The more items purchased warrants a better discount.
- Decisions regarding the gym floor are being made now. There are sufficient funds available to cover the installation of a hardwood floor. Being frugal with other purchases has made it possible for CSOTD to handle the expense of a gym floor.
- The size of the gym is regulation for high school; however, seating is not regulated to hold a conference or playoffs. Melisha will also email to Danielle and Christine information regarding the purchase of bleachers and gym floors.
- CSOTD will move into its new facility in July 2013.
- Danielle is looking into options regarding the absorption of noise with the high ceilings. She is interested in a more organic-shaped design to deflect the sound.
- Danielle will follow up with Cloteal for an update on the land west of the new facility.

## VII. Director's Report

### A. Academic Report

- Christine is working on CSOTD's charter renewal, which is due December 1<sup>st</sup>. A copy will be available to Board members upon completion.

### B. Enrollment

- ADM count is 471; Current enrollment 461.
- Waiting list: 3<sup>rd</sup> grade and 7<sup>th</sup> grade; Kindergarten is full.

### C. Suspensions and Expulsions

- Out-of-school suspensions are extremely high, 22.

- After speaking with the Dean, it was determined that most of the suspensions are new students, who are habitual offenders. Parent meetings are being conducted to inform new parents of the suspension process and ensure that they understand CSOTD's expectations regarding student conduct. There have been some fights.
- Students are taking advantage of the Community Service program. It is offered four days a week, one hour a day. One hour of community service equals one point a student can earn back. Participation is not mandatory.

#### **D. Facilities**

- Minor repairs are being done as needed.

#### **E. Community and Parent Event and Issues**

- Curriculum Showcase will be held this Thursday at 4:30 p.m.
- Market Day will be held on December 12<sup>th</sup>.
- Community Meeting - December 20<sup>th</sup>, Student of the Month.
- There will be a Parent-Principal Breakfast following the Community Meeting.
- Invitations to the Staff Holiday Celebration went out the Board members. It will take place on December 20<sup>th</sup> at 6:00 p.m., at the Fiesta Palace in Merrillville.
- The Christmas Break is December 21 - January 6.

#### **F. Financial Issues**

- On September 30, an employee was over paid. This issue has not been reconciled to date. The funds are still sitting in the employee's account. Camille at AQS is responsible for this correction. Due to tax implications, this must be resolved by the end of the year.
- The last payroll was successful, however. It was helpful to view the summary sheet for verification prior to checks being submitted.

#### **G. Policies**

- Grant writer, Brenda Henry-Scott, has two grant proposals out, one for \$10,000 - nutritional, health, and fitness aspects; and the other for environmental, from \$500 to \$5,000. Both grants are due in the month of December.
- A contact has been sent out to connect with the gentleman on the West Coast affiliated with big capital fundraising projects. Christine is requesting a meeting with him to discuss ideas of how to bring in funds for technology. He has worked with hospitals, Lincoln Park Zoo, and a Chicago Bears golf outing that generated \$40,000.

#### **H. Staff**

- CSOTD is fully staffed.
- Additional aides were hired for Special Education. The percentage of Special Education is nearly 21 percent, which averages about 12 or 13. CSOTD's numbers are much larger than average because its students show great progress due to quality of instruction and attention from staff. These results travel by word-of-mouth, prompting CSOTD to be known as "Special Education Friendly". Students are mainstreamed into the classroom as much as possible, preparing them for the real world. Some students will be life skills children, while others are diploma students.

Some school districts have self-contained classrooms while others do not. The Federal Government, through the State, provides additional funding for Special Education, which supplements the hiring of class aides.

- Ron thanked Christine for responding to the Superintendent about the new grading system. Teachers and parents were all informed and fully aware.

**VIII. AQS Comments/Updates**

- Chris has been working closely with team leaders, going into the classrooms working on structure. There are a lot of effective processes in place. The goal is that teachers continue to implement those systems to reduce turnover for next year.
- Chris will also escalate the correction of the September 30 payroll issue.

**IX. Confirmation of next meeting**

- The next meeting is scheduled for Tuesday, January 22, 2013 at 5:30 p.m.

**X. Adjournment:** Motion to adjourn the meeting, Shalonda Drayton; seconded, Paul Orner. All were in favor.

**Charter School of the Dunes  
Board Meeting  
October 23, 2012**

**I. Call to Order and Roll Call**

- Meeting called to order by Danielle Sleight at 5:48 p.m.
- Parties in attendance:  
Board Members: Danielle Sleight, Ron Cohen, Shalonda Drayton, Cloteal LaBroi  
Charter School of the Dunes: Christine Pepa  
American Quality Schools Corporation (AQS): Tom Aubin
- Guests: 0
- Number of Public Attendees: 0

**II. Approval of Agenda**

- Motion to approve agenda, Ron Cohen; seconded, Shalonda Drayton. All were in favor.

**III. Approval of September 2012 Minutes**

- Motion to approve, Shalonda Drayton; seconded, Ron Cohen. All were in favor.

**IV. Public Comment(s): None**

**V. Financial Report**

- No visible issues with report at this time.
- Christine included the cash flow report for the month but would like to double-check it and average the supply.
- In the month of September the entire quarterly bond payment was paid out. The State will send its portion then CSD will pay the remaining balance. John Anderson never filed the original paperwork, resulting CSD needing to come up with \$101,000 out of its general fund. The funds are being reimbursed, however. The next payment is due January 2013.
- Motion to accept the vouchers, Ron Cohen; seconded, Cloteal LaBroi. All were in favor.
- Tom Aubin (AQS) was invited to participate in the financial discussion. He made know that he can only cover questions regarding payroll, HR, and insurance.
  - A. **Insurance** - This year AQS changed brokers. They are now with Assurance Agency, located outside of Chicago. Assurance covers CSD's general liability for the school and property, which encompasses everything except worker's compensation. The new account executive for the general liability piece is Pete Dobrolynski. The insurance is carried by an outfit called Wright Risk Management. They insure nonprofits and specifically schools; unlike the Indiana Insurance package, under Wright Risk Management, the Board is insured as a part of the Educators Legal Liability package. So there is no need to purchase a separate policy to cover the legal liability insurance for the Board. The Board is covered under AQS's umbrella. There is a \$10 million dollar umbrella; with a one million dollar basic liability amount.
    - **Coverage** - Corey is used for builder's risk insurance. Danielle received an email from Corey asking if insurance with his company ended on October 22<sup>nd</sup>. Tom instructed CSD to keep the insurance with Corey for the time being, which is athletic coverage. He added,

once the insurance is up for renewal, AQS can bid out through Assurance to search for a better deal to save money or make the decision to remain with Corey. Danielle recapped: Through Corey, there is coverage for athletic and builder's risk; Chartis handles workman's comp, through ADP; and a \$10 million dollar umbrella for general liability under Assurance.

- **Bonding** - Danielle asked Tom to advise regarding the procedure as to Marikita Segrest being bonded. She is the business manager and treasurer for CSD. The question was also raised as to finding out who else needs to be bonded. Tom believes that Marikita should be bonded but will investigate and follow-up with Danielle with a definitive answer. Christine also asked about being bonded in relating to the collection of lunch money and issuance of receipts, as well as her secretary transporting deposits to the bank. Tom responded that he does not think they have to be bonded because there is coverage under the general liability for protection against the absconding of funds. He will verify the specifics regarding this as well and provide an update.

B. **Worker's Compensation** - Handled through Chartis Group. Worker's compensation claims are handled through Human Resources, processed by Dawn and Camille. Anything that is general liability comes through Tom.

C. **Payroll** - Everything is going well. Payroll reports to Human Resources (Camille), who reports to the head of HR (Dawn), who reports to Tom. Tom made some changes when he assumed his current position, changes that included the management of payroll. Camille, who is a professional payroll manager, was hired in having approximately 24 years of experience in the private sector. Due to the payroll of a school consisting of salary, hourly, and hybrid categories, there have been some adjustments for Camille coming from the business sector; however, they are progressively moving forward. Tom expressed should any mistakes arise, they will own up to them, and no employee will be shorted. His goal is zero mistakes, but it is sometimes impossible in a school environment. The last payroll was almost error free. He has put some procedures in place that will minimize errors, as they move forward. He stated that payroll is processed from paperwork; therefore, information submitted must be correct. Phone requests are not acceptable in relation to an employee's pay; paperwork must be submitted.

## VI. **New Facility - Update**

- Everything is on schedule. The steel will be delivered the second week of November. They are currently working on the plumbing and electrical in the cafeteria. They are concentrating heavily on the Old Hobart Road and north portion of the building. They have tapped into the main water and sewer lines.
- Pat researched the property that is just to the west of the new facility. That portion of land is owned by the National Park. Danielle and Christine met with the owners as well as Susan from Lee and discussed the possibility of trails through the property, and implementing different programming concepts to partner with the high school. The owners were very fond of CSD's ideas, which will allow them to incorporate their mentoring programs with CSD students.

- The property layout is as follows: CSD, the National Park, and the entire curb along Old Hobart Road (which has several owners). Danielle has a list of the owners and their portion of land. NIPSCO owns a lot of small pieces of land in this area. There will not be a problem contacting NIPSCO; however, it may be difficult reaching the various owners of the other properties. It is thought that those areas of land could be used for trails or programming. Danielle suggested to the Board to decide whether they want to pursue the use of the various lands and seek out whether or not they can be donated to CSD. She also has the information regarding the owner of the gas station property. Cloteal agreed to check into the gas station property, as well as contact Lauren Rega who is a director with access to ground field money. Lauren also has federal dollars and grant money to allocate.
- Using the land for parking during school events is also an issue. Danielle has spoken with Republic and reached an agreement that with a prior two-day notice, they will allow CSD to use its property for overflow parking. They provided her with stipulations regarding this arrangement.
- Danielle and Christine met with Pat and Susan to pick out the exterior color scheme for the building. Silver was chosen for the main exterior; however, the original selection has been changed to a more non-reflective quality.
- Next Tuesday, Danielle will be going to Chicago to meet with CDM (the architects) regarding use of their expertise with the few remaining hours CSD has left of their purchased services. Finalizing the interior is the focus.
- The budget is intact.

## **VII. Director's Report**

### **A. Academic Report**

- CSD is currently in acuity testing. This must be completed four times a year by the State of Indiana. CSD also uses this testing as a teaching tool due to its similarity to ISTEP, which allows the staff to make certain that the children can read the directions and understand computer usage. This approach had a positive impact on ISTEP last year, so this pattern was continued this school year.
- Christine is working on CSD's charter renewal, which is due December 1<sup>st</sup>.

### **B. Enrollment**

- Enrollment at ADM count day was 472, being 22 students over the projected amount, which helps the budget.
- Waiting list - Kindergarten is completely full. There are three on the waiting lists for 3<sup>rd</sup> grade, and seven for the 7<sup>th</sup> grade.

### **C. Suspensions and Expulsions**

- There were 11 out-of-school suspensions last month, mostly new students or students who attended CSD previously, left, and returned. The points system is consistent and seems to be working well. The children have become more inquisitive about how the points system works; wanting to make sure they do not violate any rules. There was one finalized expulsion due to a student shoving a teacher and security. The parent agreed that the child deserved to be expelled.

### **D. Facilities**

- No update. Patch work is being done as needed.

**E. Community and Parent Event and Issues**

- A list of events was provided to the Board in the Director's Report.
- Parent University has been held a couple of times in the month. Topics that parents requested are being covered during these sessions. Over 100 parents responded as to the type of things they are interested in learning about. Those topics will be spread throughout the year. Quarter One Awards as well as Parent Breakfast with the Principal are incentives for parent involvement and feedback.

**F. Financial Issues**

- On September 30, there were eight payroll issues of which three were non-payments. This was discussed with Saul at the time it occurred. Payroll was on a Friday and these employees were not paid until Wednesday. An incentive pay was given to them so that they could meet their bills for the week. A discussion was also had with Tom and Camille regarding ways to make the process more effective. Christine asked if an ABP summary sheet could be provided so that hours are verified. Upon submission of the summary sheet during the following payroll period, a couple of errors were caught and the employees were able to be paid on time.

**G. Policies**

- Christine sent out an email to the board members regarding the high school concept discussed by Dr. Mike Bakalis. She attached to the email copies of the information she received at the meeting with him. Dr. Bakalis is asking if CSD would be interested in partnering with him in relation to the curriculum for the new high school. Christine has asked the Board to review the information and be prepared to vote during the November board meeting. Ron raised the question as to whether or not CSD staff should offer feedback regarding this partnership. The Board will discuss in further detail after reviewing the information.

**H. Staff**

- CSD is fully staffed.
- Between five to seven positions will need to be filled for next school year.

**VIII. AQS Comments/Updates**

- Thea Bowman renewed with AQS.
- Tom is pleased with the staff and the progress that has been made.

**IX. Angela's Pantry**

- Ron made a suggestion to the Board to consider scheduling a time to meet for dinner at Angela's Pantry. It would be a nice social event for the Board as well as a way to support a local business. Ron will send out an email notice to everyone.

**X. Confirmation of next meeting**

- The next meeting is scheduled for Tuesday, November 20, 2012 at 5:30 p.m.

**XI. Adjournment: Motion to adjourn the meeting, Ron Cohen; seconded, Shalonda Drayton. All were in favor.**

# ATTACHMENT 3

- Key Contributor to outdoor track and field renovation project
- Implemented first year of dress code at the high school
- Participated in expulsion hearings and case conferences
- Coordinated commencement program

**River Forest Community Schools**

Assistant Principal and Interim Junior High Principal

*Hobart, IN  
August 2005 – June 2007*

- Administrator in charge of high school discipline
- Teacher evaluations grades 7-12
- NCA Internal Chair
- Updated School Improvement Plan Junior and Senior High
- Facilitated programs to improve Math and English ISTEP scores
- Co-chair of restructuring committee for 7-12 curriculum and handbook
- Facilitator in establishing alternative school (Opened Fall 2008)
- Administrator in charge of special education case conferences
- Key Contributor to renovation project
- School Safety Specialist

**Crown Point High School**

Mathematics Teacher

*Crown Point, IN  
June 1995 – August 2005*

- Algebra I, Algebra II, Geometry, ISTEP Remediation
- Tutored homebound students and local youths
- Summer school remediation

Athletic Supervision

- Eight years experience: freshman to varsity levels
- Girls' Varsity Athletic Club Sponsor
- Special Olympics basketball coach/coordinator

Softball Coach

- Sectional Winner 2003
- Four years varsity experience
- Three years junior varsity experience

Freshman Basketball Coach

- Two years experience
- Assisted with State Runner-Up Team 1997

**Wood Dale Junior High School**

Mathematics Teacher

*Wood Dale, IL  
August 1994 – June 1995*

- Eighth grade mathematics
- Tutored homebound student in all subjects
- Coached sixth grade girls basketball and assisted with seventh and eighth grade

**Pascack Hills High School**

Mathematics Teacher

*Montvale, NJ  
November 1993 – June 1994*

- Basic Geometry, Geometry, and Mathematics Lab
- Coached varsity basketball cheerleading and pom poms

**Personal Participation**

Basketball Player

- Played varsity and junior varsity at Crown Point High School (1985-1989)
- Played for Valparaiso University (1989-1990)

Competitive Runner

- Marathon in Chicago: 2004, 2007, 2008
- Half marathons in Chicago and Niagara Falls
- Various road races throughout the area

**Education:**

**Indiana University Northwest**

*Gary, IN*

- Master's Degree in Secondary Education, May 2005
- Administrative License, June 2005

**Valparaiso University**

*Valparaiso, IN*

B.S. Mathematics, August 1993

Minor: Secondary Education

- Member of the National Council of Teachers of Mathematics
- Department of Education tutoring program for local youths

**Professional Organizations:**

- Phi Delta Kappa
- NASSP
- IASP
- Association for Supervision and Curriculum Development
- National Education Association, Indiana State Teachers Association, Crown Point Teachers Association (1995-2005)
- National Council of Teachers of Mathematics (1992-2005)

**Professional Presentations:**

- Praxis Workshop, Association of Teacher Educators, State Convention, Nashville, IN, October 18, 2004
- Praxis Workshop, Association of Teacher Educators, National Convention, Chicago, IL, February 15, 2005

**Other:**

- Instructor for Math Praxis Workshop at Area Career Center for School City of Hammond (2007-2008)
- Instructor for Para Professional Workshop at Northwest Indiana Education Service Center (2006-2007)
- National Council for Accreditation of Teacher Education (NCATE) student advisor for IUN graduate education and administration programs (2005)
- Received recognition as Most Influential Teacher from a Valedictorian (2005) and a Salutatorian (2002)
- Instructor for Math Praxis Workshop at Indiana University Northwest and Purdue University Calumet

# ATTACHMENT 4



TAX EXEMPT AND  
GOVERNMENT ENTITIES  
DIVISION

DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE  
WASHINGTON, D.C. 20224

Date: AUG 12 2003

Charter School of the Dunes, Inc.  
c/o Linda J. Simon, Lord, Bissell & Brook  
115 South LaSalle Street #3400  
Chicago, IL 60603

Employer Identification Number:  
26-0016939  
Issuing Specialist:  
Bruce Lewis, 50-18875  
Toll Free Customer Service:  
877-829-5500  
Accounting Period Ending:  
December 31  
Foundation Status Classification:  
509(a)(1) & 170(b)(1)(A)(ii)  
Form 990 Required:  
Yes

Dear Applicant:

Based on the information supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from federal income tax under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3).

We have further determined that you are not a private foundation within the meaning of section 509(a) of the Code, because you are an organization described in the section(s) indicated above.

Revenue Procedure 75-50, 1975-2 C.B. 587, sets forth guidelines and recordkeeping requirements for determining whether private schools have racially nondiscriminatory policies as to students. You are exempted from complying with this revenue procedure as long as you operate as a Charter school. Should you no longer operate under the Charter you will have to comply with the revenue procedure to maintain your tax-exempt status.

Please notify the Ohio Tax Exempt and Government Entities (TE/GE) Customer Service office if there is any change in your name, address, sources of support, purposes, or method of operation. If you amend your organizational document or bylaws, please send a copy of the amendment to the Ohio TE/GE Customer Service office. The mailing address for that office is: Internal Revenue Service, TE/GE Customer Service, P.O. Box 2508, Cincinnati, OH 45201.

You are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration of \$100 or more you pay to each of your employees during a calendar year. You are not liable for the tax imposed under the Federal Unemployment Tax Act.

If you are involved in an excess benefit transaction, that transaction might be subject to the excise taxes of section 4958 of the Code. In this letter we are not determining whether any of your present or proposed arrangements would be considered an excess benefit transaction resulting in tax under section 4958. Additionally, you are not automatically exempt from other federal excise taxes.

Charter School of the Dunes, Inc.

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for federal estate and gift tax purposes if they meet the applicable provisions of Code sections 2055, 2106, and 2522.

Donors (including private foundations) may rely on this ruling unless the Internal Revenue Service publishes notice to the contrary. However, if you lose your 509(a) status as indicated above, donors (other than private foundations) may not rely on the classification indicated above if they were in part responsible for, or were aware of, the act that resulted in your loss of such status, or they acquired knowledge that the Internal Revenue Service had given notice that you would be removed from that classification. Private foundations may rely on the classification as long as you were not directly or indirectly controlled by them or by disqualified persons with respect to them. However, private foundations may not rely on the classification indicated above if they acquired knowledge that the Internal Revenue Service had given notice that you would be removed from that classification.

Contribution deductions are allowable to donors only to the extent that their contributions are gifts, with no consideration received. Ticket purchases and similar payments in conjunction with fund-raising events may not necessarily qualify as fully deductible contributions, depending on the circumstances. If your organization conducts fund-raising events such as benefit dinners, shows, membership drives, etc., where something of value is received in return for payments, you are required to provide a written disclosure statement informing the donor of the fair market value of the specific items or services being provided. To do this you should, in advance of the event, determine the fair market value of the benefit received and state it in your fund-raising materials such as solicitations, tickets, and receipts in such a way that the donor can determine how much is deductible and how much is not. Your disclosure statement should be made, at the latest, at the time payment is received. Subject to certain exceptions, your disclosure responsibility applies to any fund-raising circumstance where each complete payment, including the contribution portion, exceeds \$75. In addition, donors must have written substantiation from the charity for any charitable contribution of \$250 or more.

In the heading of this letter we have indicated whether you must file Form 990, *Return of Organization Exempt from Income Tax*. If "Yes" is indicated, you are required to file Form 990 only if your gross receipts each year are normally more than \$25,000. If your gross receipts each year are not normally more than \$25,000, we ask that you establish that you are not required to file Form 990 by completing Part I of that Form for your first year. Thereafter, you will not be required to file a return until your gross receipts exceed the \$25,000 minimum. For guidance in determining if your gross receipts are "normally" not more than the \$25,000 limit, see the instructions for the Form 990. If a return is required, it must be filed by the 15th day of the fifth month after the end of your annual accounting period. A penalty of \$20 a day is charged when a return is filed late, unless there is reasonable cause for the delay. The maximum penalty charged cannot exceed \$10,000 or 5 percent of your gross receipts for the year, whichever is less. For organizations with gross receipts exceeding \$1,000,000 in any year, the penalty is \$100 per day per return, unless there is reasonable cause for the delay. The maximum penalty for an organization with gross receipts exceeding \$1,000,000 shall not exceed \$50,000. This penalty may also be charged if a return is not complete, so please be

Charter School of the Dunes, Inc.

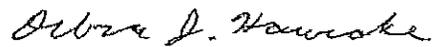
sure your return is complete before you file it. Form 990 should be filed with the Ogden Service Center, Ogden, UT 84201-0027.

You are required to make your Form 990 available for public inspection for three years after the later of the due date of the return or the date the return is filed. You are also required to make available for public inspection your exemption application, any supporting documents, and this exemption letter. Copies of these documents must be provided to any individual upon written or in person request without charge other than reasonable fees for copying and postage. You may fulfill this requirement by placing these documents on the Internet. Penalties may be imposed for failure to comply with these requirements. Additional information is available in Publication 557, *Tax-Exempt Status for Your Organization*, or you may call our toll free number shown above.

You are not required to file federal income tax returns unless you are subject to the tax on unrelated business income under section 511 of the Code. If you are subject to this tax, you must file an income tax return on Form 990-T, *Exempt Organization Business Income Tax Return*. In this letter we are not determining whether any of your present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

Please use the employer identification number indicated in the heading of this letter on all returns you file and in all correspondence with the Internal Revenue Service. Because this letter could help resolve any questions about your exempt status, you should keep it in your permanent records. If you have any questions about this letter, or about filing requirements, excise, employment, or other federal taxes, please contact the Ohio TE/GE Customer Service office at 877-829-5500 (a toll free number) or correspond with that office using the address indicated above.

Sincerely,



Debra J. Kawecki  
Acting Manager,  
Exempt Organizations  
Technical Group 4



**ARTICLES OF INCORPORATION / NONPROFIT CORPORATIONS**  
 State Form 4162 (RD 703 97) Corporate Form No. 354-1 (October 1984)  
 Approved by State Board of Accounts 1995

SUE ANNE GALROY  
 SECRETARY OF STATE  
 CORPORATIONS DIVISION  
 202 W. Washington St., Rm. E018  
 Indianapolis, IN 46204  
 Telephone: (317) 232-6576

Indiana Code 23-17-3-2

**INSTRUCTIONS:** 1. Nonprofit corporations must qualify with the Internal Revenue Service and the Indiana Department of Revenue. It is strongly suggested you do not complete or file this form before contacting both agencies.

**APPROVED AND FILED**  
 IND. SECRETARY OF STATE

Fee \$30.00 made payable to Indiana Secretary of State  
 Article VII must be completed appropriately. Please see (1) above.

**ARTICLES OF INCORPORATION**

The undersigned incorporator or incorporators, desiring to form a corporation (hereinafter referred to as the "Corporation") pursuant to the provisions of the Indiana Nonprofit Corporation Act of 1991 (hereinafter referred to as the "Act"), execute the following Articles of Incorporation.

**ARTICLE I - Name and Principal Office**

Name of the Corporation: (no name must include the word "Corporation", "Incorporated", "Limited", "Company" or one of the abbreviations thereof):  
 Charter School of the Dunes, Inc.

Principal Office: The address of the principal office of the Corporation is:  
 Post office address

|      |         |          |
|------|---------|----------|
| City | Indiana | ZIP code |
| Gary | Indiana | 46403    |

**ARTICLE II - Purpose (Optional)**

The purposes for which the Corporation is formed are:  
 The purpose of the Corporation is to establish and run a charter school in the state of Indiana. The purposes for which the corporation is organized are exclusively religious, charitable, scientific, literary and educational within the meaning of section 501(c)(3) of the Internal Revenue Code of 1986 or the corresponding provision of any future United States Internal Revenue law. Notwithstanding any other provisions of these articles, this organization shall not carry on any activities not permitted to be carried on by an organization exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code of 1986 or the corresponding provision of any future United States Internal Revenue law.  
 On the dissolution of the organization, assets shall be distributed for one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code of 1986, or corresponding section of any future Federal tax code, or shall be distributed to the Federal, state or local government for a public purpose. Any such assets not so disposed of shall be disposed of by a court of competent jurisdiction of the county in which the principal office of the organization is then located, exclusively for such purposes.

**ARTICLE III - Type of Corporation (check only one)**

The Corporation is a:

public benefit corporation, which is organized for a public or charitable purpose;  
 religious corporation, which is organized primarily or exclusively for religious purposes; or  
 mutual benefit corporation (all others).

**ARTICLE IV - Registered Agent and Registered Office**

Registered Agent: The name and street address of the Corporation's Registered Agent and Registered Office for service of process are:  
 Name of Registered Agent  
 Linda Simon

|   |      |         |          |
|---|------|---------|----------|
| Address of Registered Office (street or building) | City | Indiana | ZIP code |
| 8901 Lake Shore Dr.                               | Gary | Indiana | 46403    |

**ARTICLE V - Membership**

Indicate if Corporation will have members:  
 Yes  No



**ARTICLES OF AMENDMENT TO THE ARTICLES OF INCORPORATION (NONPROFIT)**

State Form 4161 (R9 / 11-98) / Corporate Form No. 364-2 (May 1988)  
Approved by State Board of Accounts 1995

SUE AINE GILROY  
SECRETARY OF STATE  
CORPORATIONS DIVISION  
302 W. Washington St., Rm. E018  
Indianapolis, IN 46204  
Telephone: (317) 232-6576

**INSTRUCTIONS:** Use 8 1/2" x 11" white paper for inserts.  
Present original and two (2) copies to address in upper right corner of this form.  
Please TYPE or PRINT.  
Upon completion of filing the Secretary of State will issue a receipt.

Indiana Code 23-17-17-1 et seq.  
FILING FEE: \$30.00

**APPROVED  
AND  
FILED**

ARTICLES OF AMENDMENT  
TO THE  
ARTICLES OF INCORPORATION

*Sue Aine Gilroy*  
IND. SECRETARY OF STATE

The undersigned officer of the Nonprofit Corporation named in Article 1 below (hereinafter referred to as the "Corporation") desiring to give notice of corporate action effectuating Amendment(s) to the Articles of Incorporation, certifies the following facts:

This Corporation exists pursuant to: (check appropriate box)

- The Indiana Not-For-Profit Corporation Act of 1971 (IC 23-7-1.1) as amended.
- Indiana General Not-For-Profit Corporation Act (approved March 7, 1935)
- Indiana Nonprofit Corporation Act of 1991 (IC 23-17-1) as amended

**ARTICLE I - Amendment(s)**

SECTION 1: The name of the Corporation is: **Charter School of the Dunes, Inc.**

SECTION 2: The date of incorporation of the Corporation is:  
**January 2, 2002**

SECTION 3: The name of the Corporation following this amendment to the Articles of Incorporation is:  
**Charter School of the Dunes, Inc.**

SECTION 4  
The exact text of Article(s) **VII** of the Articles of Incorporation is now as follows:

Upon the dissolution of the organization, all remaining funds received from the Indiana Department of Education ("Department") shall be returned to the Department not more than thirty (30) days after dissolution, and all remaining assets shall be distributed for non-profit educational purposes as determined under IC 20-5.5-3-3 as amended or any successor provision thereto (which non-profit educational purposes shall constitute an exempt purpose within the meaning of section 501(c)(3) of the Internal Revenue Code of 1986), or shall be distributed to the federal, state, or local government for a public educational purpose.

Any such assets not so disposed of shall be disposed of by a court of competent jurisdiction of the county in which the principal office of the organization is then located, exclusively for non-profit educational purposes as defined above.

CTIONS  
The date of adoption of the amendment to the Article(s) **filed JANUARY 2, 2002** at **May 30** 20**02**

| Name(s) and address(es) of the incorporator(s) is/are as follows: |                               |      |       |          |
|---|-------------------------------|------|-------|----------|
| Name  | Number and Street or Building | City | State | ZIP code |
| Nancy Knightly  | 1099 N. Vanderburg            | Gary | IN    | 46403    |
| Linda Simon   | 8901 Lake Shore Dr.           | Gary | IN    | 46403    |
|   |                               |      |       |          |

Refer to Indiana Code 23-17-22-5 for permitted activities following Dissolution.

Upon the dissolution of the organization, assets shall be distributed for one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code of 1986, or corresponding section of any future Federal tax code, or shall be distributed to the Federal, state or local government for a public purpose. Any such assets not so disposed of shall be disposed of by a court of competent jurisdiction of the county in which the principal office of the organization is then located, exclusively for such purposes.

THIS DOCUMENT MUST BE SIGNED BY ALL INCORPORATORS.

|   |                                   |
|---|-----------------------------------|
| I (we) hereby verify, subject to penalties of perjury, that the facts contained herein are true. (Notarization not necessary) |                                   |
| Signature<br><i>Nancy R. Knightly</i>   | Printed name<br>Nancy R. Knightly |
| Signature<br><i>Linda J. Simon</i>  | Printed name<br>Linda J. Simon    |
| Signature   | Printed name                      |

|   |      |       |          |
|---|------|-------|----------|
| This instrument was prepared by: (name) |      |       |          |
| Address                                 | City | State | ZIP code |

Exhibit A

BY-LAWS OF  
CHARTER SCHOOL OF THE DUNES, INC.

ARTICLE I

NAME AND PURPOSES

SECTION 1. NAME. The name of the corporation shall be Charter School of the Dunes, Inc. (the "Corporation").

SECTION 2. OFFICES. The Corporation shall continuously maintain in the State of Indiana a registered office located at 860 North Lake Street, Gary, Indiana 46403, and a registered agent whose office is identical with such registered office and may have other offices within or without the state.

SECTION 3. FISCAL YEAR. The fiscal year of the Corporation shall be fixed by resolution of the Board of Directors. Initially, it shall begin on the first day of July and end on the last day of June each year.

SECTION 4. PURPOSES. The purposes for which the Corporation is formed, as stated in its Articles of Incorporation (the "Articles"), are to establish and run a charter school in the state of Indiana for the benefit of the children of the community (the "Charter School") and to engage in any other activities incidental to the foregoing purposes for which a corporation may be organized under the Indiana Nonprofit Corporation Act of 1991; provided, however, that the Corporation is organized and shall at all times be operated exclusively for religious, charitable, scientific, literary and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law).

No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to, its Directors or officers or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in its Articles. No substantial part of the activities of the Corporation shall consist of carrying on propaganda or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in (including the publishing or distribution of statements), any political campaign on behalf of (or in opposition to) any candidate for public office. Notwithstanding any other provision of its Articles, the Corporation shall not carry on any activities not permitted to be carried on (a) by an organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law) or (b) by an organization, contributions to which are deductible

under Section 170(c)(2) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law).

Upon dissolution of the Corporation, the Board of Directors of the Corporation, after paying or making adequate provision for the payment of all of the liabilities of the Corporation, shall distribute all of the assets of the Corporation to such organization or organizations as the Board of Directors shall determine; provided, however, that the assets of the Corporation shall be distributed only to organizations which at the time of such distribution are exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law). Any assets not so disposed of shall be disposed of by the Circuit Court of the county in which the principal office of the Corporation is then located, exclusively for religious, charitable, scientific, literary and educational purposes or to such organization or organizations as said Court shall determine which are organized and operated exclusively for such purposes.

Charter School of the Dunes, Inc. admits students of any race, color, national and ethnic origin to all the rights, privileges, programs, and activities generally accorded or made available to students at the school. It does not discriminate on the basis of race, color, national and ethnic origin in the administration of its educational policies, admissions policies, scholarship and loan programs, and athletic or other school-administered programs.

## ARTICLE II

### MEMBERS

The Corporation shall have no members.

## ARTICLE III

### BOARD OF DIRECTORS

SECTION 1. GENERAL POWERS. The affairs of the Corporation shall be managed by or under the direction of its Board of Directors. The Board of Directors shall have supervision, control and direction of the affairs of the Corporation, shall elect its officers, shall determine its policies within the Articles and By-Laws of the Corporation, shall actively pursue its objectives and shall have discretion in the disbursement of its funds. It may adopt such rules and regulations for the conduct of its business as shall be deemed advisable and may, in the execution of its powers, appoint such agents as it may consider necessary. The Board has ultimate responsibility to determine general, academic, financial, personnel and related policies deemed necessary for the administration and development of the Charter School in accordance with its stated purposes and goals. More specifically, the Board's authority shall be without limitation:

- (a) To approve policies and procedures regarding employment, including but not limited to, appointment, promotion, contracts, leaves of absence, fringe benefits, qualifications of professional and nonprofessional staff, professional development and dismissal of employees;
- (b) To adopt curriculum or courses of study and text books;
- (c) To authorize the acquisition, management and disposition of all property and physical facilities, having due respect for the corporate purpose, including the construction, renovation and upkeep of the physical plant;
- (d) To make contracts and leases for the procurement of services, equipment and supplies;
- (e) To incur temporary debts in anticipation of the receipt of funds;
- (f) To establish the annual academic calendar;
- (g) To adopt and approve the annual budget and to make revisions therein;
- (h) To establish admissions policies and procedures;
- (i) To adopt and approve policies and procedures to assess student achievement;
- (j) To approve or ratify all contracts;
- (k) To authorize an annual audit by an independent certified public accountant;
- (l) To appoint or dismiss the Principal of the Charter School;
- (m) To fix the salary or other compensation of the Principal, teachers and other employees of the Charter School;
- (n) To designate depositories of Charter School funds; and

- (o) To have and exercise all of the powers and means appropriate to effect the purpose or purposes for which the Charter School is chartered.

SECTION 2. NUMBER, TENURE AND QUALIFICATIONS. The Board of Directors shall consist of a minimum of seven (7) persons. Except for the initial Directors, Directors shall serve for a four-year term. Two of the initial Directors shall serve two-year terms, two shall serve three-year terms and three shall serve four-year terms. Directors to replace those with expiring terms shall be elected annually by the Board of Directors at the regular annual meeting of the Board of Directors. If the election of Directors shall not be held at such meeting, such election shall be held as soon thereafter as conveniently possible. Each Director shall hold office until his or her successor shall have been duly elected and qualified, or until his or her death, or until he or she shall resign or be removed in the manner hereinafter provided

At all times all members of the Board of Directors shall be residents of the State of Indiana, and at least one-half of the members of the Board of Directors shall be residents of the Indiana counties where current students at the charter school reside.

The number of Directors may be decreased to not fewer than three or increased to any number from time to time by amendment of this section. No decrease shall have the effect of shortening the term of an incumbent Director. A Director may serve consecutive terms.

SECTION 3. REGULAR MEETINGS. A regular annual meeting of the Board of Directors shall be held during the month of July, at such time and place as may be fixed by the President, or if the President is for any reason unable to act, by any two Directors. The Board of Directors may provide by resolution the time and place for the holding of additional regular meetings of the Board without other notice than such resolution.

The Board of Directors shall hold regular monthly meetings, at such date, time and place as may be fixed by the Board of Directors.

SECTION 4. SPECIAL MEETINGS. Special meetings of the Board of Directors may be called by or at the request of the President or any two Directors. The person or persons authorized to call special meetings of the Board may fix any place as the place for holding any special meeting of the Board called by them.

The Board of Directors may hold special meetings for any lawful purpose upon not less than one (1) day notice, as described in Section 6 of this Article II, upon call by the Chair or by two (2) or more members of the Board of Directors. A special meeting shall be held at such date, time, and place inside the State of Indiana or elsewhere as specified in the call of the meeting.

SECTION 5. NOTICE. Notice of the regular annual meeting and any special meeting of the Board of Directors shall be given at least five days previous thereto by written notice to each Director at his or her address as shown by the records of the Corporation, except that no special meeting of Directors may remove a Director unless written notice of the proposed removal is delivered to all Directors at least 20 days prior to such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope so addressed, with postage thereon prepaid.

Notice of the regular annual meeting or any special meeting of the Board of Directors may be waived in writing signed by the person or persons entitled to the notice either before or after the time of the meeting. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in the notice or waiver of notice of such meeting, unless specifically required by law or by these By-Laws. Public notice of meetings shall be given in accordance with the requirements of applicable law.

Oral notice shall be effective when communicated. Written, electronic, or tele-faxed notice, where applicable, shall be effective at the earliest of the following:

- (a) When received;
- (b) Five (5) days after the notice is mailed, as evidenced by the postmark or private carrier receipt, if mailed correctly addressed to the address listed in the most current records of the Corporation;
- (c) On the date shown on the return receipt, if sent by registered or certified United States mail, return receipt requested, and the receipt is signed by or on behalf of the addressee; or
- (d) Thirty (30) days after the notice is deposited with another method of the United States Postal Service other than first class, registered, or certified mail, as evidenced by the postmark, if mailed correctly addressed to the address listed in the most current records of the Corporation.

SECTION 6. WAIVER OF NOTICE. Notice of a meeting may be waived in a writing signed by the director entitled to notice and filed with the minutes or the corporate records. Attendance at or participation in any meeting of the Board of Directors shall constitute a waiver of lack of notice or defective notice of such meeting unless the director shall, at the beginning of the meeting or promptly upon the director's arrival, object to holding the meeting and not vote for or assent to any action taken at the meeting.

SECTION 7. ACTION BY WRITTEN CONSENT. Any action required or permitted to be taken at any meeting of the Board of Directors, or any committee thereof, may be taken without a meeting if a written consent describing such action is signed by each director or committee member and if such written consent is included in the minutes or filed with the Corporation's records reflecting the action taken. Action taken by written consent shall be effective when the last director or committee member signs the consent and the Board of Directors ratifies the action taken in a subsequent meeting held pursuant to the Indiana Open Door Law, unless the consent specifies a prior or subsequent effective date. A consent signed as described in this Section 8 shall have the effect of approval at a meeting and may be described as such in any

SECTION 8. QUORUM. A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, provided that if less than a majority of the Directors are present at said meeting, a majority of the Directors present may adjourn the meeting to another time without further notice.

SECTION 9. MANNER OF ACTING. The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by statute, these By-Laws, or the Articles. No Director may act by proxy on any matter.

SECTION 10. VACANCIES. Any vacancy occurring in the Board of Directors or any Directorship to be filled by reason of an increase in the number of Directors shall be filled by the Board of Directors.

SECTION 11. RESIGNATION AND REMOVAL OF DIRECTORS. A Director may resign at any time upon written notice to the Board of Directors. A Director may be removed with or without cause by majority vote of the Board of Directors.

Resignation, Removal, and Vacancies. Any director may resign at any time by giving written notice of such resignation to the Board of Directors, the Chair, or the Secretary of the Corporation. Such resignation shall take effect at the time specified therein, or if no time is specified, at the time of its receipt by the Board of Directors, the Chair, or the Secretary. The acceptance of a resignation shall not be necessary to make it effective. A director may be removed for cause by a majority of the directors then in office. Cause shall include, but shall not be limited to:

(a) Violations of applicable law, including (but not limited to): (i) Violations of the Indiana Charter School Law; and (ii) Actions that would jeopardize the tax-exempt status of the Corporation or would subject it to intermediate sanctions under the Internal Revenue Code of 1986, as amended, or corresponding provisions of any subsequent federal tax laws (the "Code").

(b) Breach of fiduciary duty, including (but not limited to) a violation of the applicable standard of care under the Articles, these Bylaws, or applicable law.

(c) Breach of any governing document relating to the Corporation, including limited to) the Articles, these Bylaws, and the Charter Agreement.

(d) Inadequate attendance at meetings of the Board of Directors, defined as from four (4) consecutive meetings or from at least fifty 50 percent (50%) of such meetings within one (1) calendar year. Any vacancy on the Board of Directors created by the resignation or removal of director shall be filled by a majority of the directors then in office.

Section 10. Educational Management Organizations. Should the Board of Directors engage an educational management organization ("EMO") to manage the operations charter school for which the Corporation is responsible (the "School"), no member of the Corporation's Board of Directors may have any pecuniary interest in such EMO.

SECTION 12. INFORMAL ACTION BY DIRECTORS. The authority of the Board of Directors may be exercised without a meeting if a consent in writing, setting forth the action taken, is signed by all of the Directors entitled to vote.

SECTION 13. PAYMENT OF EXPENSES. By resolution of the Board of Directors, the Directors may be paid their expenses, if any, of performing work authorized by the Board. No such payment previously mentioned in this section shall preclude any Director from serving the Corporation in any other capacity and receiving reasonable compensation therefor.

SECTION 14. PRESUMPTION OF ASSENT. A Director of the Corporation who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be conclusively presumed to have assented to the action taken unless his or her dissent shall be entered in the minutes of the meeting or unless he or she shall file his or her written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof or shall forward such dissent by registered or certified mail to the Secretary of the Corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of such action.

SECTION 15. EXECUTIVE SESSION. An executive session is the portion of a meeting of only the Board of Directors and those they may invite for the purpose of the executive session. When an executive session is necessary, it shall be held near the end of the meeting. An executive session shall be held only for the discussion of the following:

- a) Any matter of litigation, either pending or the initiation of, in which an attorney could be involved.
- b) The purchase or lease of real property up to the time a contract or option to purchase or lease is executed by the parties.

- c) To receive information about, and/or interview prospective employees.
- d) With respect to any individual staff member in terms of contract, job performance evaluation, staff assignment and personnel files.
- e) To discuss personal matters concerning a member of the corporation or child.

The secretary shall keep minutes of all business conducted in an executive session. Board members present for such sessions shall vote approval of said minutes. The vote on any issue shall not take place during executive session. Only the discussion on issues concerning the above five reasons shall take place in executive session.

## ARTICLE IV

### OFFICERS

SECTION 1. OFFICERS. The officers of the Corporation shall be a President, a Vice President, a Secretary, a Treasurer and such other officers as may be elected or appointed by the Board of Directors. Officers whose authority and duties are not prescribed in these By-Laws shall have the authority and perform the duties prescribed, from time to time, by the Board of Directors. Any two or more offices may be held by the same person.

SECTION 2. ELECTION AND TERM OF OFFICE. The officers of the Corporation shall be elected annually for a term of one (1) year by the Board of Directors at the regular annual meeting of the Board of Directors unless the Board by resolution establishes a different term. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Vacancies may be filled or new offices created and filled at any meeting of the Board of Directors. Each officer shall hold office for one (1) year or until his or her successor shall have been duly elected and qualified, or until his or her death, or until he or she shall resign or be removed in the manner hereinafter provided. Election of an officer shall not of itself create contract rights.

SECTION 3. RESIGNATION AND REMOVAL OF OFFICERS. Any officer elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the Corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Any officer may resign at any time upon written notice to the Board of Directors.

SECTION 4. PRESIDENT. The President shall be the principal executive officer of the Corporation. Subject to the direction and control of the Board of Directors, he or she shall be in charge of the business and affairs of the Corporation; he or she shall see

that the resolutions and directives of the Board of Directors are carried into effect except in those instances in which that responsibility is assigned to some other person by the Board of Directors; and, in general, he or she shall discharge all duties incident to the office of president and such other duties as may be prescribed by the Board of Directors.

Except in those instances in which the authority to execute is expressly delegated to another officer or agent of the Corporation or a different mode of execution is expressly prescribed by the Board of Directors or these By-Laws, he or she may execute for the Corporation any contracts, deeds, mortgages, bonds, or other instruments which the Board of Directors has authorized to be executed, and he or she may accomplish such execution either under or without the seal of the Corporation and either individually or with the Secretary, any assistant secretary, or any other officer thereunto authorized by the Board of Directors, according to the requirements of the form of the instrument. He or she may vote all securities which the Corporation is entitled to vote except as and to the extent such authority shall be vested in a different officer or agent of the Corporation by the Board of Directors.

SECTION 5. VICE PRESIDENT. The Vice President shall perform such duties as shall be assigned to him by the President or the Board of Directors. Further, in the absence of the President or in the event of his inability or refusal to act, the Vice President shall perform the duties of the President and, when so acting, shall have all the powers of and be subject to all the restrictions upon the President.

SECTION 6. SECRETARY. The Secretary shall record the minutes of the meetings of the Board of Directors in one or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of these By-Laws or as required by law; be custodian of the corporate records and of the seal of the Corporation; and perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him or her by the President or by the Board of Directors.

SECTION 7. TREASURER. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his or her duties in such sum and with such surety or sureties as the Board of Directors shall determine. The Treasurer shall have charge and custody of and be responsible for all funds and securities of the Corporation; receive and give receipts for moneys due and payable to the Corporation from any source whatsoever, and deposit all such moneys in the name of the Corporation in such banks, trust companies or other depositories as shall be selected by the Board of Directors; and in general, perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned by the President or by the Board of Directors.

SECTION 8. SALARIES. No member of the Board of Directors is entitled to compensation.

## ARTICLE V

### COMMITTEES

SECTION 1. COMMITTEES OF DIRECTORS. The Board of Directors, by resolution adopted by a majority of the Directors in office, may designate one or more committees, each of which shall consist of two or more Directors and such other persons as the Board of Directors designates, provided that a majority of each committee's membership are Directors. The committees, to the extent provided in said resolution and not restricted by law, shall have and exercise the authority of the Board of Directors in the management of the Corporation; but the designation of such committees and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any individual Director, of any responsibility imposed upon it, him or her by law.

SECTION 2. TERM OF OFFICE. Each member of a committee shall continue as such until his or her successor is appointed, unless the committee shall be sooner terminated, or unless such member be removed from such committee by the Board of Directors, or unless such member shall cease to qualify as a member thereof.

SECTION 3. CHAIRMAN. One member of each committee shall be appointed chairman.

SECTION 4. VACANCIES. Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in the case of the original appointments.

SECTION 5. QUORUM. Unless otherwise provided in the resolution of the Board of Directors designating a committee, a majority of the whole committee shall constitute a quorum, and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee.

SECTION 6. RULES. Each committee may adopt rules for its own government not inconsistent with these By-Laws or with rules adopted by the Board of Directors.

SECTION 7. INFORMAL ACTION. The authority of a committee may be exercised without a meeting if a consent in writing, setting forth the action taken, is signed by all of the members entitled to vote.

## ARTICLE VI

### SECTION 1. CONFLICTS OF INTEREST GENERAL POLICY.

It is the policy of the Corporation and its Board of Directors that the Corporation's directors, officers, and employees to carry out their respective duties in a fashion that avoids actual, potential, or perceived conflicts of interest.

The Corporation's directors, officers, and employees shall have the continuing, affirmative duty to report any personal ownership, interest, or other relationship that might affect their ability to exercise impartial, ethical, and business-based judgments in fulfilling their responsibilities to the Corporation. This policy shall be further subject to the following principles:

(a) Directors, officers, and employees of the Corporation shall conduct their duties with respect to potential and actual grantees, contractors, suppliers, agencies, and other persons transacting or seeking to transact business with the Corporation in a completely impartial manner, without favor or preference based upon any consideration other than the best interests of the Corporation.

(b) Directors, officers, and employees of the Corporation shall not seek or accept for themselves or any of their relatives (including spouses, ancestors, and descendants, whether by whole or half blood), from any person or business entity that transacts or seeks to transact business with the Corporation, any gifts, entertainment, or other favors relating to their positions with the Corporation that exceed common courtesies consistent with ethical and accepted business practices.

(c) If a director, or a director's relative, directly or indirectly owns a significant financial interest in, or is employed by, any business entity that transacts or seeks to transact business with the Corporation, the director shall disclose that interest or position and shall refrain from voting on any issue pertaining to the transaction.

(d) Officers and employees of the Corporation shall not conduct business on behalf of the Corporation with a relative or a business entity in which the officer, employee, or his or her relative owns a significant financial interest or by which such officer, employee, or relative is employed, except where such dealings have been disclosed to, and specifically approved and authorized by, the Board of Directors of the Corporation.

(e) The Board of Directors may require the Corporation's directors, officers, or employees to complete annually (or as otherwise scheduled by the Board) a disclosure statement regarding any actual or potential conflict of interest described in these Bylaws. The disclosure statement shall be in such form as may be prescribed by the Board and may include information regarding a person's participation as a director, trustee, officer, or employee of any other nonprofit organization. The Board of Directors shall be responsible for oversight of all disclosures or failures to disclose and for taking appropriate action in the case of any actual or potential conflict of interest transaction.

SECTION 2. EFFECT OF CONFLICT PROVISIONS. . The failure of the Corporation, its Board of Directors, or any or all of its directors, officers, or employees to comply with the conflict of interest provisions of these Bylaws shall not invalidate, cancel, void, or make voidable any contract, relationship, action, transaction, debt, commitment, or obligation of the Corporation that otherwise is valid and enforceable under applicable law.

## ARTICLE VII CONTRACTS, CHECKS, DEPOSITS AND GIFTS

SECTION 1. CONTRACTS. The Board of Directors may authorize any officer or officers or agent or agents of the Corporation, in addition to the officers so authorized by these By-Laws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

SECTION 2. CHECKS, DRAFTS, ETC. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation shall be signed by such officer or officers or agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the President of the Corporation, the Vice President of the Corporation or the Secretary of the Corporation.

SECTION 3. DEPOSITS. All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Board of Directors may select.

SECTION 4. GIFTS. The Board of Directors may accept on behalf of the Corporation any contribution, gift, bequest or devise for the general purposes or for any special purpose of the Corporation.

## ARTICLE VIII BOOKS AND RECORDS

The Corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its Board of Directors and committees having any of the authority of the Board of Directors.

## ARTICLE IX

## WAIVER OF NOTICE

Whenever any notice is required to be given under the provisions of the Indiana Nonprofit Corporation Act of 1991 or under the provisions of the Articles or the By-Laws of the Corporation, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Attendance at any meeting shall constitute waiver of notice thereof unless the person at the meeting objects to the holding of the meeting because proper notice was not given.

## ARTICLE X

### INVESTMENT MANAGEMENT POLICY

The Board of Directors shall adopt a formal investment policy with respect to the management of the Corporation's investment portfolio. At least annually, the Board of

Directors shall (a) review the Corporation's investments and applicable prudence, liquidity and diversification standards and (b) examine actual investments and investment alternatives in depth by (i) comparing actual investment results to the results reported for alternative investments; (ii) comparing the characteristics of alternative investments and investment vehicles; and (iii) examining and reconsidering the investment management policy.

## ARTICLE XI

### INDEMNIFICATION

SECTION 1. INDEMNIFICATION IN ACTIONS OTHER THAN BY OR IN THE RIGHT OF THE CORPORATION. The Corporation may indemnify any person who was or is a party, or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that he or she is or was a Director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a Director, officer, employee or agent of another Corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding, if such person acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the Corporation or, with respect to any criminal action or proceeding, that the person had reasonable cause to believe that his or her conduct was unlawful.

SECTION 2. INDEMNIFICATION IN ACTIONS BY OR IN THE RIGHT OF THE CORPORATION. The Corporation may indemnify any person who was or is a party, or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that such person is or was a Director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a Director, officer, employee or agent of another Corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit, if such person acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the Corporation, provided that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his or her duty to the Corporation, unless, and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability, but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses as the court shall deem proper.

SECTION 3. RIGHT TO PAYMENT OF EXPENSES. To the extent that a Director, officer, employee or agent of the Corporation has been successful, on the merits or otherwise, in the defense of any action, suit or proceeding referred to in Sections 1 and

2 of this Article, or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith.

SECTION 4. DETERMINATION OF CONDUCT. Any indemnification under Sections 1 and 2 of this Article (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case, upon a determination that indemnification of the Director, officer, employee or agent is proper in the circumstances because he or she has met the applicable standard of conduct set forth in Sections 1 or 2 of this Article. Such determination shall be made (a) by the Board of Directors by a majority vote of a quorum consisting of Directors who were not parties to such action, suit or proceeding, or (b) if such a quorum is not obtainable, or even if obtainable, if a quorum of disinterested Directors so directs, by independent legal counsel in a written opinion.

SECTION 5. PAYMENT OF EXPENSES IN ADVANCE. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Corporation in advance of the final disposition of such action, suit or proceeding, as authorized by the Board of Directors in the specific case, upon receipt of an undertaking by or on behalf of the Director, officer, employee or agent to repay such amount, unless it shall ultimately be determined that he or she is entitled to be indemnified by the Corporation as authorized in this Article.

SECTION 6. INDEMNIFICATION NOT EXCLUSIVE. The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any by-law, agreement, vote of members or disinterested Directors, or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a Director, officer, employee or agent, and shall inure to the benefit of the heirs, executors and administrators of such a person.

SECTION 7. INSURANCE. The Corporation may purchase and maintain insurance on behalf of any person who is or was a Director, officer, employee or agent of the Corporation, or who is or was serving at the request of the Corporation as a Director, officer, employee or agent of another Corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against such person and incurred by such person in any such capacity, or arising out of his or her status as such, whether or not the Corporation would have the power to indemnify such person against such liability under the provisions of this Article.

SECTION 8. NOTICE TO MEMBERS. If the Corporation has paid indemnity or has advanced expenses under this Article to a Director, officer, employee or agent, the Corporation shall report the indemnification or advance in writing to any members entitled to vote with or before the notice of the next meeting of the members entitled to vote.

SECTION 9. REFERENCES TO CORPORATION. For purposes of this Article, references to "the Corporation" shall include, in addition to the surviving Corporation, any merging Corporation (including any Corporation having merged with a merging Corporation) absorbed in a merger which, if its separate existence had continued, would have had the power and authority to indemnify its Directors, officers, employees or agents, so that any person who was a Director, officer, employee or agent of such merging Corporation, or was serving at the request of such merging Corporation as a Director, officer, employee or agent of another Corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this Article with respect to the surviving Corporation as such person would have with respect to such merging Corporation if its separate existence had continued.

SECTION 10. OTHER REFERENCES. For purposes of this Article, references to "other enterprises" shall include employee benefit plans; references to "fines" shall include any excise taxes assessed on a person with respect to an employee benefit plan; and references to "serving at the request of the Corporation" shall include any service as a Director, officer, employee or agent of the Corporation which imposes duties on, or involves services by such Director, officer, employee, or agent with respect to an employee benefit plan, its participants, or beneficiaries. A person who acted in good faith and in a manner he or she reasonably believed to be in the best interests of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the Corporation" as referred to in this Article.

## ARTICLE XII

### AMENDMENTS

The power to alter, amend or repeal the By-Laws or adopt new By-Laws shall be vested in the Board of Directors. Such action may be taken at a regular or special meeting for which written notice of the purpose shall be given. The By-Laws may contain any provisions for the regulation and management of the affairs of the Corporation not inconsistent with law or the Articles.

# Charter School of the Dunes

860 N. Lake Street, Gary, IN 46403

219.929.9690

CONFLICT OF INTEREST POLICY  
WWW.CSOTD.ORG

## Statement/Purpose:

To establish a guideline for defining conflict of interest and to aid in the understanding of what may happen should a conflict of interest exist.

## Policy:

It is the policy of Charter School of the Dunes to conduct its business practices with the highest level of integrity. A conflict of interest exists when a member of Charter School of the Dunes family does not act with total objectivity in carrying out their duties for the organization, thus placing their personal goals or interests first.

Charter School of the Dunes participates in government programs and there is zero tolerance for accepting or offering gifts, payments, and kickbacks in connection with government programs and contracts.

## Procedure:

### A. All Employees

1. To avoid conflicts of interest, all employees must adhere to the following:
  - a. Immediately report to the Board of Directors any financial or personal interest that they or any member of their family has doing business with Charter School of the Dunes. Family is described as a spouse, son, stepson, daughter, stepdaughter, brother, sister, cousin, and any in-laws.
  - b. Refrain from accepting gifts of money, items or services, except for consumable items of modest value that may be shared by co-workers.
  - c. Refrain from using or disclosing information that may be acquired as a result of their employment for personal gain or benefit.
  - d. Place the interest of the organization first.
  - e. Report to the Board of Directors any potential violations of this policy.
2. In addition, employees should not have outside employment or business interests that place them in a position of:
  - a. Appearing to represent Charter School of the Dunes or any affiliate; or
  - b. Lessening the efficiency, productivity, or dedication to Charter School of the Dunes in performing their everyday duties upon hire.

3. Upon hire, employees must immediately notify the Board of Directors of any potential conflicts of interest at any time during the course of their employment with Charter School of the Dunes. Failure to disclose potential conflicts of interest at any time during employment will result in disciplinary action up to and including termination.
4. Any personal or business activities of an employee that may raise conflict of interest concerns must be reviewed in advance by the school's Board of Directors.

B. Supervisors, Managers, and Above

1. In addition to the requirements of (A) above, supervisors, managers, and others above may not be employed by, act as a consultant to or have an independent business relationship with any of Charter School of the Dunes service providers or third party payers. Additionally they may not invest in any payer, service provider, or supplier unless the investment is by mutual fund.
2. Upon hire, and yearly thereafter, supervisors, managers and others above must complete the Conflict of Interest Compliance Statement and must immediately notify the Board of Directors of any changes while employed with Charter School of the Dunes. The Conflict of Interest Compliance Statement and potential conflict disclosures will be reviewed by the Board of Directors. Failure to disclose potential conflicts of interest will result in disciplinary action, up to and including termination.
3. Any personal or business activities by a supervisor, manager and others above that may raise conflict of interest concerns must be reviewed with, and approved in advance, by the Board of Directors.

# ATTACHMENT 5

Not Applicable

# ATTACHMENT 6

School Name: Charter School of the Dunes

Current Academic Year: 2012/2013

**Comparative School Analysis: Demographics**

|                          |               | School | Comparison School LEAD | Comparison School Marquette | Comparison School Westside Leadership | Statewide |
|--------------------------|---------------|--------|------------------------|-----------------------------|---------------------------------------|-----------|
| Enrollment               | # of Students | 378    | 374                    | 699                         | 1464                                  |           |
| Grades Served            | Grade Levels  | K-9    | 5-11                   | K-6                         | 7-12                                  |           |
| Free/Reduced Lunch       | % of Students | 65%    | 66%                    | 89%                         | 71%                                   |           |
| Minority                 | % of Students | 97%    | 100%                   | 98%                         | 99%                                   |           |
| Special Education        | % of Students | 13%    | 13%                    | 12%                         | 18%                                   |           |
| English Language Learner | % of Students | 0%     | 0%                     | 0%                          | 0%                                    |           |
| Title I in current year? | Yes/No        | Yes    |                        |                             |                                       |           |

**NOTE:** "Comparison school" is defined as schools serving a student population within five percentage points of the school's "Free and Reduced Lunch" percentages in the current year.

**NOTE:** Comparable schools and statewide demographics should represent only those grades that are served by the school.

**Comparative School Analysis: Academic Outcomes**

**NOTE:** Applicant may add additional rows for relevant grades. Applicant may also list other state assessments that are relevant to the student population.

2011-12 Passage rates on ISTEP+ for English/Language Arts

|         |  | School | Comparison School LEAD | Comparison School Marquette | Comparison School Westside Leadership | Statewide |
|---------|--|--------|------------------------|-----------------------------|---------------------------------------|-----------|
| Grade 3 |  | 60     | NA                     | 76                          | NA                                    | 85        |
| Grade 4 |  | 79     | NA                     | 69                          | NA                                    | 82        |
| Grade 5 |  | 75     | 52                     | 65                          | NA                                    | 78        |
| Grade 6 |  | 36     | 47                     | 65                          | NA                                    | 78        |
| Grade 7 |  | 77     | 54                     | NA                          | 29.1                                  | 75        |
| Grade 8 |  | 67     | 50                     | NA                          | 23.4                                  | 73        |

2011-12 Passage rates on ISTEP+ for Math

|         |  | School | Comparison School LEAD | Comparison School Marquette | Comparison School Westside Leadership | Statewide |
|---------|--|--------|------------------------|-----------------------------|---------------------------------------|-----------|
| Grade 3 |  | 80     | NA                     | 60                          | NA                                    | 79        |
| Grade 4 |  | 79     | NA                     | 40                          | NA                                    | 79        |

|         |  |    |    |    |      |    |
|---------|--|----|----|----|------|----|
| Grade 5 |  | 50 | 36 | 60 | NA   | 86 |
| Grade 6 |  | 73 | 16 | 40 | NA   | 82 |
| Grade 7 |  | 69 | 24 | NA | 38.7 | 78 |
| Grade 8 |  | 56 | 27 | NA | 14.1 | 80 |

2011-12 Growth Model Data for English/Language Arts

|         |  | School | Comparison School LEAD | Comparison School Marquette | Comparison School Westside Leadership | Statewide |
|---------|--|--------|------------------------|-----------------------------|---------------------------------------|-----------|
| Grade 3 |  | 0      | NA                     | 0                           | NA                                    |           |
| Grade 4 |  | 64.5   | NA                     | 49                          | NA                                    |           |
| Grade 5 |  | 63     | 28.5                   | 44                          | NA                                    |           |
| Grade 6 |  | 51     | 35                     | 46                          | NA                                    |           |
| Grade 7 |  | 39     | 46                     | NA                          | 15.5                                  |           |
| Grade 8 |  | 55     | 65                     | NA                          | 21.5                                  |           |

2011-12 Growth Model Data for Math

|         |  | School | Comparison School LEAD | Comparison School Marquette | Comparison School Westside Leadership | Statewide |
|---------|--|--------|------------------------|-----------------------------|---------------------------------------|-----------|
| Grade 3 |  | 0      | NA                     | 0                           | NA                                    |           |
| Grade 4 |  | 61.5   | NA                     | 12                          | NA                                    |           |
| Grade 5 |  | 48     | 8.5                    | 23.5                        | NA                                    |           |
| Grade 6 |  | 39.5   | 12                     | 16                          | NA                                    |           |
| Grade 7 |  | 24     | 13                     | NA                          | 37                                    |           |
| Grade 8 |  | 32     | 36                     | NA                          | 12.5                                  |           |

2011-12 Passage rates on ECA in English 10

|  |  | School | Comparison School LEAD | Comparison School New Tech @ Roosevelt | Comparison School Westside Leadership | Statewide |
|--|--|--------|------------------------|--|---------------------------------------|-----------|
|  |  | NA     | 50.9                   | NA                                     | 51.4                                  | 77.8      |

2011-12 Passage rates on ECA in Algebra 1

|  |  | School | Comparison School LEAD | Comparison School New Tech @ Roosevelt | Comparison School Westside Leadership | Statewide |
|--|--|--------|------------------------|--|---------------------------------------|-----------|
|  |  | 25     | 17.1                   | 67.3                                   | 14.4                                  | 70.2      |

2011-12 Graduation Rate (as defined by the IDOE)

|                     |  | School | Comparison School LEAD | Comparison School New Tech @ Roosevelt | Comparison School Westside Leadership | Statewide |
|---------------------|--|--------|------------------------|--|---------------------------------------|-----------|
| Graduating Students |  | NA     | NA                     | NA                                     | 63                                    | 88.1      |

# ATTACHMENT 7

# CHARTER SCHOOL OF THE DUNES of BSU Charter Schools

"A Tuition FREE Public School"



860 N. Lake Street  
Gary, IN 46403  
(219) 939-9690

[www.csotd.org](http://www.csotd.org)

|                              |     |
|------------------------------|-----|
| Grades Served .....          | K-8 |
| 2008-2009 Enrollment .....   | 329 |
| 2007-2008 Enrollment .....   | 437 |
| 2006-2007 Enrollment .....   | 490 |
| 2005-2006 Enrollment .....   | 514 |
| 2004-2005 Enrollment .....   | 442 |
| 2003-2004 Enrollment .....   | 436 |
| Enrollment at capacity ..... | 500 |

Year Opened: 2003-2004

Final Year in Current Contract: 2009-2010

## Mission

The school's mission is to inspire success through an innovative curriculum, while cultivating environmental stewardship, family and community involvement, and high standards for student achievement.

## Educational Program

Charter School of the Dunes students participate in a well-rounded education nurturing an appreciation for art, history, humanity, and knowledge while striving to achieve personal and academic excellence. Many opportunities are extended to students beyond the basic classroom curriculum. Charter School of the Dunes offers Environmental Science, humanities, and physical education classes, along with academic acceleration blocks for every student in kindergarten through eighth grade. Students have the opportunity to participate in Spell Bowl, Math Bowl, Environmental Club, Inventors Fair, 21st Century Scholars, National Junior Honor Society, Drug Abuse and Resistance Education (DARE), basketball, volleyball, and cross country programs.

## CHARTER SCHOOL OF THE DUNES of BSU Charter Schools

### Demographic Summary

Charter School of the Dunes is a schoolwide Title I school, serving students from kindergarten through eighth grade in the Gary, Indiana area. Approximately 92.1% of the school population at Charter School of the Dunes is black, 3.6% is white, 3% is multi-racial, and .9% is Hispanic. Of the 329 students, 76% receive free or reduced cost lunches. Eligible students receive additional services through Special Education and Title I programming.

### Academic Progress

The percentage of students passing ISTEP+ varies across grades and content areas at Charter School of the Dunes, with particular problems in grade three and seven where only 27% and 25% passed both math and English/language arts. The highest and most consistent

percentages are found at the fourth-grade level. Charter School of the Dunes did meet AYP for the first time. Strong improvement in percent passing ISTEP+ earned a PL 221 rating of Academic progress. Of students who took NWEA, 36-46% met growth targets in all areas.

### Constituent Survey

Parents (n=93), staff (n=38) and the school board (n=4) responded to the survey. Seventy-nine percent of the staff, 66% of the parents, and 75% of the school board rated the overall quality of education at the school as excellent/very good. When asked to compare Charter School of the Dunes' overall educational quality to that of other schools, 100% of the board, 77% of the parents,

and 61% of the staff rated the school as much better/somewhat better than its counterparts. When asked how likely they were to recommend, continue, or increase support to the school, 100% of the school board, from 73-77% of parents, and from 87-97% of the staff were likely to do so.

### Financial Review

Financially, the school approached Ball State University Office of Charter Schools' expectations in the area of Financial Viability Results. It completed its sixth year in a financially healthy position. The school's expenses exceeded revenues for the year. The school has a positive equity position with a strong balance sheet. Expenses appeared to be appropriate. The school completed the year with a positive cash balance. Charter School of the Dunes is likely to maintain strong finances in the future. The State Board of Accounts auditors completed the required audit for the two years ending June 30, 2008. Although no material weaknesses were identified, a special audit was performed due to the lack of cash

handling management processes that were identified in the previous two State Board of Accounts audits that were not corrected by the school.

The school met Ball State University Office of Charter Schools' expectations in the area of financial obligations to Ball State University. Payments of obligations were made within 30 days.

Charter School of the Dunes maintained and submitted an acceptable board-approved, five-year strategic plan during the school year.

# CHARTER SCHOOL OF THE DUNES of BSU Charter Schools

## School Improvement

**To improve student ISTEP+ performance, Charter School of the Dunes has taken the following steps:**

- Analyzed data to determine weaknesses in curriculum and instructional programming.
- Reviewed student benchmarks to make instructional adjustments to drive instruction.
- Hired two instructional coaches to improve the quality of instruction and implementation of best practices.
- Began aligning all curricula to Indiana State Standards using curriculum mapping software.
- Scheduled 13 professional development days to assist teachers in training for curriculum alignment, writing across the curriculum, and classroom instruction and management.
- Monitored progress of all students quarterly using multiple performance assessments.

**NWEA data were used to improve student achievement in the following ways:**

- Determined student academic gains.
- Utilized NWEA data to predict ISTEP+ success.
- Identified students for after-school tutoring programs.
- Used NWEA norms to set goals with students.
- Initiated a school-wide incentive encouraging appropriate grade level gains.
- Incorporated the Descartes framework to enhance small group instruction.
- Incorporated data walls to track the success of students and highlight growth gains.
- Placed students in acceleration groups to enhance ELA and math learning.

**To address deficiencies that may positively impact AYP status for 2009-2010, Charter School of the Dunes has taken the following action:**

- Adopted a strict attendance policy.
- Focused on a standards-driven assessment.
- Implemented a writing program that includes daily dedicated time devoted to teaching the writing process.
- Utilized Acuity diagnostic software to drive instruction and increase student achievement.
- Purchased Study Island software to support student mastery of grade-level standards.
- Coordinated with Supplemental Educational Services to provide tutoring.

**To improve the perceptions of their school in response to the results of the constituent survey, Charter School of the Dunes has taken the following actions:**

- Hired a marketing director and local publicity agent.
- Conducted parent celebrations to showcase student performance.
- Sent home grade-level newsletters.
- Presented a "Black History Month" program which coincided with a Black Inventors Fair.
- Conducted Title I math nights encouraging parent interaction with students.
- Participated in multiple community events.



# Student Demographics

Figure X-1: Race/Ethnicity Percentages

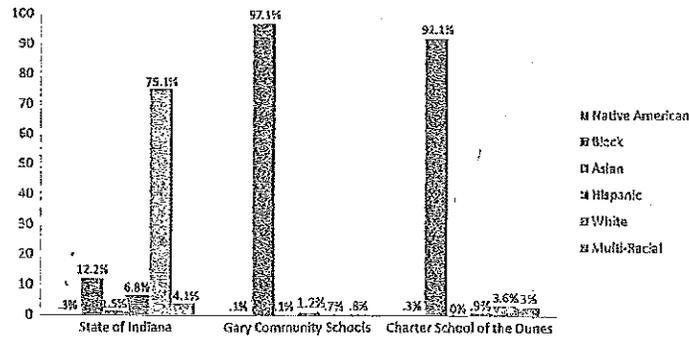


Figure X-2: Percentages of Students Qualifying for Free & Reduced Lunch

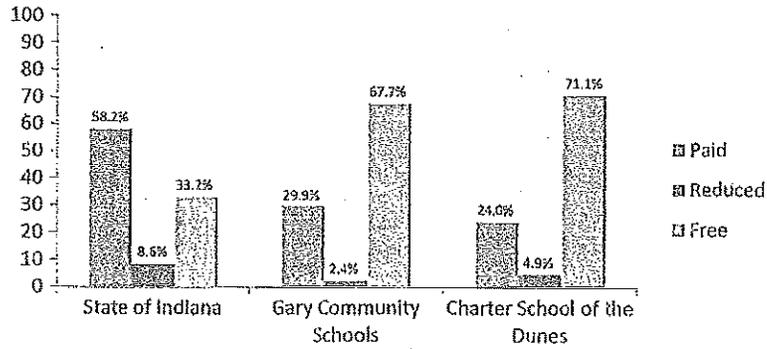
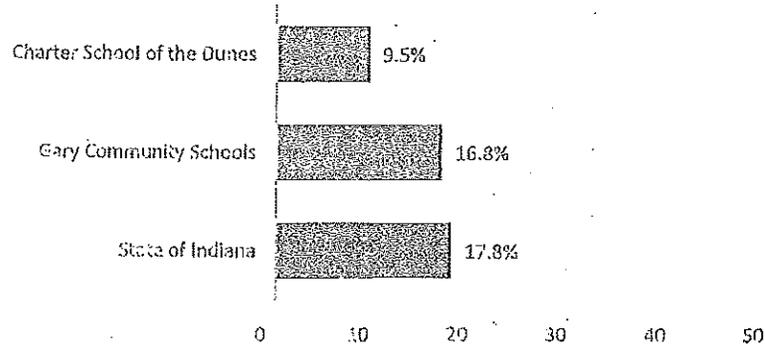


Figure X-3: Percentages of Students in Special Education



CHARTER SCHOOL OF THE DUNES of BSU Charter Schools

# Program Statistics

Table Y-1: Attendance Rates

| Academic Year | Charter School of the Dunes | Gary Community Schools | Indiana |
|---------------|-----------------------------|------------------------|---------|
| 2008-09       | 100%                        | 96.1%                  | 96.1%   |

Data Source: Indiana Department of Education

Table Y-2: Percentages Passing ISTEP+

| Grade | # Tested | ENGLISH/LA      |      |         | MATH            |      |         | BOTH ENGLISH & MATH |      |         |
|-------|----------|-----------------|------|---------|-----------------|------|---------|---------------------|------|---------|
|       |          | CS of the Dunes | Gary | Indiana | CS of the Dunes | Gary | Indiana | CS of the Dunes     | Gary | Indiana |
| 3     | 45       | 42%             | 69%  | 75%     | 40%             | 66%  | 70%     | 27%                 | 57%  | 62%     |
| 4     | 42       | 76%             | 58%  | 73%     | 76%             | 80%  | 73%     | 67%                 | 48%  | 65%     |
| 5     | 46       | 65%             | 63%  | 74%     | 63%             | 63%  | 77%     | 50%                 | 53%  | 67%     |
| 6     | 22       | 41%             | 57%  | 72%     | 64%             | 66%  | 79%     | 41%                 | 49%  | 67%     |
| 7     | 24       | 42%             | 38%  | 69%     | 29%             | 50%  | 81%     | 25%                 | 31%  | 66%     |
| 8     | 31       | 55%             | 39%  | 68%     | 77%             | 36%  | 75%     | 55%                 | 28%  | 62%     |

Table Y-3: PL 221

| ACADEMIC PROGRESS  |
|--------------------|
| Performance: 55.3% |
| Improvement: 16.1% |

Table Y-4: Adequate Yearly Progress

|                    | PERFORMANCE                |      | PARTICIPATION |      |
|--------------------|----------------------------|------|---------------|------|
|                    | English                    | Math | English       | Math |
|                    | Overall Determination: YES | YES  | YES           | YES  |
| All Students       | Yes                        | Yes  | Yes           | Yes  |
| Black              | Yes                        | Yes  | Yes           | Yes  |
| Free/Reduced Lunch | Yes                        | Yes  | Yes           | Yes  |

Data Source: Indiana Department of Education

Table Y-5: NWEA Percent Meeting Target Growth Rate

| READING                      |                          | LANGUAGE ARTS                |                          | MATH                         |                          |
|------------------------------|--------------------------|------------------------------|--------------------------|------------------------------|--------------------------|
| # of Students Taking Subtest | % Met Target Growth Rate | # of Students Taking Subtest | % Met Target Growth Rate | # of Students Taking Subtest | % Met Target Growth Rate |
| 211                          | 40.3%                    | 174                          | 36.8%                    | 174                          | 48.6%                    |

Data Source: NWEA

# Constituent Surveys

Figure Z-1: How would you rate the overall quality of education?

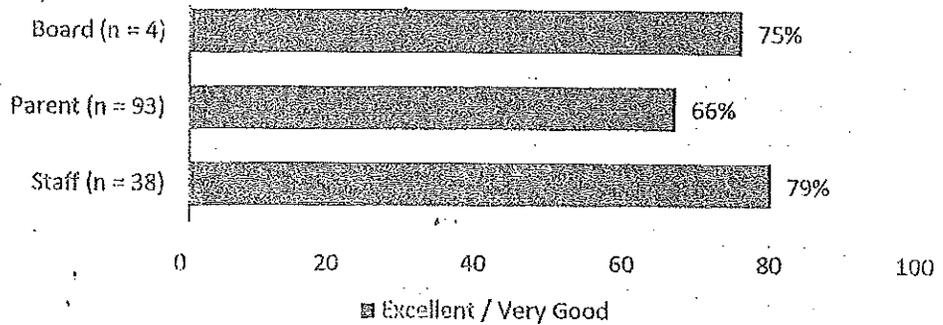


Figure Z-2: How would you compare the overall quality of education to that of other schools?

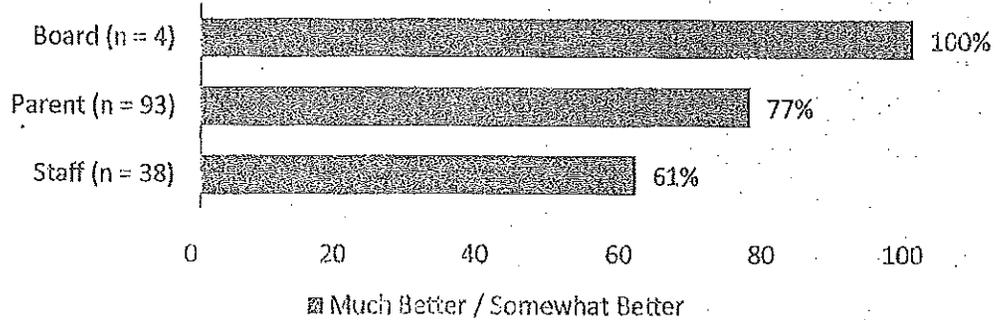
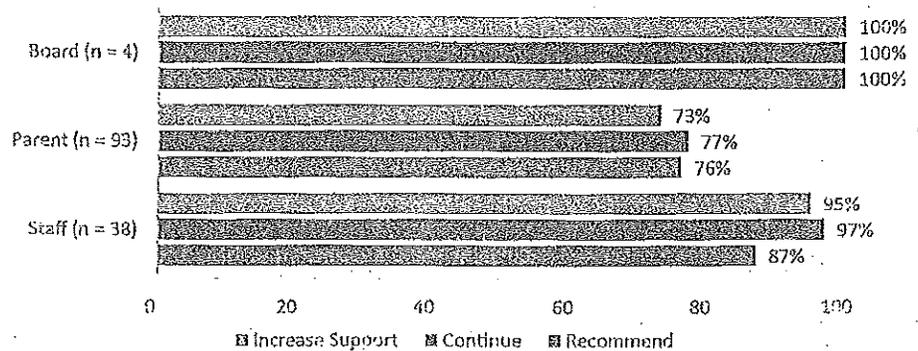


Figure Z-3: How likely are you to...Recommend the school/Continue at the school/Increase support to your school?



# ATTACHMENT 8

CHARTER SCHOOL OF THE DUNES, INC.

*Financial Statements*

*June 30, 2007*

Fitzgerald | Isaac p.c.  
Certified Public Accountants

CHARTER SCHOOL OF THE DUNES, INC.

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ACCOUNTANTS' REVIEW REPORT

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

We have reviewed the accompanying statement of financial position of Charter School of the Dunes, Inc. as of June 30, 2007 and the related statements of activities and cash flows for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Charter School of the Dunes, Inc.

A review consists principally of inquiries of school personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with auditing standards generally accepted in the United States of America, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

*Fitzgerald / Isaac p.c.*

October 29, 2008

CHARTER SCHOOL OF THE DUNES, INC.

Statement of Financial Position

| <u>Assets</u>                         | <u>June 30, 2007</u> |
|---------------------------------------|----------------------|
| Current assets:                       |                      |
| Cash and cash equivalents             | \$ 501,840           |
| Accounts receivable:                  |                      |
| State and local tuition support       | 2,533,470            |
| Grants                                | 62,400               |
| Other                                 | 24,327               |
| Prepaid expenses                      | 15,484               |
| Total current assets                  | <u>3,137,521</u>     |
| Property and equipment:               |                      |
| Leasehold improvements                | 1,192,847            |
| Furniture and equipment               | 578,154              |
| Accumulated depreciation              | (753,347)            |
| Property and equipment, net           | <u>1,017,654</u>     |
|                                       | <u>\$ 4,155,175</u>  |
| <br><u>Liabilities and Net Assets</u> |                      |
| Current liabilities:                  |                      |
| Accounts payable and accrued expenses | \$ 512,429           |
| Current portion of long-term debt     | 393,641              |
| Deferred revenue                      | 178,485              |
| Total current liabilities             | <u>1,084,555</u>     |
| Long-term debt:                       |                      |
| Notes payable                         | 1,646,681            |
| Capital lease obligation              | 3,061                |
|                                       | <u>1,649,742</u>     |
| Total liabilities                     | 2,734,297            |
| Unrestricted net assets               | <u>1,420,878</u>     |
|                                       | <u>\$ 4,155,175</u>  |

See accompanying Accountants' Review Report and notes to financial statements.

CHARTER SCHOOL OF THE DUNES, INC.

Statement of Activities

|                                  | Year Ended<br>June 30, 2007     |
|----------------------------------|---------------------------------|
| <hr/>                            |                                 |
| Revenue, Gains and Support       |                                 |
| State and local tuition support  | \$ 3,873,908                    |
| Grant revenue                    | 830,368                         |
| Student fees                     | 30,741                          |
| Interest income                  | 17,674                          |
| Total revenue, gains and support | <hr/> 4,752,691 <hr/>           |
| <hr/>                            |                                 |
| Expenses                         |                                 |
| Program services:                |                                 |
| Educational instruction          | 1,991,203                       |
| Education support                | 1,134,554                       |
| Administrative                   | 1,066,810                       |
| Total expenses                   | <hr/> 4,192,567 <hr/>           |
| Increase in net assets           | 560,124                         |
| Net assets, beginning of year    | <hr/> 860,754 <hr/>             |
| Net assets, end of year          | <hr/> <u>\$ 1,420,878</u> <hr/> |

See accompanying Accountants' Review Report and notes to financial statements.

CHARTER SCHOOL OF THE DUNES, INC.

Statement of Cash Flows

|  | Year Ended<br>June 30, 2007 |
|--|-----------------------------|
| <u>Operating Activities</u>  |                             |
| Change in net assets   | \$ 560,124                  |
| Adjustment to reconcile change in net assets to cash flows<br>from operating activities: |                             |
| Depreciation   | 200,286                     |
| Amortization   |                             |
| Change in:   |                             |
| Accounts receivable  | 212,128                     |
| Prepaid expenses   | (15,484)                    |
| Accounts payable and accrued expenses  | (134,212)                   |
| Deferred income  | 91,557                      |
| Net cash provided by operating activities  | <u>914,399</u>              |
| <u>Investing Activities</u>  |                             |
| Acquisition of property and equipment  | (3,382)                     |
| Net cash used by investing activities  | <u>(3,382)</u>              |
| <u>Financing Activities</u>  |                             |
| Principal payments on bank loan  | (299,636)                   |
| Principal payments on state loans  | (95,388)                    |
| Payments under capital lease   | (32,116)                    |
| Net cash used by financing activities  | <u>(427,140)</u>            |
| Net increase in cash and cash equivalents  | 483,877                     |
| Cash and cash equivalents, beginning of year   | <u>17,963</u>               |
| Cash and cash equivalents, end of year   | <u>\$ 501,840</u>           |
| Supplemental disclosures:  |                             |
| Cash paid for interest   | <u>\$ 136,568</u>           |

See accompanying Accountants' Review Report and notes to financial statements.

# CHARTER SCHOOL OF THE DUNES, INC.

## Notes to Financial Statements

June 30, 2007

### (1) Summary of Significant Accounting Policies

#### General

Charter School of the Dunes, Inc. (the "School") is a public benefit not-for-profit organization incorporated under the laws of the State of Indiana. The School operates a public charter school established under Indiana Code 20-24-3-1 and sponsored by Ball State University. The School has entered into a service agreement with Mosaica Education, Inc., a for-profit organization incorporated in the State of Georgia to provide educational programming, managerial, legal, and financial services to the school.

#### Accounting Estimates

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, which require 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 amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

#### Revenue Recognition

Revenues generally come from resources provided under the Indiana Charter Schools Act. Under the Act, the School receives an amount per student in relation to the funding received by public schools in the geographic area. Funding is received from both state and local sources periodically during and after the school year, based on enrollment. Revenue is recognized ratably throughout the year.

#### Taxes on Income

The School has received a determination from the U.S. Treasury Department stating that it qualifies under the provisions of Section 501(c)(3) of the Internal Revenue Code as a tax-exempt organization. Accordingly, no accounting for Federal and state income taxes is required in the accompanying financial statements.

CHARTER SCHOOL OF THE DUNES, INC.

Notes to Financial Statements

(1) Summary of Significant Accounting Policies, Continued

Property and Equipment

Purchases of these assets and expenditures that materially increase value or extend useful lives are capitalized and are included in the accounts at cost. Routine maintenance and repairs and minor equipment purchases are charged to expense as incurred.

Depreciation is provided over the estimated useful lives of the respective assets using the straight-line method. The estimated useful lives generally are as follows:

|                         |               |
|-------------------------|---------------|
| Leasehold improvements  | 10 years      |
| Furniture and equipment | 5 to 20 years |

(2) Accounts Receivable

Accounts receivable for tuition support represent amounts due from the following sources:

|                           |                    |
|---------------------------|--------------------|
| State of Indiana          | \$1,241,014        |
| County governmental units | <u>1,292,456</u>   |
| Total                     | <u>\$2,533,470</u> |

Payments for tuition support are determined by state law and dependent upon geographic location of the school. The tuition is also indexed for poverty data of the students. The payment schedule is determined by state law with 65% of tuition payable from the State of Indiana in the calendar year following the start of school and 35% of the tuition being payable from local counties in semi-annual payments beginning in the twelfth month of the fiscal year. Upon revocation or termination of the charter, the payment streams will end and any unpaid amounts will be applied to the unpaid balance of notes from the Indiana Common School Fund (see Note 3).

CHARTER SCHOOL OF THE DUNES, INC.

Notes to Financial Statements

(3) Long-Term Debt

Long-term debt at June 30, 2007 was comprised of:

|  |                               |
|--|-------------------------------|
| Note payable to the Mercantile National Bank<br>of Indiana, at 2% above the prime rate | \$ 449,454                    |
| Notes payable to Indiana Common School<br>Fund, interest at 4%                         | <u>1,584,915</u><br>2,034,369 |
| Less current maturities  | <u>(387,688)</u>              |
|  | <u>\$1,646,681</u>            |

The note payable to the Indiana Common School Fund requires semi-annual payments of principal and interest over a period of 20 years. The note matures January 1, 2025, and is secured by unpaid tuition support distributions (see Note 2).

The note payable to Mercantile National Bank of Indiana requires monthly principal payments of \$24,970 through December 1, 2008, plus interest at 2% above the national prime interest rate. The note is secured by an interest in the modular classroom leases held by the School and guaranteed by Mosaica Education, Inc.

Future maturities of long-term debt are as follows:

|                            |                    |
|----------------------------|--------------------|
| <u>Year Ended June 30:</u> |                    |
| 2008                       | \$ 387,688         |
| 2009                       | 237,869            |
| 2010                       | 88,051             |
| 2011                       | 88,051             |
| 2012                       | 88,051             |
| Thereafter                 | <u>1,144,659</u>   |
|                            | <u>\$2,034,369</u> |

CHARTER SCHOOL OF THE DUNES, INC.

Notes to Financial Statements

(4) Leases

The School has executed certain operating leases. The School leases its education facility from Gary Art Works, Inc. under a sublease agreement. The sublease provides for monthly rent payments of \$2,500 through June 30, 2008, and is being continued after June 30, 2008 on a month-to-month basis. The School also leases modular classrooms to supplement the facility. The modular classroom leases expire August 31, 2009 and require monthly rent payments of \$16,375. Rent under these operating leases was \$239,220 for the year ended June 30, 2007.

Future minimum obligations under non-cancellable operating leases as of June 30, 2007 were as follows:

| <u>Year Ended June 30</u> |           |
|---------------------------|-----------|
| 2008                      | \$226,500 |
| 2009                      | 196,500   |
| 2010                      | 32,750    |

The School also leases a security system under a capital lease agreement. At June 30, 2007 the cost and accumulated depreciation relating to this asset were \$53,222 and \$20,624, respectively.

Following is a schedule of future minimum lease payments and the present value of net minimum lease payments as of June 30, 2007:

| <u>Year Ended June 30:</u>         |                |
|------------------------------------|----------------|
| 2008                               | \$6,190        |
| 2009                               | <u>3,095</u>   |
| Total minimum lease payments       | \$9,285        |
| Less: amount representing interest | <u>(271)</u>   |
|                                    | <u>\$9,014</u> |

## CHARTER SCHOOL OF THE DUNES, INC.

### Notes to Financial Statements

#### (5) Commitments

The School operates under a charter granted by Ball State University. As the sponsoring organization, Ball State University exercises certain oversight responsibilities. Under this charter, the School has agreed to pay to Ball State University an annual administrative fee equal to 3% of state and local tuition support. The charter remains in effect until June 30, 2010, and is renewable thereafter by mutual consent.

The School has contracted with Mosaica Education, Inc. to provide management, administrative, and educational programming services. Under the terms of the agreement, the School has agreed to pay an amount equal to 12.5% of revenues, as defined, for such services. This agreement expired on June 30, 2008, but the School has extended the agreement on the same terms until a new agreement is reached.

All School personnel are employed by Mosaica Education, Inc. under an employee leasing agreement. Under the agreement, the School reimburses Mosaica Education, Inc. for personnel costs, including life, health, disability, and retirement benefits. This agreement remains in effect so long as the management agreement is effective.

#### (6) Risks and Uncertainties

The School provides education services to families residing in Lake and surrounding counties in Indiana, and is subject to the risks of economic and competitive forces at work within this geographic area.

The majority of revenues relate to legislation enacted by the State of Indiana. Changes in state or Federal legislation could significantly affect the School.

Financial instruments that potentially subject the School to concentrations of credit risk consist principally of receivables from state and local governments. At June 30, 2007, significant receivable balances were due from the State of Indiana (50%) and local county governments (49%). In addition, deposits maintained at Harris Bank generally exceed the \$100,000 FDIC insurance limit.

CHARTER SCHOOL OF THE DUNES, INC.

Notes to Financial Statements

(7) Functional Expense Reporting

The costs of providing the educational activities have been summarized on a functional basis in the statement of activities. Accordingly, certain expenses have been allocated among the programs and services benefited. Following is a summary of expenses comprising each program and/or service for the year ended June 30, 2007:

|                                   | <u>Educational<br/>Instruction</u> | <u>Education<br/>Support</u> | <u>Admini-<br/>strative</u> |
|-----------------------------------|------------------------------------|------------------------------|-----------------------------|
| Staff development and recruitment | \$ 63,676                          | 1,726                        | 4,153                       |
| Academic services                 | 1,705,561                          | 356,284                      | 903,490                     |
| Food services                     | -                                  | 157,664                      | -                           |
| Transportation services           | -                                  | 2,000                        | -                           |
| Property rental                   | -                                  | 251,595                      | 7,635                       |
| Classroom and office supplies     | 221,966                            | 1,839                        | 16,118                      |
| Occupancy                         | -                                  | 139,706                      | -                           |
| Depreciation                      | -                                  | 200,286                      | -                           |
| Interest                          | -                                  | -                            | 134,807                     |
| Other                             | -                                  | 23,454                       | 607                         |
|                                   | <u>\$1,991,203</u>                 | <u>1,134,554</u>             | <u>1,066,810</u>            |

CHARTER SCHOOL OF THE DUNES, INC.

*Financial Statements*

*June 30, 2009*

Fitzgerald | Isaac LLC  
Certified Public Accountants

CHARTER SCHOOL OF THE DUNES, INC.

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying statement of financial position of Charter School of the Dunes, Inc. as of June 30, 2009 and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the management of Charter School of the Dunes, Inc. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Charter School of the Dunes, Inc. as of June 30, 2009, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

*Fitzgerald/Isaac LLC*

December 23, 2010

CHARTER SCHOOL OF THE DUNES, INC.

Statement of Financial Position

| <u>Assets</u>                         | <u>June 30, 2009</u> |
|---------------------------------------|----------------------|
| Current assets:                       |                      |
| Cash and cash equivalents             | \$ 756,209           |
| Accounts receivable:                  |                      |
| State and local tuition support       | 1,337,993            |
| Grants                                | 19,066               |
| Prepaid expenses                      | 16,817               |
| Total current assets                  | <u>2,130,085</u>     |
| Property and equipment:               |                      |
| Land                                  | 424,566              |
| Leasehold improvements                | 1,192,847            |
| Furniture and equipment               | 636,000              |
| Accumulated depreciation              | <u>(1,112,249)</u>   |
| Property and equipment, net           | <u>1,141,164</u>     |
|                                       | <u>\$ 3,271,249</u>  |
| <br><u>Liabilities and Net Assets</u> |                      |
| Current liabilities:                  |                      |
| Accounts payable and accrued expenses | \$ 373,875           |
| Refundable advances                   | 55,576               |
| Total current liabilities             | <u>429,451</u>       |
| Long-term debt                        | <u>1,416,151</u>     |
| Total liabilities                     | 1,845,602            |
| Unrestricted net assets               | <u>1,425,647</u>     |
|                                       | <u>\$ 3,271,249</u>  |

See accompanying notes to financial statements.

CHARTER SCHOOL OF THE DUNES, INC.

Statement of Activities

|                                   | Year Ended<br>June 30, 2009 |
|-----------------------------------|-----------------------------|
| <u>Revenue, Gains and Support</u> |                             |
| State tuition support             | \$ 2,701,535                |
| Grant revenue                     | 711,401                     |
| Student fees                      | 8,856                       |
| Interest income                   | 1,165                       |
| Other                             | 2,750                       |
| Total revenue, gains and support  | <u>3,425,707</u>            |
| <u>Expenses</u>                   |                             |
| Program services:                 |                             |
| Educational instruction           | 1,904,114                   |
| Education support                 | 529,489                     |
| Administrative                    | 979,379                     |
| Total expenses                    | <u>3,412,982</u>            |
| Increase in net assets            | 12,725                      |
| Net assets, beginning of year     | <u>1,412,922</u>            |
| Net assets, end of year           | <u>\$ 1,425,647</u>         |

See accompanying notes to financial statements.

CHARTER SCHOOL OF THE DUNES, INC.

Statement of Cash Flows

|   | Year Ended<br>June 30, 2009 |
|---|-----------------------------|
| <u>Operating Activities</u>   |                             |
| Change in net assets  | \$ 12,725                   |
| Adjustments to reconcile change in net assets to cash flows<br>from operating activities: |                             |
| Depreciation  | 156,941                     |
| Change in:  |                             |
| Accounts receivable   | 1,118,080                   |
| Prepaid expenses  | 119                         |
| Accounts payable and accrued expenses   | (192,412)                   |
| Refundable advances   | (15,223)                    |
| Net cash provided by operating activities   | <u>1,080,230</u>            |
| <u>Investing Activities</u>   |                             |
| Acquisition of property and equipment   | (411,686)                   |
| Net cash used by investing activities   | <u>(411,686)</u>            |
| <u>Financing Activities</u>   |                             |
| Principal payments on bank loan   | (149,818)                   |
| Principal payments on State of Indiana loan   | (80,713)                    |
| Principal payments under capital lease  | (3,061)                     |
| Net cash used by financing activities   | <u>(233,592)</u>            |
| Net increase in cash and cash equivalents   | 434,952                     |
| Cash and cash equivalents, beginning of year  | <u>321,257</u>              |
| Cash and cash equivalents, end of year  | <u>\$ 756,209</u>           |
| Supplemental disclosures:   |                             |
| Cash paid for interest  | <u>\$ 71,869</u>            |

See accompanying notes to financial statements.

CHARTER SCHOOL OF THE DUNES, INC.

Notes to Financial Statements

June 30, 2009

(1) Summary of Significant Accounting Policies

General

Charter School of the Dunes, Inc. (the "School") is a public benefit not-for-profit organization incorporated under the laws of the State of Indiana. The School operates a public charter school established under Indiana Code 20-24-3-1 and sponsored by Ball State University. The School has entered into a service agreement with Mosaica Education, Inc., a for-profit organization incorporated in the State of Delaware to provide educational programming, managerial, legal, and financial services to the school.

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Revenue Recognition

Revenues primarily come from resources provided under the Indiana Charter Schools Act. Under the Act, the School receives an amount per student in relation to the funding received by public schools in the same geographic area. Funding from the State of Indiana is based on enrollment, and is paid in equal monthly installments in January through December following the start of the school year. Revenue is recognized in the school year to which the payments pertain.

Accounts Receivable

Accounts receivable relate primarily to activities funded under grants and legislation of the State of Indiana. The School believes that it is operating in compliance with regulatory requirements and as such no allowance for doubtful accounts is deemed necessary.

CHARTER SCHOOL OF THE DUNES, INC.

Notes to Financial Statements

(1) Summary of Significant Accounting Policies, Continued

Taxes on Income

The School has received a determination from the U.S. Treasury Department stating that it qualifies under the provisions of Section 501(c)(3) of the Internal Revenue Code as a tax-exempt organization. Accordingly, no accounting for federal and state income taxes is required in the accompanying financial statements.

Subsequent Events

The School evaluated subsequent events through December 23, 2010, the date these financial statements were available to be issued. Material subsequent events are disclosed in Note 7 to the financial statements.

Property and Equipment

Purchases of these assets and expenditures that materially increase value or extend useful lives are capitalized and are included in the accounts at cost. Routine maintenance and repairs and minor equipment purchases are charged to expense as incurred.

Depreciation is provided over the estimated useful lives of the respective assets using the straight-line method. The estimated useful lives generally are as follows:

|                              |               |
|------------------------------|---------------|
| Leasehold improvements.....  | 10 years      |
| Furniture and equipment..... | 5 to 20 years |

CHARTER SCHOOL OF THE DUNES, INC.

Notes to Financial Statements

(2) Accounts Receivable

Accounts receivable for state education support as of June 30, 2009 represent amounts due from the following sources:

|                                |                    |
|--------------------------------|--------------------|
| State of Indiana:              |                    |
| Tuition support .....          | \$1,291,536        |
| Special education grant.....   | <u>30,889</u>      |
|                                | 1,322,425          |
| County governmental units..... | <u>15,568</u>      |
| Total.....                     | <u>\$1,337,993</u> |

Tuition support is determined by state law and is dependent upon the geographic location of the school. The tuition is also indexed for poverty data of the students. The payment schedule is likewise determined by state law with tuition payable in equal monthly installments in the calendar year following the start of school. As of June 30, 2009, there were also amounts due to the School from local governmental units under the funding formula in effect in 2008. Upon revocation or termination of the charter, the payment streams will cease and any unpaid amounts will be applied to the unpaid balance of notes from the Indiana Common School Fund (see Note 3).

CHARTER SCHOOL OF THE DUNES, INC.

Notes to Financial Statements

(3) Long-Term Debt

Long-term debt at June 30, 2009 was comprised of a note payable to the Indiana Common School Fund. The note requires semi-annual payments of principal and interest over a period of 20 years with interest at 4% per annum. In 2009, the Indiana Common School Fund granted a two-year moratorium on loan payments. Payments will commence again on July 1, 2011. The note matures January 1, 2027, and is secured by unpaid tuition support distributions (see Note 2).

Future maturities of long-term debt are as follows:

Year Ended June 30:

|                  |    |                    |
|------------------|----|--------------------|
| 2010 .....       | \$ | -                  |
| 2011 .....       |    | -                  |
| 2012 .....       |    | 88,051             |
| 2013 .....       |    | 88,051             |
| 2014 .....       |    | 88,051             |
| Thereafter ..... |    | <u>1,151,998</u>   |
|                  |    | <u>\$1,416,151</u> |

CHARTER SCHOOL OF THE DUNES, INC.

Notes to Financial Statements

(4) Leases

The School has executed certain operating leases relating to its facilities and equipment. The School leases its education facility from Gary Art Works, Inc. under a sublease agreement. The sublease provides for monthly rent payments of \$2,500 through June 30, 2013. The School also leases modular classrooms to supplement the facility. The modular classroom lease expires August 31, 2011 and requires monthly rent payments of \$16,000. Rent expense under operating leases was \$243,927 for the year ended June 30, 2009.

Future minimum obligations under non-cancellable operating leases as of June 30, 2009 were as follows:

| <u>Year Ended June 30</u> |           |
|---------------------------|-----------|
| 2010 .....                | \$237,222 |
| 2011 .....                | 236,472   |
| 2012 .....                | 76,472    |
| 2013 .....                | 43,266    |

(5) Refundable Advances

The School has been awarded grants from the Indiana Department of Education to provide educational instruction. The grants are considered to be exchange transactions. Accordingly, revenue is recognized when earned and expenses are recognized as incurred. At June 30, 2009, the School had refundable grant advances in excess of expenditures of \$55,576.

(6) Retirement Plan

Retirement benefits for school employees are provided through a 401(k) plan offered by Mosaica Education, Inc. Under the plan, the School matches 25% of any employee contributions up to a maximum of 4% of the employee's gross salary. Employees vest in the company match over a period of five years. Substantially all employees are eligible to participate. Retirement plan expense was \$3,618 for the year ended June 30, 2009.

CHARTER SCHOOL OF THE DUNES, INC.

Notes to Financial Statements

(7) Commitments

The School operates under a charter granted by Ball State University. As the sponsoring organization, Ball State University exercises certain oversight responsibilities. Under this charter, the School has agreed to pay to Ball State University an annual administrative fee equal to 3% of state tuition support. The charter remains in effect until June 30, 2010, and is renewable thereafter by mutual consent. Payments under this agreement for the year ended June 30, 2009 were \$76,144.

The School contracted with Mosaica Education, Inc. to provide management, administrative, and educational programming services. Under the terms of the agreement, the School agreed to pay an amount equal to 12.5% of revenues, as defined, for such services. This agreement expired on June 30, 2008, but the School continued to operate under the agreement on the same terms during the year ended June 30, 2009. Payments under this agreement for the year ended June 30, 2009 were \$323,686.

All School personnel were employed by Mosaica Education, Inc. under an employee leasing agreement. Under the agreement, the School reimbursed Mosaica Education, Inc. for personnel costs, including life, health, disability, and retirement benefits. This agreement remained in effect so long as the management agreement was in effect.

Subsequent to June 30, 2009, the School contracted with American Quality Schools, a for-profit organization incorporated in the State of Illinois, to provide management, administrative and educational programming services. Under the terms of the agreement, the School has agreed to pay an amount equal to 7% of revenues, as defined, for such services. The contract was effective in August 2009 and expires August 1, 2012.

In 2009, the School purchased land with the intent to construct a new education facility. Management has continued to pursue this plan and obtain financing, but no commitments are in place as of December 23, 2010.

CHARTER SCHOOL OF THE DUNES, INC.

Notes to Financial Statements

(8) Risks and Uncertainties

The School provides education services to families residing in Lake and surrounding counties in Indiana, and is subject to the risks of economic and competitive forces at work within this geographic area.

The majority of revenues relate to legislation enacted by the State of Indiana and grants awarded under federal programs. Changes in state or federal legislation could significantly affect the School.

Financial instruments that potentially subject the School to concentrations of credit risk consist principally of receivables from the State of Indiana. At June 30, 2009, substantially all receivable balances were due from the State of Indiana. In addition, deposits maintained at Harris Bank normally exceed the FDIC insurance limit.

(9) Functional Expense Reporting

The costs of providing educational services have been summarized on a functional basis in the statement of activities. Accordingly, certain expenses have been allocated among the programs and services benefited. Following is a summary of expenses comprising each program and service for the year ended June 30, 2009:

|   | <u>Educational<br/>Instruction</u> | <u>Education<br/>Support</u> | <u>Admini-<br/>strative</u> |
|---|------------------------------------|------------------------------|-----------------------------|
| Staff development<br>and recruitment..... | \$ 93,863                          | 1,092                        | 6,233                       |
| Academic services.....                    | 1,354,572                          | 232,073                      | 754,473                     |
| Food services.....                        | -                                  | 107,759                      | -                           |
| Transportation services.....              | 62                                 | 8,090                        | -                           |
| Property rental.....                      | 228,100                            | -                            | 15,827                      |
| Classroom and<br>office supplies.....     | 99,011                             | 21,709                       | 19,404                      |
| Occupancy.....                            | 44,999                             | 118,223                      | -                           |
| Depreciation.....                         | 77,028                             | 34,853                       | 45,057                      |
| Interest.....                             | -                                  | -                            | 74,951                      |
| Other.....                                | <u>6,479</u>                       | <u>5,690</u>                 | <u>63,434</u>               |
|   | <u>\$1,904,114</u>                 | <u>529,489</u>               | <u>979,379</u>              |

**Charter School of the  
Dunes, Inc.**

INCORPORATED IN THE STATE OF FLORIDA

**Financial Statements  
For The Years Ended  
June 30, 2011 and 2010**



*Certified Public Accountants*

CHARTER SCHOOL OF THE DUNES

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Charter School of the Dunes

We have audited the accompanying statements of financial position of Charter School of the Dunes (the "School") as of June 30, 2011 and 2010, and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the School's management. 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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Charter School of the Dunes as of June 30, 2011 and 2010, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

*Comer, Nowling And Associates, P.C.*

Comer, Nowling And Associates, P.C.

March 26, 2011

**CHARTER SCHOOL OF THE DUNES  
STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2011 AND 2010**

|   | <u>2011</u>         | <u>2010</u>         |
|---|---------------------|---------------------|
| <b>ASSETS</b>                                 |                     |                     |
| <b>CURRENT ASSETS:</b>                        |                     |                     |
| Cash and cash equivalents                     | \$ 1,126,773        | \$ 918,648          |
| Accounts receivable:                          |                     |                     |
| State and local tuition support               | 1,466,312           | 1,270,202           |
| Grants  | 196,125             | 185,060             |
| Prepaid expenses                              | 37,819              | 28,705              |
|   | <hr/>               | <hr/>               |
| Total current assets                          | 2,827,030           | 2,402,615           |
|   | <hr/>               | <hr/>               |
| <b>PROPERTY AND EQUIPMENT:</b>                |                     |                     |
| Land  | 424,566             | 424,566             |
| Leasehold improvements                        | 1,293,372           | 1,192,847           |
| Furniture and equipment                       | 697,233             | 650,481             |
| Accumulated depreciation                      | (1,421,247)         | (1,264,789)         |
|   | <hr/>               | <hr/>               |
| Total property and equipment                  | 993,924             | 1,003,105           |
|   | <hr/>               | <hr/>               |
| Total assets                                  | <u>\$ 3,820,954</u> | <u>\$ 3,405,720</u> |
| <b>LIABILITIES AND NET ASSETS</b>             |                     |                     |
| <b>CURRENT LIABILITIES:</b>                   |                     |                     |
| Accounts payable and accrued expenses         | \$ 404,193          | \$ 356,729          |
| Refundable advances                           | 4,022               | 132,253             |
|   | <hr/>               | <hr/>               |
| Total current liabilities                     | 408,215             | 488,982             |
|   | <hr/>               | <hr/>               |
| <b>LONG-TERM DEBT</b>                         | 1,812,131           | 1,501,026           |
|   | <hr/>               | <hr/>               |
| Total liabilities                             | 2,220,346           | 1,990,008           |
|   | <hr/>               | <hr/>               |
| <b>UNRESTRICTED NET ASSETS</b>                | 1,600,608           | 1,415,712           |
|   | <hr/>               | <hr/>               |
| Total liabilities and unrestricted net assets | <u>\$ 3,820,954</u> | <u>\$ 3,405,720</u> |

See accompanying notes to financial statements.

CHARTER SCHOOL OF THE DUNES  
STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

|                                      | <u>2011</u>         | <u>2010</u>         |
|--------------------------------------|---------------------|---------------------|
| <b>REVENUE AND SUPPORT</b>           |                     |                     |
| State tuition support                | \$ 2,782,420        | \$ 2,346,035        |
| Grant revenue                        | 1,106,293           | 1,334,515           |
| Student fees                         | 17,052              | 21,879              |
| Interest income                      | 6,517               | 1,346               |
| Other                                | 31,934              | 24,347              |
| Total revenue and support            | <u>3,944,215</u>    | <u>3,728,122</u>    |
| <b>EXPENSES</b>                      |                     |                     |
| Program services                     | 2,917,527           | 2,886,458           |
| Management and general               | 841,792             | 823,422             |
| Total expenses                       | <u>3,759,319</u>    | <u>3,709,880</u>    |
| <b>NET INCREASE IN NET ASSETS</b>    | 184,897             | 18,242              |
| <b>NET ASSETS, BEGINNING OF YEAR</b> | <u>1,415,712</u>    | <u>1,425,646</u>    |
| <b>PRIOR PERIOD ADJUSTMENT</b>       | <u>-</u>            | <u>(28,176)</u>     |
| <b>NET ASSETS, END OF YEAR</b>       | <u>\$ 1,600,608</u> | <u>\$ 1,415,712</u> |

See accompanying notes to financial statements.

CHARTER SCHOOL OF THE DUNES  
 STATEMENT OF FUNCTIONAL EXPENSES  
 FOR THE YEAR ENDED JUNE 30, 2011

|  | Program<br>support  | Management<br>& General | Total               |
|--|---------------------|-------------------------|---------------------|
| <b>OPERATING EXPENSES:</b>             |                     |                         |                     |
| Salaries and benefits                  | \$ 2,086,496        | \$ 239,118              | \$ 2,325,614        |
| Teaching supplies and equipment        | 173,551             | -                       | 173,551             |
| Academic services                      | 109,071             | -                       | 109,071             |
| Staff development                      | 27,406              | -                       | 27,406              |
| Occupancy                              | 209,022             | 146,364                 | 355,386             |
| Food service                           | 140,132             | -                       | 140,132             |
| School Administration                  | 62,327              | 409,372                 | 471,699             |
| Depreciation                           | 109,521             | 46,938                  | 156,458             |
| <br>                                   |                     |                         |                     |
| Total expenses reported<br>by function | <u>\$ 2,917,527</u> | <u>\$ 841,792</u>       | <u>\$ 3,759,319</u> |

See accompanying notes to financial statements.

CHARTER SCHOOL OF THE DUNES  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2010

|  | Program<br>support  | Management<br>& General | Total               |
|--|---------------------|-------------------------|---------------------|
| <b>OPERATING EXPENSES:</b>             |                     |                         |                     |
| Salaries and benefits                  | \$ 1,928,107        | \$ 217,943              | \$ 2,146,050        |
| Teaching supplies and equipment        | 163,771             | -                       | 163,771             |
| Academic services                      | 118,071             | -                       | 118,071             |
| Staff development                      | 80,533              | -                       | 80,533              |
| Occupancy                              | 227,392             | 169,819                 | 397,211             |
| Food service                           | 142,387             | -                       | 142,387             |
| School Administration                  | 119,420             | 389,898                 | 509,318             |
| Depreciation                           | 106,778             | 45,762                  | 152,540             |
| <br>                                   |                     |                         |                     |
| Total expenses reported<br>by function | <u>\$ 2,886,458</u> | <u>\$ 823,422</u>       | <u>\$ 3,709,880</u> |

See accompanying notes to financial statements.

CHARTER SCHOOL OF THE DUNES  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

|  | <u>2011</u>         | <u>2010</u>       |
|--|---------------------|-------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>   |                     |                   |
| Change in net assets   | \$ 184,897          | \$ 18,242         |
| Adjustments to reconcile increase (decrease) in net assets to net cash used in operating activities: |                     |                   |
| Depreciation   | 156,458             | 152,540           |
| Increase (decrease) in cash from changes in:   |                     |                   |
| Accounts receivable  | (207,175)           | (98,203)          |
| Prepaid expenses   | (9,114)             | (11,888)          |
| Accounts payable and accrued expenses  | 47,464              | (17,146)          |
| Refundable advances  | <u>(128,231)</u>    | <u>76,677</u>     |
| Net cash provided by operating activities  | <u>44,299</u>       | <u>120,221</u>    |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>   |                     |                   |
| Acquisition of property and equipment  | <u>(147,278)</u>    | <u>(14,481)</u>   |
| Net cash used in investing activities  | <u>(147,278)</u>    | <u>(14,481)</u>   |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>   |                     |                   |
| Increase in accrued interest, long-term  | 59,250              | 56,699            |
| Proceeds from State of Indiana Loan  | <u>251,854</u>      | <u>-</u>          |
| Net cash provided by financing activities  | <u>311,104</u>      | <u>56,699</u>     |
| <b>NET INCREASE IN CASH</b>  | 208,124             | 162,439           |
| <b>CASH, BEGINNING OF YEAR</b>   | <u>918,648</u>      | <u>756,209</u>    |
| <b>CASH, END OF YEAR</b>   | <u>\$ 1,126,773</u> | <u>\$ 918,648</u> |
| <b>Supplemental disclosure:</b>  |                     |                   |
| Cash paid in interest  | <u>\$ -</u>         | <u>\$ 4,843</u>   |

See accompanying notes to financial statements.

**CHARTER SCHOOL OF THE DUNES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2011 AND 2010**

**NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**NATURE OF OPERATIONS**

Charter School of the Dunes, Inc. (the "School") is a public benefit not-for-profit organization incorporated under the laws of the State of Indiana. The School operates a public charter school established under Indiana Code 20-24-3-1 and sponsored by Ball State University. The School has entered into a service agreement with American Quality Schools, Inc., a for-profit organization, to provide educational programming, managerial, legal, and financial services to the school.

**BASIS OF ACCOUNTING**

The financial statements of Charter School of the Dunes have been prepared on the accrual basis of accounting, and accordingly, reflect all significant receivables, payables, and other liabilities.

**TAX STATUS**

The School has received a determination letter from the U.S. Treasury Department stating that it qualifies under the provisions of Section 501(c)(3) of the Internal Revenue Code as a tax-exempt organization. Accordingly, no accounting for federal and state income taxes is required in the accompanying financial statements.

The Organization recognizes a tax benefit only if it is more likely than not the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized will be the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the more-likely-than-not test, no tax benefit will be recorded.

**REVENUE AND SUPPORT**

Revenues primarily come from resources provided under the Indiana Charter Schools Act. Under the Act, the School receives an amount per student in relation to the funding received by public schools in the same geographic area. Funding from the State of Indiana is based on enrollment, and is paid in equal monthly installments in January through December following the start of the school year. Revenue is recognized in the school year to which the payments pertain.

**ACCOUNTS RECEIVABLE**

Accounts receivable relate primarily to activities funded under grants and legislation of the State of Indiana. The School believes that it is operating in compliance with regulatory requirements and as such no allowance for doubtful accounts is deemed necessary.

CHARTER SCHOOL OF THE DUNES, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011 AND 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**CONTRIBUTIONS**

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted, net assets and reported in the statement of activities as net assets released from restrictions. If a restriction is fulfilled in the same time period in which the contribution is received, the Organization reports the support as unrestricted.

**PROPERTY AND EQUIPMENT**

Purchases of assets and expenditures that materially increase value or extend useful lives are capitalized and are included in the accounts at cost. Routine maintenance and repairs and minor equipment purchases are charged to expense as incurred.

Depreciation is provided over the estimated useful lives of the respective assets using the straight-line method. The estimated useful lives generally are as follows:

|                         |               |
|-------------------------|---------------|
| Leasehold improvements  | 10 years      |
| Furniture and equipment | 5 to 20 years |

Depreciation expense for the years ended June 30, 2011 and 2010 was \$156,458 and \$152,540 respectively.

**USE OF ESTIMATES**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

**FINANCIAL STATEMENT PRESENTATION**

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. A description of the unrestricted, temporarily and permanently restricted net asset classes follows:

*Unrestricted net assets* represent the portion of net assets of the Organization that is neither permanently restricted nor temporarily restricted by donor-imposed stipulations. Unrestricted net assets include expendable funds available for the support of the Organization.

CHARTER SCHOOL OF THE DUNES, INC.  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2011 AND 2010

**NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)  
 FINANCIAL STATEMENT PRESENTATION (continued)**

*Temporarily restricted net assets* represent contributions and other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Organization pursuant to those stipulations.

*Temporarily restricted net assets* also include, pursuant to Indiana law, cumulative appreciation and reinvested gains on permanently restricted net assets, which has not been appropriated by the Board of Directors.

*Permanently restricted net assets* represent contributions and other inflows of assets whose use by Organization is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organization.

The Organization did not have any temporarily restricted or permanently restricted net assets as of June 30, 2011 and 2010.

**SUBSEQUENT EVENTS**

Subsequent to June 30, 2011, the School entered into agreements to construct a new school building. The building will be financed through various bonds and tax credits. Closing on these loans took place in December 2011. See note 9.

The School evaluated subsequent events through March 25, 2012, the date these financial statements were available to be issued.

**NOTE 2 -- ACCOUNTS RECEIVABLE**

Accounts receivable for state education support represent amounts due from the following sources:

| As of June 30,-         | <u>2011</u>         | <u>2010</u>         |
|-------------------------|---------------------|---------------------|
| State of Indiana:       |                     |                     |
| Tuition support         | \$ 1,391,325        | \$ 1,198,213        |
| Special education grant | 48,943              | 35,153              |
| NSLP Program            | <u>26,275</u>       | <u>36,836</u>       |
| Total                   | <u>\$ 1,466,543</u> | <u>\$ 1,270,202</u> |

**CHARTER SCHOOL OF THE DUNES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2011 AND 2010**

**NOTE 2 – ACCOUNTS RECEIVABLE (continued)**

Tuition support is determined by state law and is dependent upon the geographic location of the school. The tuition is also indexed for poverty data of the students. The payment schedule is likewise determined by state law with tuition payable in equal monthly installments in the calendar year following the start of school. As of June 30, 2011 and 2010, there were also amounts due to the School from local governmental units under the funding formula in effect for 2010 and 2009. Upon revocation or termination of the charter, the payment streams will cease and any unpaid amounts will be applied to the unpaid balance of notes from the Indiana Common School Fund (see Note 3), and then to other entities that had distributed funds to the school.

**NOTE 3 – LONG-TERM DEBT**

Long-term debt consisted of two notes payable to the Indiana Common School Fund and related accrued interest.

Long-term debt consists of the following as of June 30,:

|   | <u>2011</u>         | <u>2010</u>         |
|---|---------------------|---------------------|
| Note payable – 4% payable in semi-annual payments of principal and interest. The note matures on January 1, 2027 and is secured by unpaid tuition support distributions (see note 2). | \$ 1,416,151        | \$ 1,416,151        |
| Note payable – 4% payable in semi-annual payments of principal and interest. The note matures on January 1, 2032 and is secured by unpaid tuition support distributions (see note 2). | <u>251,854</u>      | <u>-</u>            |
| Long-term debt before accrued interest  | 1,668,005           | 1,416,151           |
| Accrued interest due July 1, 2013   | <u>144,126</u>      | <u>84,875</u>       |
| Total long-term debt  | <u>\$ 1,812,131</u> | <u>\$ 1,501,026</u> |

CHARTER SCHOOL OF THE DUNES, INC.  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2011 AND 2010

NOTE 3 -- LONG-TERM DEBT (continued)

In 2009, the Indiana Common School Fund granted a two-year moratorium on loan payments. The moratorium was subsequently extended another 2 years. Payments are to resume on July 1, 2013.

|                     |                     |
|---------------------|---------------------|
| Year ended June 30: |                     |
| 2012                | \$ -                |
| 2013                | -                   |
| 2014                | 100,644             |
| 2015                | 100,644             |
| 2016                | 100,644             |
| Thereafter          | <u>1,366,073</u>    |
|                     | <u>\$ 1,668,005</u> |

NOTE 4 - LEASES

The School has executed certain operating leases relating to its facilities and equipment. The School leases its education facility from Gary Art Works, Inc. under a sublease agreement. The sublease provides for monthly rent payments of \$2,500 through June 30, 2013. The School also leases modular classrooms to supplement the facility. The modular classroom lease expires August 31, 2011 and requires monthly rent payments of \$16,000. Rent expense under operating leases for the years ended June 30, 2011 and 2010 were \$236,593 and \$237,826 respectively.

Future minimum obligations under non-cancellable operating leases as of June 30, 2011 were as follows:

|                     |            |
|---------------------|------------|
| Year ended June 30: |            |
| 2012                | \$ 236,472 |
| 2013                | 76,472     |
| 2014                | 43,266     |

NOTE 5 - CONCENTRATION OF CREDIT RISK AND MAJOR SOURCES OF REVENUE

The School provides education services to families residing in Lake and surrounding counties in Indiana, and is subject to the risks of economic and competitive forces at work within this geographic area.

**CHARTER SCHOOL OF THE DUNES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2011 AND 2010**

**NOTE 5 - CONCENTRATION OF CREDIT RISK AND MAJOR SOURCES OF REVENUE (continued)**

The majority of revenues relate to legislation enacted by the State of Indiana and grants awarded under federal programs. Changes in state or federal legislation could significantly affect the School.

The School maintains cash balances at financial institutions insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. As of June 30, 2010 and 2011 the total uninsured balances in the accounts were \$814,440 and \$537,116 respectively.

**NOTE 6 - LONG-LIVED ASSETS**

Long-lived assets held and used by the Organization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

**NOTE 7 - REFUNDABLE ADVANCES**

The School has been awarded grants from the Indiana Department of Education to provide educational instruction. The grants are considered to be exchange transactions. Accordingly, revenue is recognized when earned and expenses are recognized as incurred. At June 30, 2011 and 2010, the School had refundable grant advances in excess of expenditures of \$4,022 and \$132,253 respectively.

**NOTE 8 - RETIREMENT PLAN**

Prior to September, 2009, retirement benefits for school employees were provided through a 401(k) plan offered by Mosaica Education, Inc. Under the plan, that School matched 25% of any employee contributions up to a maximum of 4% of the employee's gross salary. Employees vest in the company match over a period of five years. Substantially all employees are eligible to participate. The Plan incurred no retirement plan expense through September 30, 2009. Subsequent to August 2009, all eligible school employees may participate in a 403(b) plan offered by American Quality Schools, Inc. Under the 403(b) plan, the employees may contribute up to 100% of their salary provided they are over 18 years of age and have at least 30 days of employment. Neither the School nor American Quality Schools makes any contributions to the 403(b) plan. After December 31, 2010, all noncertified School employees are eligible to participate in the Indiana Public Employee Retirement (PERF) plan and all certified employees are eligible to participate in the Teacher' Retirement Fund (TRF) plan.

CHARTER SCHOOL OF THE DUNES, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011 AND 2010

NOTE 8 -- RETIREMENT PLAN (continued)

**PUBLIC EMPLOYEES' RETIREMENT FUND.** The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the Indiana Public Retirement System (INPRS) Board, most requirements of the system, and give the School Corporation authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

INPRS administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Indiana Public Retirement System  
1 North Capital Street, Suite 001  
Indianapolis, IN 46204  
Phone (888) 526-1687

The contribution requirements of the plan members for PERF are established by the Board of Trustees of INPRS. Total contributions to the plan for 2011 and 2010 were \$30,700 and \$0 respectively.

**TEACHERS' RETIREMENT FUND.** The Indiana Teachers' Retirement Fund (TRF) is a defined benefit pension plan. TRF is a cost-sharing multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All employees engaged in teaching or in the supervision of teaching in the public schools of the State of Indiana are eligible to participate in TRF. State statute (IC 5-10.2) governs, through the Indiana Public Retirement System (INPRS) Board, most requirements of the system, and gives the School Corporation authority to contribute to the plan. The TRF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The School Corporation may elect to make the contributions on behalf of the member.

CHARTER SCHOOL OF THE DUNES, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011 AND 2010

NOTE 8 -- RETIREMENT PLAN (continued)

INPRS issues a publicly available financial report that includes financial statements and required supplementary information for the TRF plan as a whole and for its Participants. That report may be obtained by contacting:

Indiana Public Retirement System  
1 North Capital Street, Suite 001  
Indianapolis, IN 46204  
Phone (888) 286-3544

The School Corporation contributes the employer's share to TRF for certified employees employed under a federally funded program and all the certified employees hired after July 1, 1995. The School Corporation currently receives partial funding, through the school funding formula, from the State of Indiana for this contribution. The employer's share of contributions for certified personnel who are not employed under a federally funded program and were hired before July 1, 1995, is considered to be an obligation of, and is paid by, the State of Indiana. Total contributions to the plan for 2011 and 2010 were \$65,594 and \$0 respectively.

NOTE 9 -- COMMITMENTS

The School operates under a charter granted by Ball State University. As the sponsoring organization, Ball State University exercises certain oversight responsibilities. Under this charter, the School has agreed to pay to Ball State University an annual administrative fee equal to 3% of state tuition support. The charter remains in effect until June 30, 2014, and is renewable thereafter by mutual consent. Payments under this agreement for the years ended June 30, 2011 and 2010 were \$80,947 and \$72,020 respectively.

During the year ended June 30, 2010, the School contracted with American Quality Schools, Inc., a for-profit organization incorporated in the State of Illinois, to provide management, administrative and educational programming services. Under the terms of the agreement, the School has agreed to pay an amount equal to 6% of revenues, as defined in the contract, through June 30, 2010 and 7% through the remainder of the contract, for such services. The contract was effective in August 2009 and expires August 1, 2012.

All School personnel are employed by American Quality Schools, Inc. Under the agreement, the School reimburses American Quality Schools, Inc. for personnel costs, including life, health, disability, and retirement benefits. This agreement remains in effect so long as the management agreement is in effect.

The School entered into contracts for the financing and construction of a new building. Construction is estimated to begin in June 2012 with an estimated completion date of July 2013 with an estimated cost of the project is twelve million dollars and is expected to be financed, in part, through Quality School Construction bonds and New Market Tax Credits.

CHARTER SCHOOL OF THE DUNES, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011 AND 2010

NOTE 10 - PRIOR PERIOD ADJUSTMENT

In 2009 the Indiana Common School Fund granted a two year moratorium on loan payments and subsequently extended that period two additional years. Payments on Indiana Common School Loans are scheduled to resume on July 1, 2013. While payments on these loans were deferred, interest on the loans continued to accrue at the loan rate. The School did not recognize interest expense incurred on the loan during the first half of the moratorium period. As of June 30, 2009, unpaid interest on the Indiana Common School Loan was \$28,176. This amount has been treated as a prior period adjustment. The 2010 financial statements have been restated to reflect additional accrued interest of \$56,699.

Charter School of the Dunes  
 Budgeting Worksheet  
 For the Five Years Ending June 30, 2011-2015  
 Revenue Growth  
 Updated 6-20-12 Expense Growth

| FY11-12 Annual Budget | FY12-13 Annual Budget |
|-----------------------|-----------------------|
| 400                   | 450                   |

| Revenues        | FY11-12 Annual Budget | FY12-13 Annual Budget | Description   |
|-----------------|-----------------------|-----------------------|---|
| 01510-000-01001 | 1,313.00              | 1,313.00              | Interest on Investments Based on historical earnings  |
| 01611-000-08001 | 5,600.00              | 6,300.00              | School Lunch Program Est Based on FY10 activity   |
| 01614-000-01001 | 2,200.00              | 2,475.00              | After School Food Programs Est Based on FY10 activity   |
| 01621-000-08001 | 200.00                | 225.00                | Adult Lunch Program Est Based on FY10 activity  |
| 01741-000-01001 | 0.00                  | 0.00                  | Student Fees @ average \$50 per Student   |
| 01800-000-01001 | 5,500.00              | 6,000.00              | Contributions/Fundraising Based on FY11 budget  |
| 01942-000-09001 | 500.00                | 500.00                | Textbook Rentals Est Based on FY10 activity   |
|                 |                       |                       | Include Jan-Jun 2011 at 3% decrease per SBOA memo, FY12-  |
| 03111-000-01001 | 2,920,157.10          | 3,236,715.00          | Basic Grant 16 constant   |
| 03151-000-08001 | 600.00                | 675.00                | State Revenue-School Lunch Est Based on FY10 activity   |
|                 |                       |                       | Est at \$788 per K student per SBOA memo + FY13 New Full Day K Funding of \$2400 per Student (Subject to approval in FY14 and beyond) |
| 03221-000-01001 | 55,000.00             | 180,000.00            | Full Day Kindergarten Grant   |
| 03910-000-09001 | 12,000.00             | 13,500.00             | Textbook Reimbursements   |
|                 | 100,000.00            | 0.00                  | Facilities Grant 3 year grant beginning FY10  |
| 04291-000-08001 | 104,000.00            | 117,000.00            | Federal School Lunch Reimb Est Based on FY10 activity   |
| 04292-000-08001 | 28,000.00             | 31,500.00             | Federal School Breakf Reimb Est Based on FY10 activity  |
| 04297-000-08001 | 2,800.00              | 3,150.00              | Federal School Snack Reimb Est Based on FY10 activity   |
| 04403-000-01001 | 78,000.00             | 160,863.00            | Special Education Grant Updated   |
|                 | 0.00                  | 0.00                  | Special Education Improvement Gr Removed  |
| 04513-000-68401 | 63,000.00             | 67,500.00             | Title 11 Part A Est Based on FY10 activity  |
| 04514-000-41401 | 423,778.41            | 506,250.00            | Title I Actual FY11 projected forward   |
|                 |                       |                       | Based on Current Year, Tentative  |
| 04514-000-41402 | 72,800.00             | 72,800.00             | Title I School Improvement Yearly   |
| 04590-000-70101 | 74,220.36             | 90,000.00             | SPED B Pass Through FY11 at actual FY12-16 @ 200 per student  |
|                 | 0.00                  | 81,390.00             | ARRA Education Jobs Fund Added  |
|                 | 0.00                  | 92,532.00             | Leverage Loan Debt Service FY14 and beyond Income offset with Lease Payment Exp   |

Charter School of the Dunes  
 Budgeting Worksheet  
 For the Five Years Ending June 30, 2011-2015

|   | FY11-12 Annual<br>Budget | FY12-13 Annual<br>Budget |  |
|---|--------------------------|--------------------------|--|
| 06100-000-01001 Common School Loan Proceeds | 0.00                     | 0.00                     | Not Elig in FY13, taking max of \$264K in FY14 |
| Total Revenues                              | 3,949,668.87             | 4,670,688.00             |  |

Charter School of the Dunes  
 Budgeting Worksheet  
 For the Five Years Ending June 30, 2011-2015

|  | FY11-12 Annual Budget | FY12-13 Annual Budget |  |
|--|-----------------------|-----------------------|--|
| <b>Expenditures</b>                            |                       |                       |  |
| <b>Full Day Kindergarten</b>                   |                       |                       |  |
| 11050-110-01001 Full Day Kinder Certified Wage | 82,538.00             | 86,664.90             | Linked to Wage Worksheet                           |
| 11050-212-01001 Full Day Kinder Payroll Tax    | 6,514.16              | 6,629.86              | Automatic Calculation                              |
| 11050-220-01001 Full Day Kinder Empl Insur     | 2,723.75              | 2,859.94              | Automatic Calculation                              |
| 11050-225-01001 Full Day Kinder Workers Comp   | 212.17                | 222.77                | Automatic Calculation                              |
| 11050-230-01001 Full Day Kinder Unemploy Comp  | 1,632.28              | 1,713.89              | Automatic Calculation                              |
| 11050-241-01001 Full Day Kinder PERF/TRF       | 6,190.35              | 6,499.87              | Automatic Calculation                              |
| 11050-580-01001 Full Day Kinder Travel         | 125.00                | 0.00                  |  |
| 11050-611-01001 Full Day Kinder Teaching Supp  | 1,500.00              | 0.00                  |  |
| 11050-630-01001 Full Day Kinder Textbooks      | 3,000.00              | 0.00                  |  |
| <b>Total Full Day K.</b>                       | <b>104,235.71</b>     | <b>104,591.24</b>     |  |
| <b>Elementary</b>                              |                       |                       |  |
| 11100-110-01000 Elementary Certified Salaries  | 679,419.00            | 901,323.47            | Linked to Wage Worksheet                           |
| 11100-120-01001 Elementary-NonCertified Salary | 379,630.00            | 457,804.38            | Linked to Wage Worksheet                           |
| 11100-211-01001 Elem-Payroll Taxes-Non Cert    | 29,041.70             | 35,022.04             | Automatic Calculation                              |
| 11100-212-01001 Elem-Payroll Taxes-Certified   | 51,975.55             | 68,951.25             | Automatic Calculation                              |
| 11100-220-01001 Elementary Employee Insurance  | 169,447.84            | 217,460.46            | Automatic Calculation                              |
| 11100-225-01001 Elementary-Workers Comp Ins    | 2,722.32              | 3,493.68              | Automatic Calculation                              |
| 11100-230-01001 Elementary Unemploy Insurance  | 20,943.86             | 26,878.26             | Automatic Calculation                              |
| 11100-241-01001 Elementary PERF/TRF            | 76,581.45             | 98,501.06             | Automatic Calculation                              |
| 11100-510-01001 ElementaryField Trip Transport | 10,000.00             | 12,500.00             | Field Trip Bussing & fees                          |
| 11100-580-01001 Elementary-Transportation      | 99,750.00             | 112,218.75            | Student Bussing                                    |
| 11100-611-01001 Elementary Travel              | 0.00                  | 0.00                  |  |
| 11100-611-01001 Elementary EducationalSupplies | 20,612.46             | 30,000.00             |  |
| 11100-630-01001 Elementary Textbooks           | 73,250.00             | 48,750.00             | \$375 per new student & \$75 per returning student |
| 11100-660-01001 Elementary - Uniforms          | 5,000.00              | 5,000.00              |  |
| 11100-730-01001 Elementary Equipment           | 5,000.00              | 5,000.00              |  |
| 11100-735-01001 Elementary-Furniture & Fixture | 9,000.00              | 4,000.00              |  |
| 11100-747-01001 Elementary Software            | 2,000.00              | 7,000.00              |  |
| 11100-810-01001 Elem Dues and Fees             | 750.00                | 1,000.00              |  |
| <b>Total Elementary</b>                        | <b>1,655,124.18</b>   | <b>2,034,903.33</b>   |  |

Student Testing

Charter School of the Dunes  
 Budgeting Worksheet  
 For the Five Years Ending June 30, 2011-2015

|  | FY11-12 Annual Budget | FY12-13 Annual Budget          |
|--|-----------------------|--------------------------------|
| 11910-611-01001 Student Testing-Supplies | 1,000.00              | 1,500.00                       |
| 11910-747-01001 Student Testing-Software | 0.00                  | 0.00 BSU covers NWEA currently |
| <b>Total Student Testing</b>             | <b>1,000.00</b>       | <b>1,500.00</b>                |

Charter School of the Dunes  
 Budgeting Worksheet  
 For the Five Years Ending June 30, 2011-2015

|   | FY11-12 Annual<br>Budget | FY12-13 Annual<br>Budget |                          |
|---|--------------------------|--------------------------|--------------------------|
| <b>Learning Disability</b>                          |                          |                          |                          |
| 12610-110-01001 Learning Disability Cert Salaries   | 101,651.00               | 100,590.53               | Linked to Wage Worksheet |
| 12610-120-01001 Learning Disability Non Cert Salary | 97,604.00                | 101,917.70               | Linked to Wage Worksheet |
| 12610-211-01001 Learning Disability Non Cert Taxes  | 7,466.71                 | 7,796.70                 | Automatic Calculation    |
| 12610-212-01001 Learning Disability Cert Taxes      | 7,776.30                 | 7,695.18                 | Automatic Calculation    |
| 12610-220-01001 Learning Dis Employee Ins           | 7,611.54                 | 7,735.81                 | Automatic Calculation    |
| 12610-225-01001 Learning Disability Workers Comp    | 512.19                   | 520.55                   | Automatic Calculation    |
| 12610-230-01001 Learning Disability Unemploy        | 3,940.49                 | 4,004.82                 | Automatic Calculation    |
| 12610-241-01001 Learning Disability PERF/TRF        | 14,212.10                | 14,423.73                | Automatic Calculation    |
| 12610-580-01001 Learning Disability Travel          | 0.00                     | 0.00                     |                          |
| 12610-611-01001 Learning Disability Supplies        | 1,000.00                 | 1,000.00                 |                          |
| 12610-810-01001 Learning Disability Dues & Fee      | 0.00                     | 0.00                     |                          |
| <b>Total Learning Disability</b>                    | <b>241,774.32</b>        | <b>245,685.04</b>        |                          |
| <b>After School Tutor Program</b>                   |                          |                          |                          |
| 16200-311-41501 After School-SES Tutoring Srvc      | 84,755.69                | 85,000.00                |                          |
| 16200-511-41502 After School Tutor-Travel           | 200.00                   | 250.00                   |                          |
| 16200-511-41502 After School Tutor-Supplies         | 0.00                     | 0.00                     |                          |
| <b>Total After School Program</b>                   | <b>84,955.69</b>         | <b>85,250.00</b>         |                          |
| <b>Nurse Services</b>                               |                          |                          |                          |
| 21340-120-01001 Nurse-Non-Cert Salaries             | 45,000.00                | 47,250.00                | Linked to Wage Worksheet |
| 21340-211-01001 Nurse-Payroll Tax-NC                | 3,442.50                 | 3,614.63                 | Automatic Calculation    |
| 21340-220-01001 Nurse-Employee Insurance            | 0.00                     | 0.00                     | Automatic Calculation    |
| 21340-225-01001 Nurse-Workers Comp Ins              | 115.67                   | 121.46                   | Automatic Calculation    |
| 21340-230-01001 Nurse-Unemployment Ins              | 889.92                   | 934.42                   | Automatic Calculation    |
| 21340-241-01001 Nurse-PERF/TRF                      | 3,037.50                 | 3,189.58                 | Automatic Calculation    |
| 21340-611-01001 Nurse-Supplies                      | 500.00                   | 550.00                   |                          |
| <b>Total Nurse Services</b>                         | <b>52,985.60</b>         | <b>55,659.88</b>         |                          |
| <b>Psychological Testing</b>                        |                          |                          |                          |
| 21420-313-52001 Psych Svcs. SPED IDEA               | 10,000.00                | 12,500.00                |                          |
| 21420-319-01001 Psychological Testing-Prof Svc      | 10,000.00                | 10,000.00                |                          |
| <b>Total Psychological Testing</b>                  | <b>20,000.00</b>         | <b>22,500.00</b>         |                          |

Charter School of the Dunes  
 Budgeting Worksheet  
 For the Five Years Ending June 30, 2011-2015

|   | FY11-12 Annual<br>Budget | FY12-13 Annual<br>Budget |
|---|--------------------------|--------------------------|
| Speech Pathology Services                     |                          |                          |
| 21520-313-52001 Speech Pathology-Pupil Svc    | 0.00                     | 0.00                     |
| 21520-319-01001 Speech Pathology-Prof Service | 10,000.00                | 10,000.00                |
| <b>Total Speech Pathology Svc</b>             | <b>10,000.00</b>         | <b>10,000.00</b>         |

Charter School of the Dunes  
 Budgeting Worksheet  
 For the Five Years Ending June 30, 2011-2015

|  | FY11-12 Annual Budget | FY12-13 Annual Budget               |
|--|-----------------------|-------------------------------------|
| <b>Student Services</b>                          |                       |                                     |
| 21990-110-01001 Student Service Certified Wage   | 127,282.00            | 133,646.10 Linked to Wage Worksheet |
| 21990-120-01001 Student Service UnCert Wage      | 0.00                  | 0.00 Linked to Wage Worksheet       |
| 21990-211-01001 Student Service Payroll Tax      | 0.00                  | 0.00 Automatic Calculation          |
| 21990-212-01001 Student Service Payroll Tax UC   | 9,737.07              | 10,223.93 Automatic Calculation     |
| 21990-241-01001 Student Service PERF/TRF         | 9,546.15              | 10,023.46 Automatic Calculation     |
| 21990-225-01001 Student Service workers comp     | 327.18                | 343.54 Automatic Calculation        |
| 21990-230-01001 Student Services Unemployment    | 2,517.14              | 2,643.00 Automatic Calculation      |
| <b>Total Student Services</b>                    | <b>149,409.55</b>     | <b>156,880.02</b>                   |
| <b>Instruction and Curriculum Development</b>    |                       |                                     |
|  |                       | Linked to Wage Worksheet (TII)      |
| 22120-110-01001 Instr Curr Deve Cert Salaries    | 2,500.00              | 2,500.00 Subs for PD)               |
| 22120-212-01001 Instr Curr Deve Cert Tax         | 191.25                | 191.25 Automatic Calculation        |
| 22120-220-01001 Instr Curr Dev Empl Ins          | 0.00                  | 0.00 Automatic Calculation          |
| 22120-225-01001 Instr Curr Devel Wrks Comp       | 6.43                  | 6.43 Automatic Calculation          |
| 22120-230-01001 Instr Curr Devel Unemploy        | 49.44                 | 49.44 Automatic Calculation         |
| 22120-241-01001 Instr Curr Deve PERF/TRF         | 0.00                  | 0.00 Automatic Calculation          |
| 22120-312-01001 Instr Curr Devel Progr Improv    | 45,000.00             | 25,000.00                           |
| 22120-580-01001 Instr Curr Deve Travel           | 1,800.00              | 1,800.00                            |
| 22120-611-01001 Instr Curr Devel-Supplies        | 2,000.00              | 2,000.00                            |
| 22120-730-41501 Title 1-Instr Curr Equip         | 0.00                  | 0.00                                |
| <b>Total Instr &amp; Curriculum Dev</b>          | <b>51,547.12</b>      | <b>31,547.12</b>                    |
| <b>Instructional Staff Training</b>              |                       |                                     |
| 22130-312-01001 Instr Staff Train-Program Improv | 15,000.00             | 5,000.00                            |
| 22130-580-01001 Instr Curr Deve Travel           | 10,000.00             | 10,000.00                           |
| 22130-611-01001 Instr Staff Train-Supplies       | 0.00                  | 0.00                                |
| 22130-730-41501 Improvement of Instr.Equip       | 0.00                  | 0.00                                |
| <b>Total Instr Staff Training</b>                | <b>25,000.00</b>      | <b>15,000.00</b>                    |
| <b>School Library</b>                            |                       |                                     |
| 22220-640-01001 School Library-Library Books     | 1,500.00              | 1,750.00                            |
| <b>Total School Library</b>                      | <b>1,500.00</b>       | <b>1,750.00</b>                     |

Charter School of the Dunes  
 Budgeting Worksheet  
 For the Five Years Ending June 30, 2011-2015

|  | FY11-12 Annual<br>Budget | FY12-13 Annual<br>Budget |
|--|--------------------------|--------------------------|
| Technology Service                           |                          |                          |
| 22360-319-01001 Network Support-Prof Service | 27,000.00                | 15,000.00                |
| 22360-744-01001 Network Support-Connectivity | 8,400.00                 | 8,652.00                 |
| Total Technology Service                     | <u>35,400.00</u>         | <u>23,652.00</u>         |

Charter School of the Dunes  
 Budgeting Worksheet  
 For the Five Years Ending June 30, 2011-2015

|   | FY11-12 Annual<br>Budget | FY12-13 Annual<br>Budget            |
|---|--------------------------|-------------------------------------|
| <b>Title I Coordinator</b>                        |                          |                                     |
| 22900-110-41601 Title I Coordinator-Cert Sal      | 38,013.00                | 39,913.65 Linked to Wage Worksheet  |
| 22900-212-41601 Title I Coordinator-Cert tax      | 2,907.99                 | 3,053.39 Automatic Calculation      |
| 22900-214-41601 Title I Coordinator-TRF           | 2,850.98                 | 2,993.52 Automatic Calculation      |
| 22900-220-41601 Title I Coordinator-Employ Insu   | 6,082.08                 | 6,386.18 Automatic Calculation      |
| 22900-225-41601 Title I Coordinator-Worker's Comi | 97.71                    | 102.60 Automatic Calculation        |
| 22900-230-41601 Title I Coordinator-Unemp Comp    | 751.75                   | 789.34 Automatic Calculation        |
| <b>Title I Coordinator</b>                        | <b>50,703.51</b>         | <b>53,238.69</b>                    |
| <b>Legal Services</b>                             |                          |                                     |
| 23150-319-01001 Legal Service-Professional Svc    | 2,500.00                 | 2,500.00                            |
| <b>Total Legal Services</b>                       | <b>2,500.00</b>          | <b>2,500.00</b>                     |
| <b>Governing Board Services</b>                   |                          |                                     |
| 23160-319-01001 Promo Exps Prof Svcs              | 3,000.00                 | 3,000.00 Teacher Incentives         |
| 23190-312-01001 Board Education                   | 0.00                     | 0.00                                |
| 23190-319-01001 Management Services               | 292,015.71               | 258,937.20 BSU & EMO Mgmt Fees      |
| 23190-580-01001 Gov Svcs-Conferences              | 500.00                   | 500.00                              |
| 23190-615-01001 Gov Svcs - Supplies               | 200.00                   | 200.00                              |
| 23190-810-01001 Gov Svcs-Dues and Fees            | 0.00                     | 0.00                                |
| <b>Total Governing Board Services</b>             | <b>295,715.71</b>        | <b>262,637.20</b>                   |
| <b>General Administration</b>                     |                          |                                     |
| 23210-110-01001 Gen Admin-Certified Salary        | 98,800.00                | 103,740.00 Linked to Wage Worksheet |
| 23210-212-01001 Gen Admin-Payroll Tax/Certified   | 7,558.20                 | 7,936.11 Automatic Calculation      |
| 23210-225-01001 Gen Admin-Workers Comp Ins        | 253.97                   | 266.67 Automatic Calculation        |
| 23210-230-01001 Gen Admin-Unemployment Ins        | 1,953.88                 | 2,051.57 Automatic Calculation      |
| 23210-241-01001 Gen Admin-TRF                     | 7,410.00                 | 7,780.50                            |
| 23210-531-01001 Gen Admin-Telephone               | 600.00                   | 600.00                              |
| 23210-580-01001 Gen Admin-Travel                  | 500.00                   | 500.00                              |
| 23210-810-01001 Gen Admin-Dues & Fees             | 0.00                     | 0.00                                |
| <b>Total General Administration</b>               | <b>117,076.05</b>        | <b>122,874.85</b>                   |
| <b>Community Relations</b>                        |                          |                                     |

Charter School of the Dunes  
 Budgeting Worksheet  
 For the Five Years Ending June 30, 2011-2015

|   | FY11-12 Annual<br>Budget | FY12-13 Annual<br>Budget |
|---|--------------------------|--------------------------|
| 23220-540-01001 Comm Relation-Advertise | 2,000.00                 | 5,000.00                 |
| Total Community Relations               | 2,000.00                 | 5,000.00                 |
| Parental Involvement                    |                          |                          |
| Parental Involvement-Prof service       | 7,500.00                 | 1,500.00                 |
| Parental Involvement Supplies           | 0.00                     | 3,500.00                 |
| Total Parental Involvement              | 7,500.00                 | 5,000.00                 |

Charter School of the Dunes  
 Budgeting Worksheet  
 For the Five Years Ending June 30, 2011-2015

|                                    | FY11-12 Annual<br>Budget | FY12-13 Annual<br>Budget |   |
|------------------------------------|--------------------------|--------------------------|---|
| <b>School Administration</b>       |                          |                          |   |
| 24100-110-01001                    | 0.00                     | 0.00                     | Linked to Wage Worksheet  |
| 24100-120-01001                    | 77,363.00                | 95,363.00                | Linked to Wage Worksheet  |
| 24100-211-01001                    | 5,918.27                 | 7,295.27                 | Automatic Calculation   |
| 24100-212-01001                    | 0.00                     | 0.00                     | Automatic Calculation   |
| 24100-220-01001                    | 12,378.08                | 15,258.08                | Automatic Calculation   |
| 24100-225-01001                    | 198.86                   | 245.13                   | Automatic Calculation   |
| 24100-230-01001                    | 1,529.94                 | 1,885.91                 | Automatic Calculation   |
| 24100-241-01001                    | 5,222.00                 | 6,437.00                 | Automatic Calculation   |
| 24100-319-01001                    | 0.00                     | 0.00                     |   |
| 24100-531-01001                    | 6,000.00                 | 6,180.00                 |   |
| 24100-532-01001                    | 2,500.00                 | 2,575.00                 |   |
| 24100-550-01001                    | 19,000.00                | 19,570.00                |   |
| 24100-580-01001                    | 1,500.00                 | 1,545.00                 |   |
| 24100-611-01001                    | 15,000.00                | 25,000.00                |   |
| 24100-730-01001                    | 0.00                     | 0.00                     |   |
| 24100-810-01001                    | 1,000.00                 | 1,030.00                 |   |
| <b>Total School Administration</b> |                          |                          |   |
|                                    | <u>147,610.15</u>        | <u>182,384.39</u>        |   |
| <b>Payroll Services</b>            |                          |                          |   |
| 25150-314-01001                    | 7,494.36                 | 8,857.54                 | Automatic Calculation   |
| 25150-319-01001                    | 1,500.00                 | 1,500.00                 | Fingerprint Reimbursements (all staff must be redone after 5 years) |
| <b>Total Payroll Services</b>      |                          |                          |   |
|                                    | <u>8,994.36</u>          | <u>10,357.54</u>         |   |
| <b>Financial Accounting</b>        |                          |                          |   |
| 25160-319-01001                    | 42,500.00                | 43,775.00                |   |
| 25160-611-01001                    | 1,000.00                 | 1,000.00                 |   |
| 25160-747-01001                    | 1,000.00                 | 1,000.00                 | FAWin Software renewal  |
| 25170-318-01001                    | 27,000.00                | 20,000.00                | SBOA Audit Fee Estimate   |
| <b>Total Financial Accounting</b>  |                          |                          |   |
|                                    | <u>71,500.00</u>         | <u>65,775.00</u>         |   |
| <b>Petty Cash</b>                  |                          |                          |   |
| 25192-611-01001                    | 300.00                   | 300.00                   | Beginning of year petty cash  |

Charter School of the Dunes  
 Budgeting Worksheet  
 For the Five Years Ending June 30, 2011-2015

|  | FY11-12 Annual<br>Budget | FY12-13 Annual<br>Budget |
|--|--------------------------|--------------------------|
| Total Petty Cash                             | 300.00                   | 300.00                   |
| <b>Bank Charges</b>                          |                          |                          |
| 25195-871-01001 Bank Account Service Charges | 1,500.00                 | 1,500.00                 |
| Total Bank Charges                           | 1,500.00                 | 1,500.00                 |

Recommended reduction by  
 closing Harris Sweep Bank  
 Account

Charter School of the Dunes  
 Budgeting Worksheet  
 For the Five Years Ending June 30, 2011-2015

|                                       | FY11-12 Annual<br>Budget | FY12-13 Annual<br>Budget |  |
|---------------------------------------|--------------------------|--------------------------|--|
| <b>Maintenance of Buildings</b>       |                          |                          |  |
| 26200-120-01001                       | 119,490.00               | 119,903.75               | Linked to Wage Worksheet                         |
| 26200-211-01001                       | 9,140.99                 | 9,172.64                 | Automatic Calculation                            |
| 26200-220-01001                       | 2,746.77                 | 2,756.28                 | Automatic Calculation                            |
| 26200-225-01001                       | 307.15                   | 308.22                   | Automatic Calculation                            |
| 26200-230-01001                       | 2,363.05                 | 2,371.23                 | Automatic Calculation                            |
| 26200-241-01001                       | 8,065.58                 | 8,093.50                 | Automatic Calculation                            |
| 26200-319-01001                       | 20,000.00                | 20,600.00                |  |
| 26200-411-01001                       | 6,000.00                 | 3,600.00                 |  |
| 26200-412-01001                       | 7,000.00                 | 7,000.00                 |  |
| 26200-420-01001                       | 500.00                   | 500.00                   |  |
| 26200-430-01001                       | 25,000.00                | 25,000.00                |  |
| 26200-611-01001                       | 35,000.00                | 23,000.00                |  |
| 26200-622-01001                       | 10,000.00                | 10,000.00                |  |
|                                       | <u>245,613.53</u>        | <u>232,303.61</u>        |  |
| <b>Total Maintenance of Buildings</b> |                          |                          |  |
| <b>Maintenance of Grounds</b>         |                          |                          |  |
| 26300-319-01001                       | 5,000.00                 | 6,000.00                 |  |
| 26300-611-01001                       | 1,500.00                 | 3,000.00                 |  |
|                                       | <u>6,500.00</u>          | <u>9,000.00</u>          |  |
| <b>Total Maintenance of Grounds</b>   |                          |                          |  |
| <b>Maintenance of Equipment</b>       |                          |                          |  |
| 26400-430-01001                       | 1,500.00                 | 2,500.00                 |  |
|                                       | <u>1,500.00</u>          | <u>2,500.00</u>          |  |
| <b>Total Maintenance of Equipment</b> |                          |                          |  |
| <b>Security Services</b>              |                          |                          |  |
| 26600-312-01001                       | 30,000.00                | 42,000.00                | 2 Staff  |
| 26600-730-01001                       | 500.00                   | 500.00                   |  |
|                                       | <u>30,500.00</u>         | <u>42,500.00</u>         |  |
| <b>Total Security Services</b>        |                          |                          |  |
| <b>Insurance</b>                      |                          |                          |  |
| 26700-520-01001                       | 20,000.00                | 20,000.00                | Building Ins, General Liability and Officers E&O |

Charter School of the Dunes  
 Budgeting Worksheet  
 For the Five Years Ending June 30, 2011-2015

|   | FY11-12 Annual Budget | FY12-13 Annual Budget |                          |
|---|-----------------------|-----------------------|--------------------------|
| Total Insurance                               | 20,000.00             | 20,000.00             |                          |
| Food Preparation and Dispensing               |                       |                       |                          |
| 31200-120-08001 Food Prep-Non Cert            | 24,301.00             | 23,768.00             | Linked to Wage Worksheet |
| 31200-211-08001 Food Prep-Non Cert Taxes      | 1,859.03              | 1,818.25              | Automatic Calculation    |
| 31200-220-08001 Food Prep-Emply Health Insura | 38.16                 | 37.33                 | Automatic Calculation    |
| 31200-225-08001 Food Prep- workers comp       | 62.47                 | 61.10                 | Automatic Calculation    |
| 31200-214-08001 Food Prep- PERF               | 1,640.32              | 1,604.34              | Automatic Calculation    |
| 31200-230-01001 Cafeteria Aide Unemployment   | 480.58                | 470.04                | Automatic Calculation    |
| 31200-580-08001 Food Prep-Disp-Training       | 350.00                | 350.00                |                          |
| 31200-611-01001 Food Prep-Disp-Supplies       | 4,324.32              | 4,364.86              |                          |
| Total Food Prep and Dispensing                | 33,055.88             | 32,973.92             |                          |

Charter School of the Dunes  
 Budgeting Worksheet  
 For the Five Years Ending June 30, 2011-2015

|  | FY11-12 Annual<br>Budget | FY12-13 Annual<br>Budget |
|--|--------------------------|--------------------------|
| <b>Food Purchases</b>                              |                          |                          |
| 31400-616-08001 Food Purchases-Breakfast           | 16,216.22                | 18,243.24                |
| 31400-617-08001 Food Purchases-Lunch               | 102,702.70               | 115,540.54               |
| 31400-618-08001 Food Purchases-Snacks              | 4,324.32                 | 4,864.86                 |
| <b>Total Food Purchases</b>                        | <b>123,243.24</b>        | <b>138,648.65</b>        |
| <b>Other Food Purchases</b>                        |                          |                          |
| 31900-614-01001 Other Food Srv-Food Purchases      | 4,324.32                 | 4,864.86                 |
| <b>Total Other Food Purchases</b>                  | <b>4,324.32</b>          | <b>4,864.86</b>          |
| <b>Athletics/Extracurricular</b>                   |                          |                          |
| 33400-611-01001 Athletic Stipends                  | 12,500.00                | 13,000.00                |
| 33400-611-01001 Athletic Supplies                  | 6,000.00                 | 6,500.00                 |
| 33400-876-01001 Athletic Uniforms                  | 4,000.00                 | 1,000.00                 |
| <b>Total Athletics</b>                             | <b>22,500.00</b>         | <b>20,500.00</b>         |
| <b>Rent of Buildings, Facilities and Equipment</b> |                          |                          |
| 45500-440-01001 Rentals - Building Rent            | 30,000.00                | 30,000.00                |
| 45500-490-01001 Rentals - Building Lease           | 192,000.00               | 192,000.00               |
| 45500-730-01001 Equipment Rental                   | 17,500.00                | 18,000.00                |
| 45500-816-01001 Property Taxes Lake County         | 0.00                     | 0.00                     |
| <b>Total Rent of Buildings and Equipr</b>          | <b>239,500.00</b>        | <b>240,000.00</b>        |
| <b>Moveable Equipment</b>                          |                          |                          |
| 46000-730-01001 Purch Move Equip-Equipment         | 5,000.00                 | 5,000.00                 |
| 46000-741-01001 Purch Move Equip-Computer Hard     | 8,000.00                 | 5,000.00                 |
| 46000-745-01001 Purch Move Equip-TeleCom Equip     | 1,500.00                 | 5,000.00                 |
| <b>Total Moveable Equipment</b>                    | <b>14,500.00</b>         | <b>15,000.00</b>         |

**Temporary Loans Principal and Interest**

Charter School of the Dunes  
 Budgeting Worksheet  
 For the Five Years Ending June 30, 2011-2015

|   | FY11-12 Annual Budget | FY12-13 Annual Budget |  |
|---|-----------------------|-----------------------|--|
| 51200-831-01001 Temp Loan-CS Loan                 | 0.00                  | 0.00                  | Existing Common School Loan<br>Deferred until July 2013+ FY14<br>0.00 Loan |
| Required CDE Back-end Payment                     | 0.00                  | 0.00                  | Based on Pro Forma dated 3-14-12   |
| 52200-999-01001 Temp Loan-QSCB                    | 0.00                  | 371,857.00            | Based on Pro Forma dated 3-14-12   |
| Total Temporary Loans                             | 0.00                  | 371,857.00            |  |
| Total Expenditures                                | 3,859,568.92          | 4,630,636.34          |  |
| Excess (deficiency) of revenues over expenditures | 90,099.95             | 40,051.66             |  |

Charter School of the Dunes  
Profit & Loss  
January 2013

|  | Jan 13            | Jul '12 - Jan 13    |
|--|-------------------|---------------------|
| <b>Income</b>                              |                   |                     |
| 1510 · Interest on Investments             | 82.72             | 414.73              |
| 1611 · School Lunch Program                | 117.00            | 1,516.65            |
| 1614 · After School Programs               | 0.00              | -3,852.00           |
| 1741 · Student and Adult Fees              | 0.00              | 1,723.95            |
| 1742 · Other Fees                          | 138.00            | 5,335.50            |
| 1920 · Contributions and Donations         | 300.00            | 1,793.39            |
| 1994 · Overpayments/Reimbursements         | 4,848.66          | 207,501.81          |
| 1999 · Other                               | 602.38            | 243,331.36          |
| 3111 · Basic Grant                         | 303,810.41        | 1,982,912.17        |
| 3151 · School Lunch                        | 0.00              | 1,420.61            |
| 3221 · Full Day Kindergarten Grant         | 0.00              | 122,400.00          |
| 4223 · Public Law 101-476 IDEA             | 0.00              | -9,288.93           |
| 4291 · School Lunch Reimbursement          | 17,975.30         | 60,635.76           |
| 4292 · School Breakfast Reimbursement      | 2,700.97          | 16,103.68           |
| 4297 · School Snack Reimbursement          | 1,327.80          | 3,809.84            |
| 4514 · Title I                             | 42,745.55         | 427,322.78          |
| 4580 · American Recovery Reinvest Act      | 0.00              | 83,059.14           |
| 4581 · Education Job                       | 0.00              | 0.00                |
| 4990 · Title II Funds                      | 0.00              | 48,022.00           |
| 5200 · Transfer From Another Fund          | 400,000.00        | 2,905,435.05        |
| <b>Total Income</b>                        | <b>774,648.79</b> | <b>6,099,597.49</b> |
| <b>Expense</b>                             |                   |                     |
| 60100.910 Transfer To Fund                 | 400,000.00        | 2,905,435.05        |
| <b>11050 · Full Day Kindergarten</b>       |                   |                     |
| 11050.110 Certified Salaries               | 7,222.20          | 56,343.76           |
| 11050.212 Social Security Cert             | 532.34            | 4,205.40            |
| 11050.216 TRF                              | 541.87            | 4,265.47            |
| 11050.221 Group Life Ins                   | 6.50              | 46.14               |
| 11050.222 Group Health Ins                 | 558.97            | 3,943.91            |
| 11050.223 Group Accident Ins               | 46.85             | 327.95              |
| 11050.611 Operational Supplies             | 0.00              | 1,866.25            |
| <b>Total 11050 · Full Day Kindergarten</b> | <b>8,908.53</b>   | <b>70,998.88</b>    |
| <b>11100 · Elementary</b>                  |                   |                     |
| 11100.110 Certified Salaries               | 67,508.71         | 475,804.56          |
| 11100.120 Non-Cert Salaries                | 32,457.10         | 213,773.56          |
| 11100.130 Temporary Salaries               | 7,381.68          | 42,571.77           |
| 11100.211 Soc Sec Non-Cert                 | 2,736.85          | 17,579.91           |
| 11100.212 Social Security Cert             | 3,218.41          | 34,190.71           |
| 11100.214 PERF                             | 2,070.21          | 12,190.91           |
| 11100.216 TRF                              | 4,319.40          | 37,740.11           |
| 11100.221 Group Life Ins                   | 35.09             | 175.64              |

Charter School of the Dunes  
Profit & Loss  
January 2013

|  | <u>Jan 13</u>     | <u>Jul '12 - Jan 13</u> |
|--|-------------------|-------------------------|
| 11100.222 Group Health Ins                     | 9,910.38          | 71,106.11               |
| 11100.223 Group Accident Ins                   | 842.67            | 4,041.53                |
| 11100.230 Unemployment Ins                     | 6,127.78          | 11,095.97               |
| 11100.311 Instruction Services                 | 1,186.75          | 2,007.25                |
| 11100.510 Field Trip transport                 | 1,045.00          | 6,225.00                |
| 11100.611 Elementary Supplies                  | 0.00              | 24,851.68               |
| 11100.615 Uniforms                             | 0.00              | 5,698.49                |
| 11100.650 Periodicals                          | 0.00              | 623.72                  |
| <b>Total 11100 · Elementary</b>                | <b>138,840.03</b> | <b>959,676.92</b>       |
| <b>11200 · Middle/Junior High School</b>       |                   |                         |
| 11200.110 Certified Salaries                   | 13,882.20         | 94,912.45               |
| 11200.120 Non-Cert Salaries                    | 0.00              | 3,020.84                |
| 11200.211 Soc Sec Non-Cert                     | 0.00              | 239.06                  |
| 11200.212 Social Security Cert                 | 1,017.77          | 7,028.42                |
| 11200.214 PERF                                 | 0.00              | 210.94                  |
| 11200.216 TRF                                  | 470.37            | 3,804.37                |
| 11200.221 Group Life Ins                       | 18.70             | 70.33                   |
| 11200.222 Group Health Ins                     | 1,122.07          | 6,861.32                |
| 11200.223 Group Accident Ins                   | 119.56            | 488.26                  |
| 11200.311 Instruction Services                 | 0.00              | 513.00                  |
| 11200.611 Operational Supplies                 | 0.00              | 3,216.71                |
| <b>Total 11200 · Middle/Junior High School</b> | <b>16,630.67</b>  | <b>120,365.70</b>       |
| <b>12610 · Learning Disability</b>             |                   |                         |
| 12610.110 Certified Salaries                   | 13,767.60         | 95,029.69               |
| 12610.120 Non-Cert Salaries                    | 8,939.30          | 69,396.48               |
| 12610.130 Temporary Salaries                   | 900.00            | 3,700.00                |
| 12610.211 Soc Sec Non-Cert                     | 690.55            | 5,205.37                |
| 12610.212 Social Security Cert                 | 1,030.13          | 7,185.09                |
| 12610.214 PERF                                 | 737.49            | 4,785.86                |
| 12610.216 TRF                                  | 1,032.57          | 7,159.74                |
| 12610.221 Group Life Ins                       | -21.41            | -106.23                 |
| 12610.222 Group Health Ins                     | 1,385.14          | 10,270.41               |
| 12610.223 Group Accident Ins                   | 240.56            | 941.12                  |
| 12610.611 Supplies                             | 0.00              | 1,149.45                |
| <b>Total 12610 · Learning Disability</b>       | <b>28,701.93</b>  | <b>204,716.98</b>       |
| <b>16200 · Preventive Remediation</b>          |                   |                         |
| 16200.311 Instruction Services                 | 15,000.00         | 33,977.29               |
| <b>Total 16200 · Preventive Remediation</b>    | <b>15,000.00</b>  | <b>33,977.29</b>        |
| <b>21340 · Nurse Services</b>                  |                   |                         |
| 21340.120 Non-Cert Salaries                    | 3,937.60          | 28,184.94               |

Charter School of the Dunes  
**Profit & Loss**  
January 2013

|   | Jan 13          | Jul '12 - Jan 13 |
|---|-----------------|------------------|
| 21340.211 Soc Sec Non-Cert                            | 289.98          | 2,092.45         |
| 21340.214 PERF  | 324.85          | 1,973.21         |
| 21340.221 Group Life Ins                              | 3.50            | 24.73            |
| 21340.222 Group Health Ins                            | 305.46          | 2,135.52         |
| 21340.223 Group Accident Ins                          | 26.63           | 186.41           |
| 21340.611 Operational Supplies                        | 0.00            | 361.72           |
| <b>Total 21340 · Nurse Services</b>                   | <b>4,888.02</b> | <b>34,958.98</b> |
| <br>  |                 |                  |
| 21420 · Psychological Testing                         |                 |                  |
| 21420.319 Professional Services                       | 2,800.00        | 8,825.00         |
| <b>Total 21420 · Psychological Testing</b>            | <b>2,800.00</b> | <b>8,825.00</b>  |
| <br>  |                 |                  |
| 21520 · Speech Pathology Services                     |                 |                  |
| 21520.319 Professional Services                       | 1,040.00        | 6,744.00         |
| <b>Total 21520 · Speech Pathology Services</b>        | <b>1,040.00</b> | <b>6,744.00</b>  |
| <br>  |                 |                  |
| 21620 · Occupational Therapy Services                 |                 |                  |
| 21620.319 Professional Services                       | 505.94          | 1,339.06         |
| <b>Total 21620 · Occupational Therapy Services</b>    | <b>505.94</b>   | <b>1,339.06</b>  |
| <br>  |                 |                  |
| 21990 Other Student Services                          |                 |                  |
| 21990.110 Certified Salaries                          | 3,935.60        | 28,673.64        |
| 21990.212 Social Security Cert                        | 297.04          | 2,179.65         |
| 21990.216 TRF   | 295.17          | 2,164.59         |
| 21990.221 Group Life Ins                              | 4.50            | 31.50            |
| 21990.222 Group Health Ins                            | 44.99           | 317.57           |
| 21990.223 Group Accident Ins                          | 25.63           | 179.41           |
| <b>Total 21990 Other Student Services</b>             | <b>4,602.93</b> | <b>33,546.36</b> |
| <br>  |                 |                  |
| 22120 · Instruction & Curriculum Dev                  |                 |                  |
| 22120.319 Other Prof/Tech Serv                        | 0.00            | 0.00             |
| 22120.580 Travel                                      | 0.00            | 0.00             |
| <b>Total 22120 · Instruction &amp; Curriculum Dev</b> | <b>0.00</b>     | <b>0.00</b>      |
| <br>  |                 |                  |
| 22130 · Instructional Staff Training                  |                 |                  |
| 22130.580 Travel                                      | 170.99          | 8,382.71         |
| 22130.611 Operational Supplies                        | 0.00            | 501.97           |
| 22130.748 Prof Development                            | 4,448.00        | 18,597.00        |
| <b>Total 22130 · Instructional Staff Training</b>     | <b>4,618.99</b> | <b>27,481.68</b> |
| <br>  |                 |                  |
| 22360 · Network Support                               |                 |                  |
| 22360.319 Other Prof/Tech Serv                        | 1,067.60        | 6,639.08         |
| 22360.611 Supplies                                    | 0.00            | 93.97            |
| 22360.744 Connectivity                                | 0.00            | 59.97            |

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|   | Jan 13    | Jul '12 - Jan 13 |
|---|-----------|------------------|
| <b>Total 22380 · Network Support</b>              | 1,067.60  | 6,793.02         |
| <b>23150 · Legal Services</b>                     |           |                  |
| 23150.319 Other Prof/Tech Serv                    | 0.00      | -7,655.00        |
| <b>Total 23150 · Legal Services</b>               | 0.00      | -7,655.00        |
| <b>23210 · Office of the Superintendent</b>       |           |                  |
| 23210.110 Certified Salaries                      | 8,645.00  | 64,603.33        |
| 23210.212 Social Security Cert                    | 648.68    | 4,885.04         |
| 23210.216 TRF                                     | 0.00      | 648.38           |
| 23210.221 Group Life Ins                          | 7.50      | 53.65            |
| 23210.222 Group Health Ins                        | 305.46    | 2,134.42         |
| 23210.223 Group Accident Ins                      | 39.75     | 278.25           |
| 23210.319 Other Prof/Tech Serv                    | 19,961.06 | 140,984.32       |
| 23210.580 Travel                                  | 0.00      | 18.00            |
| <b>Total 23210 · Office of the Superintendent</b> | 29,607.45 | 213,605.39       |
| <b>23220 · Community Relations</b>                |           |                  |
| 23220.540 Advertising                             | 0.00      | 714.00           |
| 23220.611 Operational Supplies                    | 450.00    | 1,305.18         |
| <b>Total 23220 · Community Relations</b>          | 450.00    | 2,019.18         |
| <b>24100 · Office of the Principal</b>            |           |                  |
| 24100.110 Certified Salaries                      | 4,946.60  | 35,779.24        |
| 24100.120 Non-Cert Salaries                       | 11,017.80 | 80,807.02        |
| 24100.211 Soc Sec Non-Cert                        | 822.57    | 6,113.02         |
| 24100.212 Social Security Cert                    | 378.42    | 2,755.18         |
| 24100.214 PERF                                    | 908.97    | 5,684.50         |
| 24100.216 TRF                                     | 371.00    | 2,701.14         |
| 24100.221 Group Life Ins                          | 9.40      | 62.37            |
| 24100.222 Group Health Ins                        | 349.68    | 2,910.89         |
| 24100.223 Group Accident Ins                      | 89.27     | 624.89           |
| 24100.319 Other Prof/Tech Serv                    | 0.00      | 2,012.50         |
| 24100.531 Telephone                               | -1,797.44 | 1,904.92         |
| 24100.532 Postage                                 | 570.10    | 2,925.17         |
| 24100.580 Travel                                  | 0.00      | 53.60            |
| 24100.611 Operational Supplies                    | 1,335.78  | 17,673.55        |
| 24100.810 Dues & Fees                             | 85.00     | 10,432.00        |
| <b>Total 24100 · Office of the Principal</b>      | 19,087.15 | 172,439.99       |
| <b>25150 · Payroll Services</b>                   |           |                  |
| 25150.316 Data Processing Serv                    | 243.43    | 2,553.98         |
| <b>Total 25150 · Payroll Services</b>             | 243.43    | 2,553.98         |

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|  | Jan 13           | Jul '12 - Jan 13  |
|--|------------------|-------------------|
| <b>25160 · Financial Accounting</b>            |                  |                   |
| 25160.319 Other Prof/Tech Serv                 | 6,087.00         | 50,835.00         |
| <b>Total 25160 · Financial Accounting</b>      | <b>6,087.00</b>  | <b>50,835.00</b>  |
| <br>   |                  |                   |
| <b>25191 · Refund of Revenue</b>               |                  |                   |
| 25191.876 Refunds                              | 53.95            | 159,906.89        |
| <b>Total 25191 · Refund of Revenue</b>         | <b>53.95</b>     | <b>159,906.89</b> |
| <br>   |                  |                   |
| <b>25195 · Bank Service Charges</b>            |                  |                   |
| 25195.871 Bank Service Charges                 | 0.00             | 124,706.65        |
| <b>Total 25195 · Bank Service Charges</b>      | <b>0.00</b>      | <b>124,706.65</b> |
| <br>   |                  |                   |
| <b>25720 · Recruitment and Placement</b>       |                  |                   |
| 25720.319 Other Prof/Tech Serv                 | 39.45            | 1,454.90          |
| <b>Total 25720 · Recruitment and Placement</b> | <b>39.45</b>     | <b>1,454.90</b>   |
| <br>   |                  |                   |
| <b>26200 · Maintenance of Building</b>         |                  |                   |
| 26200.120 Non-Cert Salaries                    | 10,550.92        | 79,404.07         |
| 26200.211 Soc Security Non-Cert                | 793.04           | 6,005.91          |
| 26200.214 PERF                                 | 732.72           | 4,909.17          |
| 26200.221 Group Life Ins                       | 33.00            | 343.87            |
| 26200.222 Group Health Ins                     | 774.83           | 5,106.29          |
| 26200.223 Group Accident Ins                   | 85.87            | 542.31            |
| 26200.319 Other Prof/Tech Serv                 | 301.50           | 5,673.47          |
| 26200.411 Water & Sewage                       | 386.55           | 5,469.56          |
| 26200.412 Refuse Removal                       | 500.25           | 3,514.73          |
| 26200.420 Cleaning Services                    | 0.00             | 29.99             |
| 26200.430 Repairs & Mtnc Serv                  | 0.00             | 4,898.18          |
| 26200.811 Operational Supplies                 | 2,069.48         | 14,551.59         |
| 26200.822 Gas Utilities                        | 773.18           | 1,970.93          |
| <b>Total 26200 · Maintenance of Building</b>   | <b>17,001.34</b> | <b>132,420.07</b> |
| <br>   |                  |                   |
| <b>26300 · Maintenance of Grounds</b>          |                  |                   |
| 26300.319 Other Prof/Tech Serv                 | 376.00           | 376.00            |
| <b>Total 26300 · Maintenance of Grounds</b>    | <b>376.00</b>    | <b>376.00</b>     |
| <br>   |                  |                   |
| <b>26600 · Security Services</b>               |                  |                   |
| 26600.120 Non-Cert Salaries                    | 3,383.20         | 21,418.15         |
| 26600.211 Soc Sec Non-Cert                     | 247.91           | 1,611.24          |
| 26600.214 PERF                                 | 96.24            | 575.35            |
| 26600.221 Group Life Insurance                 | 9.40             | 19.30             |
| 26600.222 Group Health Ins                     | 1,086.73         | 802.75            |
| 26600.223 Group Accident Ins                   | 53.43            | 101.55            |

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|  | Jan 13    | Jul '12 - Jan 13 |
|--|-----------|------------------|
| 26600.533 Monitoring Services                | 71.00     | 197.00           |
| Total 26600 · Security Services              | 4,947.91  | 24,725.34        |
| 26700 · Insurance                            |           |                  |
| 26700.520 Insurance                          | 0.00      | 15,678.89        |
| Total 26700 · Insurance                      | 0.00      | 15,678.89        |
| 27700 · Contracted Transportation Serv       |           |                  |
| 27700.510 Student Transp Serv                | 12,150.00 | 71,385.00        |
| Total 27700 · Contracted Transportation Serv | 12,150.00 | 71,385.00        |
| 31200 · Food Prep & Dispensing               |           |                  |
| 31200.120 Non-Cert Salaries                  | 5,666.93  | 36,074.07        |
| 31200.211 Soc Sec Non-Cert                   | 431.26    | 2,754.79         |
| 31200.214 PERF                               | 420.00    | 2,316.70         |
| 31200.221 Group Life Ins                     | 1.60      | 11.84            |
| 31200.222 Group Health Ins                   | 21.37     | 150.43           |
| 31200.223 Group Accident Ins                 | 10.57     | 73.99            |
| 31200.611 Operational Supplies               | 0.00      | 55.47            |
| Total 31200 · Food Prep & Dispensing         | 6,551.73  | 41,437.29        |
| 31400 · Food Purchases                       |           |                  |
| 31400.614 Food Purchases                     | 13,403.84 | 113,070.96       |
| Total 31400 · Food Purchases                 | 13,403.84 | 113,070.96       |
| 31900 · Other Food Service                   |           |                  |
| 31900.614 Food Purchases                     | 45.64     | 1,276.67         |
| Total 31900 · Other Food Service             | 45.64     | 1,276.67         |
| 33990 · Parent Involvement                   |           |                  |
| 33990.611 Operational Supplies               | 0.00      | 399.77           |
| Total 33990 · Parent Involvement             | 0.00      | 399.77           |
| 33990 · Athletics                            |           |                  |
| 33990.319 Athletic Coach Stipen              | 0.00      | 550.00           |
| 33990.611 Operating Supplies                 | 700.00    | 2,385.00         |
| 33990.660 Uniforms                           | 150.00    | 1,171.00         |
| Total 33990 · Athletics                      | 850.00    | 4,106.00         |
| 33990 · Extra-Curricular Expenses            |           |                  |
| 33990.611 ECA Supplies                       | 0.00      | -56.46           |
| Total 33990 · Extra-Curricular Expenses      | 0.00      | -56.46           |
| 45600 · Rent of Building & Equipment         |           |                  |

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|   | <u>Jan 13</u>     | <u>Jul '12 - Jan 13</u> |
|---|-------------------|-------------------------|
| 45500.440 Building Rental                             | 18,500.02         | 129,547.40              |
| 45500.440 Equipment Rent                              | 1,072.34          | 7,357.52                |
| <b>Total 45500 - Rent of Building &amp; Equipment</b> | <b>19,572.36</b>  | <b>136,904.92</b>       |
| <br>  |                   |                         |
| 46000. - Moveable Equipment.                          |                   |                         |
| 46000.730 Moveable Equipment                          | 26.57             | 26.57                   |
| 46000.741 Computers.                                  | 0.00              | 3,027.22                |
| 46000.747 Software                                    | 725.20            | 1,411.10                |
| <b>Total 46000. - Moveable Equipment.</b>             | <b>751.77</b>     | <b>4,464.89</b>         |
| <br>  |                   |                         |
| 52100.832 Bond Interest                               | 0.00              | 100,658.24              |
| 52200.832 Interest Expense                            | 0.00              | 9,960.00                |
| Temporary Distribution                                | 0.00              | 0.00                    |
| Depreciation Expense                                  | 46,060.30         | 318,478.79              |
| <b>Total Expense</b>                                  | <b>804,883.96</b> | <b>6,110,012.27</b>     |
| <br>  |                   |                         |
| <b>Net Income</b>                                     | <b>-30,235.17</b> | <b>-10,414.78</b>       |

# ATTACHMENT 9

Not Applicable