

PROPOSAL OVERVIEW AND ENROLLMENT PROJECTIONS

Please provide information for the applicant group's **designated representative**. This individual will serve as the contact for all communications, interviews, and notices from the ICSB regarding the submitted application.

IMPORTANT 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 questions about the proposed school(s).

Legal name of group applying for charter(s): Gibault, Inc.

Names, roles, and current employment for all persons on applicant team:

Michele Madley, Vice President of Gibault, Inc.

Cary Molinder, Principal Gibault, Inc.

Robin Shamsaie, School Clinical Psychologist Gibault, Inc.

Rob Sturm, Director of Residential Operations Gibault, Inc.

Amy Atchley, Chief Financial Officer Gibault, Inc.

Designated applicant representative: Michele Madley

Address: 6401 S US Highway 41

Terre Haute, IN 47802

Office and cell phone numbers: 812-298-3137/812-230-2203

Email address: michele.madley@gibault.org

Provide the requested information for each school included in this proposal.
(You may add lines to the table if needed.)

Proposed School Name	Opening Year	School Model (e.g., college prep, dropout recovery)	Geographic Community *	School District(s) in Proposed Location	Grade Levels at Full Enrollment
Summit Academy of Vigo County, Inc.	2012	Alternative education for retention, prevention and drop out recovery	6401 S US Highway 41 Terre Haute	Vigo	K-12

NOTE: * Please indicate the city/town and, if known, potential address or neighborhood of location. Virtual operators should indicate the relevant geographies the operator intends to serve.

Proposed Grade Levels and Student Enrollment

Provide the following information for each charter school included in this proposal. Specify the planned year of opening for each, the grade levels served, and both the planned and maximum number of enrolled students by grade level for each year. (You may duplicate the table as needed.)

Proposed School Name:	Summit Academy of Vigo County, Inc.	
Academic Year	Grade Levels	Student Enrollment (Planned/Maximum)
Year 1 (specify starting year)	2012-2013 - K-12	85
Year 2	2013-2014 - K-12	95
Year 3	2014-2015 - K-12	105
Year 4	2015-2016 - K-12	115
Year 5	2016-2017 - K-12	125
At Capacity	K-12	125

Do any of the proposed schools expect to contract or partner with an Education Service Provider (ESP) or other organization for school management/operation?* Yes No

If yes, identify the ESP or other partner organization:

Will an application for the same charter school(s) be submitted to another authorizer in the near future?
Yes No

If yes, identify the authorizer(s):

Planned submission date(s):

Please list the number of previous submissions for request to authorize this(ese) charter school(s) over the past five years, as required under IC § 20-24-3-4. Include the following information:

Authorizer(s): Ball State
 Vigo County School Corporation
 Indiana Department of Education

 Ball State - January 20, 2009, January 18, 2011, September 23, 2011
 Vigo County School Corporation - December 16, 2009
Submission date(s): Indiana Department of Education - July 29, 2010

PROPOSAL NARRATIVE

EXECUTIVE SUMMARY

1. Mission and Vision for Growth in Indiana: The Mission of Summit Academy is to provide each student the opportunity to reach their greatest potential by providing a disciplined, safe and creative environment in which to prepare for their academic success.

The Vision of Summit Academy is to strive to provide a foundation for student achievement based on each student's individual needs, to inspire academic growth, behavioral modifications and social maturation.

Summit Academy's five-year growth plan is designed to meet the needs of the anticipated school community. The school will ultimately serve students in K-12 as we are currently serving these grades. Our focus will be serving an at-risk population demonstrating behavior, academic, and social difficulties such as expulsion, juvenile justice system involvement and maladaptive behaviors. Our marketing and promotion will continue to focus on providing opportunities for students in need of services through the DCS, DOE, Probation and our current clients participating in day treatment, Psychiatric Residential Treatment (focusing on short term stabilization) and our Emergency Shelter and Respite Students. Our marketing staff will meet regularly with juvenile justice personnel, mental health organizations, public and private school counselors, physician offices and other social service agencies. Avenues of new student recruitment will focus on Vigo County and adjacent communities. Specific strategies for recruitment would include mailings, announcements in local media, electronic postings, emails, exhibiting at conferences, collaborative work with our local mental health community organization and face to face visits. Future decisions will be determined by the community need and the responsiveness of parents, school districts and placing agencies to improve educational outcomes for at risk students. Summit Academy wishes to continue to offer high quality education by implementing a holistic approach to working with students. This involves understanding the services our students need beyond education, such as wrap around services, family interventions, outpatient therapy, tutoring, respite care, crisis intervention etc. Gibault has a long standing history of providing families and agencies with assistance in improving student and family dynamics and often school is not a part of the entire picture when these children arrive to our school. It is our vision to be able to provide our services to community children and parents who believe they no longer have options as opposed to only being able to provide education to children who have been placed here by contract or court order.

2. Educational Need and target population: The target population of Summit Academy may include the students that present challenges beyond the norm for public school corporations. These students may require considerably more time and attention from teachers, administrators and other staff members in the traditional school setting. Our local Community Mental Health Facility offered a small classroom for students who were experiencing difficulties such as expulsion, suspension, and social and emotional behavioral issues. This school recently closed and the only option for parents is one of utilizing the Alternative Public School. Although this option may be appropriate for some, it is the only option. Summit Academy possesses a strong history of dealing effectively with students who have been expelled, suspended or have not attended due to incarceration, detention, run away or simply not attending. Although we are requesting to become a Charter School so that we can provide educational options to the community, we have been educating students for many years as Gibault Children's Services by providing a structured environment to students and meeting them where they are at time of enrollment. The population of students in the DCS/Juvenile Probation system who are/have been moved around – are behind in school and require multiple supports. According to a recent study (*BREAKING SCHOOLS' RULES: A Statewide Study of How School Discipline Relates to Students' Success and Juvenile Justice Involvement*, Public Policy Research Institute, July 2011) students that are repeatedly suspended and/or expelled from school are significantly more likely to drop out of school and become involved with the juvenile justice system. According to the same study, African American and Hispanic males as well as students with special education classification of Emotional Disability are most represented as suspended/expelled. These are the children that Summit Academy strives to serve. Our experience in

working with children involved with the DCS/Probation system is that they are at high risk for failing to attend school, falling behind academically or becoming expelled. We believe that every child deserves an education. We believe that when children stay in school they become more productive adults and are less likely to enter the legal justice system. We believe that children stay in schools when they are provided a safe, nurturing and accepting school environment, where expectations and supports are high.

Many schools have advocated a “zero tolerance” approach to discipline. Research supports that such approach leads to more expulsion and suspension, as well as students dropping out. We have a positive history dealing with students who enter our school at a variety of skill levels. We are accepting the students that have truly been left behind. We are seeking to open our doors to the community so that students and parents have an option of utilizing what we have been successful at up to this point. One of our greatest challenges will be the poor reputation of charter schools within many communities and the belief from many educators that we will take students and funding from the public school. Summit Academy plans to create an engaged board that will help educate our community that many of the students we are wishing to accept were not attending school prior to acceptance in to our school. Our already long history of being a stable organization will hopefully contribute to being able to maintain our school for years to come. Gibault Inc has been a non profit organization serving many communities since 1921. Summit Academy will not establish any policies or place any restrictions or limits on student admission. All students will be welcome to attend.

Rationale for establishing the school/community the school proposes to serve: Summit Academy wishes to establish a charter school to meet the needs of students who have failed to progress in a traditional school setting. Summit Academy believes that providing a quality education to today’s children leads to productive adult citizens. It is the intent of Summit Academy to focus on students who have dropped out or have been expelled from a traditional school setting. Summit Academy holds a core belief that all children and parents have the right to an appropriate, quality and free public education. Summit Academy desires to assist our community in providing students the skills they need to be a contributing member of society. It is believed that this will also reduce the number of students and young adults entering the correctional system.

The essence of Summit Academy is to provide small class sizes with an emphasis on meeting individual academic needs and teaching appropriate social behaviors. The students participating in our school may be facing social and emotional difficulties, resulting in education not being their primary focus. Summit Academy believes that many of the children entering our school will be children that have failed in a traditional school setting or have not attended school regularly for an extended period. We wish to target the students who truly have been left behind. Summit Academy will focus on social adjustment by providing therapy and assessments such as the MISA (McGhee Mangum Inventory of school Adjustment) a 50 item rating scale designed to measure a student’s behavior in the classroom setting and or the BIMAS (Behavior Intervention monitoring assessment system) implemented as a screening devise to collect baseline data at the beginning of intervention, and for periodical progress monitoring. It is a 3-tier progress monitoring system based on direct frequent and continuous student assessment which is reported via a web based data management and reporting system. In addition, the AIMS-Assessment and data management for RTI will be considered as it focuses on frequent and continuous student assessment and the results are reported to the students, parents, teachers and administrators via web and it includes an academic and behavioral piece, which is important for the students Summit Academy serves.

3. Community Engagement: Gibault Children’s Services currently conducts an on grounds accredited school. Gibault accepts children from the Department of Children’s Services, Probation, Department of Education and Private referrals. On June 29, 2011, Michele Madley, the Vice President/Executive Director of Gibault Children’s Services (Summit Academy) met with the local Superintendent of Vigo County and requested permission to pursue a charter school. Mr. Tanoos and Michele Madley discussed

the current population of children and the targeted population Summit Academy intends to serve. Mr. Tanoos was supportive of our endeavors and on July, 11, 2011, Mr. Tanoos responded via e mail, stating best of luck in your quest to become a Charter School. (E mail response enclosed in additional attachments). VCSC is required by law (NCLB) under title I part d to provide fair and equitable services to children who are considered neglected and delinquent. This has been a very "collegial" relationship with Vigo County. Title I consultants from VCSC regularly collaborate with administrators to provide feedback on compliance, scheduling, assessment, and budgetary concerns. Observations are completed regularly by VCSC and non public administrations of Title I teachers as a way to provide teacher feedback and discuss programming issues.

Gibault Children's Services currently serves numerous children placed by the Department of Children's Services. At the time of admission, these children are placed in to our on grounds accredited school. Summit Academy will continue to accept these children in to our educational program. Our situation is unique in that we are supported by several communities and most recently received support to pursue our charter from the Department of Children's Services. Gibault submitted a brief survey, requesting input both positive and negative from community placing agencies. The Department of Children's Services attorney Regina Ashley responded by stating that the DCS is committed to ensuring the educational well-being of the children in its custody and care. We at DCS wish the best for you in this endeavor. Summit Academy believes strongly that the Department of Children's Services, often acting as guardian's for clients in our care are indeed stakeholders. In addition probation officers, juvenile judges, special educators placing children in to our care on DOE contracts and any parents from the local community are considered valuable stakeholders when considering educating children who are often left behind.

January 2010, Gibault met with Chamber of Commerce members, Rod Henry, President/CEO and Dave Wulf, Board Director of Public Policy, to discuss our intent to pursue Charter School Sponsorship. On January 5, 2010, a mass e mail was submitted to all Indiana Probation Departments in an effort to explain our effort to move in the direction of seeking Charter School sponsorship and our need to seek alternative ways of educating children who have failed in the public school setting. On January 29, 2010, Putnam County Chief Probation officer and Judge Headly visited our campus and we discussed our intent to seek sponsorship to become a Charter School. We discussed opening our doors to Vigo County as well as surrounding counties such as Putnam County. They agreed that the population we currently work with would not be successful in public school and that alternative options for parents would be beneficial. On February 17, 2010, Vigo County Probation met with our staff to discuss several programs and services we may offer in the future. During our meeting they asked about our current status pertaining to becoming a Charter School. They stated they agree that having a Charter school would be in the best interest of the children we serve. February 4, 2011, Vigo County Probation toured the Terre Haute Gibault Campus and visited our current school in progress. The probation officers stated they were impressed with many of our programs being implemented in our school that were incentive based. We discussed with the probation officers our intent to pursue charter school sponsorship and our intent to provide an alternative educational opportunity other than public school. On August 2, 2011, Gibault Children's Services marketing staff participated in the Vigo County National Night out event. Gibault established a booth and marketed our programs as well as presented booth visitors with a brief survey requesting input both negative and positive from local and surrounding visitors pertaining to our intent to open a charter school.

Presently, a student demand continues within our state as the primary counties placing students in to our facility experience a high number of expulsions. We currently receive a large number of students from Indianapolis Public Schools, Vigo County School Corporation, Gary Public Schools, Hammond, East Chicago, MSD Wayne and MSD Washington. The 2009/2010 school year revealed IPS to have 221 expulsions, Vigo County-71, Gary Public-148, Hammond-234, East Chicago-70, MSD Wayne-15 and MSD Washington 106. The drop out rate consisted of the following for the 2009/2010 school year: IPS 676, Vigo County 1, Gary 23, Hammond 115, East Chicago 134, MSD Wayne 26 and MSD Washington

49. Third quarter referrals to Gibault Children's Services for 2010 revealed 323 referrals, four of the referrals were from the Department of Education. It is not uncommon for our newly admitted students to have been expelled, suspended or not in school for as little as a few months to as long as two years. It is also not uncommon for many of our students to arrive having missed ISTEP testing, possessing few if any credits and most often they have been very transient, moving from one school to another prior to being placed in to our facility. It is our intent to continue to serve these children as the demand remains relatively high.

Gibault Children's Services serves students, many of whom are in the DCS/Probation system, that have failed in their homes, schools and communities. In addition, Gibault offers an on grounds locked Psychiatric Medicaid funded program. This program permits parents to place Medicaid authorized children in to our programming for stabilization. Several parents have requested information on how to maintain their child in the educational portion of our programming, once their child is discharged from treatment. Summit Academy would be able to provide this alternative educational option to these parents. Summit Academy would like to continue to serve these children and strive to make them productive citizens, keep them out of adult prisons, and from being "left behind". Please note three parents of locked Psychiatric children, during the month of August, completed a brief survey stating they would be interested in continual placement of their child in Summit Academy if it were to become a Charter School. It is important to note that community parents are beginning to express that they are seeking another educational option in the community. New York state recently created a charter school to serve children in the foster care system. The name of the Charter School is Haven Academy and as they developed their charter they stated it was impossible to find a blue print for the school, stating; "'We searched and searched and searched but we couldn't find models," he said. It's such a novel project, he added, that it might be a few years before it can be fully evaluated with an eye toward replicating it. "Schools aren't organized in a way to accommodate how chaotic their (students') lives are outside of the four walls of school". <http://www.gazettenet.com/2011/07/13/ny-charter-school-throws-foster-kids-a-safety-net>

4. Education Plan/School Design: Summit Academy will focus on beginning instruction with each student at their current academic level and implement a holistic approach to education. Many students are left behind due to emotional, behavioral, environmental or learning issues. Summit Academy will allow for student success one step at a time, based on the child's needs and time rather than the adult's needs and times. Summit Academy will provide a disciplined, safe and creative environment with small class sizes, licensed educators and with support from on site clinical and medical staff. Summit Academy will exceed minimum state requirements for a 180 day student school year. To further our mission, Summit Academy will conduct a summer school program. Our nine week summer school program will meet state requirements of 75 hours of instruction per class period in each subject. This nine week summer school session enables high school students to earn two additional credits; while middle and elementary school students are placed in math, reading and language arts classes to increase academic progress. Subjects to be included in the curriculum, i.e., English language arts, mathematics, social studies, science, music, art etc.: Summit Academy will operate a comprehensive year-round education program through a traditional school year with a supplemental summer school session. Summit academy will be comprised of a self-contained and semi self-contained K-8 program, as well as a departmentalized high school. The K-8 program is designed to provide instruction in math, language arts, reading, social studies, science and various electives in art, music and physical education. The high school departmentalized program will assist each student in progressing towards a high school diploma and making improvements on state mandated assessments such as ISTEP+ and End of Course Assessments. Courses will be offered in social studies, language arts, mathematics, science and electives in art, music and physical education. Select students will also be able to earn credits through the Plato Credit Recovery Program. Students in Plato Credit Recovery will also take traditional classes in areas of their greatest academic need.

Unique characteristics of our program, such as character education component, intervention supports for students at risk of academic failure, programs for students with disabilities. Summit Academy intends to focus on individualized behavior plans, IEP's if appropriate and RTI- response to intervention. Most of our students would be considered at Tier 3 in the public school setting. Our approach is designed to provide Title I services, small class sizes with a low teacher to student ratio, remediation services, a credit recovery/accrual program and a summer school program with an opportunity to earn high school credits. Other educational approaches include grouping students by ability levels according to academic needs and admission testing. Mobility between levels is dependent on academic growth and progress, developmental abilities, social and emotional development etc, thus better meeting student needs. State standards for each child are targeted within each ability level.

Summit Academy will be managed daily by the School Principal and or his designee (Assistant Principal). The leadership model will consist of the Principal, Assistant Principal, School Psychologist, Teachers, Administrative Assistant, Part time Athletic Director. Support for teachers will be provided Monday through Friday. Education staff will participate daily during the week in a morning meeting on campus with the Principal as the lead. Every 1/3rd Wednesday a.m. a presentation on best practice strategies will occur. Education administration supports with collaboration time, peer observations, administration observations will occur. Every 2/4th Wednesday a reading study group on best practice methodology will occur including educational trends, special education topics, and other relevant and pertinent information. Teachers will receive ongoing professional development and support in an effort to assist them with their instruction and leadership.

5. Network Governance Leadership: Summit Academy Board will govern the charter school. The Board will be responsible for setting general policies, approving the annual budget, fund raising, hiring and evaluating the principal, approving personnel policies, monitoring implementation of policies by the principal. The Board will delegate the responsibility of running the Charter and implementing board policies to a Principal. Where appropriate the Principal will delegate certain responsibilities to the teachers. Summit Academy will be managed daily by the Principal and or his/her designee (Assistant Principal). Summit Academy will abide by or exceed state standards pertaining to educational hours provided daily. Summit Academy chose one of the three models presented by Gary Gruber Ph.D. consultant with Carney Sandoe and Associates, Santa Fe. The model Summit Academy will implement includes conducting our school with a Board of Directors with a structure of officers, by-laws and delegation of management to a principal. As stated by Gary Gruber, this model draws inspiration from the approach to board governance traditionally found in non profit organizations.

The Board will be responsible for carrying out the mission of providing each student the opportunity to reach his or her greatest potential by providing a safe, disciplined structure and creative environment that prepares students for academic success. The board will review this mission periodically and each board member will fully understand and support the mission.

Summit Academy Board of Directors will be responsible for ensuring the Principal receives the professional support he or she needs to further the goals of the charter school. The Principal will work with the entire board to determine a periodic evaluation of the Administrators performance.

Summit Academy Board of Directors will approve the annual budget and ensure the proper financial controls are in place.

Summit Academy Board of Directors will articulate the organizations mission and goals to the public as well as gain support from important members in the community to increase public relations relevant to conducting the charter school.

Summit Academy Board of Directors will annually review its own performance and work to decide which areas need improvement.

Summit Academy Board of Directors will work with the Principal and the fund development staff to raise funds from the community.

SECTION I: EVIDENCE OF CAPACITY - FOUNDING GROUP

Founding Group Membership:

The founding group is made up of dedicated individuals who are presently employed by Gibault Children's Services and have been active in the current school and will remain advocates for Summit Academy. The founding group will include members who will not serve on the board but will have ongoing responsibility to align the work and services being provided to the goals of the school.

1. Cary Molinder, Principal of Gibault Inc., has over 20 years of teaching experience and five years as a School Administrator. He obtained a B.S. in Physical Education and General Science in 1988 and a Biology Teaching Minor in 1991. He obtained his M.Ed. Educational Administration and Supervision license in 2007. He earned the Father Gibault Award, for Outstanding leadership and service in March 2008. During Cary's years of service as a teacher, he was awarded the Indiana Department of Natural Resources, Hoosier River watch Equipment grant to test water quality of nearby Honey Creek in Terre Haute Indiana. Mr. Molinder will aid the charter school in the development and administration of the day to day operations.

Cary Molinder: August 2006 to Present, Principal, Director of Educational Operations. Cary possesses a B.S. in Physical Education and General Science, a Biology Teaching Minor and M.ED. Educational Administration and Supervision. Cary's relevant experience/skills consist of Supervising a staff of over twenty teachers, providing educational services to students with a diverse set of needs in an overall treatment milieu, coordinating ongoing in-services for education staff, preparing staff and student schedules, selecting, hiring and orienting staff in the education department, providing leadership and direction to education staff by various instruments and techniques, selecting and purchasing school related materials, coordinating ISTEP testing, maintaining compliance with all applicable laws mandates and requirements of the Indiana State Board of Education, overseeing the development and implementation of the school improvement plan as required by P.L. 221, preparing calendars and updates pertaining to student transcripts, oversee and select curriculum for the regular school year and summer school session, over see the development and revision of curriculum as necessary according to Indiana State Standards. Cary Molinder worked with the founding members to assure each assigned section of the application was completed in a timely manner. He will play a substantial role in continual school development and management of day to day operations as the assigned Principal of Summit Academy.

Robin Shamsaie, School/Clinical Psychologist has over 20 years of experience in the field of Human Services with an emphasis on adolescents with emotional, behavioral and educational difficulties. Robin holds a Ph.D. with licensure to work with individuals in school and clinical settings. Robin obtained a B.A. in Psychology from DePauw University, a M.S. and Ph.D. in counseling, school Psychology. Robin has extensive experience in clinical treatment, EH classroom intervention, group, individual and psychological testing, as well as management and supervision.

Robin Shamsaie, PhD, HSPP has provided services as School Psychologist to students at Holy Cross School, Gibault Children's Services since 2001. Dr. Shamsaie completed her undergraduate coursework in psychology at DePauw University (1986) in Greencastle, IN. She later completed a Master's Degree in Counseling at Indiana State University (1989) and worked with children and families in Indiana and Florida. She obtained her Doctoral Degree in Guidance and Psychological Services, with specialization in School Psychology at Indiana State University (2000). Dr. Shamsaie pursued a clinical pre-doctoral internship and post-doctoral supervised work experience with Hamilton Center, Inc. She has dual licensure as a doctoral level School Psychologist from the Indiana Department of Education and as a Health Service Provider in Psychology from the Indiana State Psychology Board. Dr. Shamsaie's interests include supporting youth in finding academic, social and emotional success. She especially enjoys working with youth involved with the Division of Children's Services and/or Juvenile Justice Systems, admiring the tenacity and resiliency of many of these children and adolescents. Finally, Dr.

Shamsaie enjoys working with children and adolescents diagnosed on the Autism Spectrum, feeling blessed for the opportunity to learn from these children.

In addition to her work at Gibault Children's Services, Holy Cross School, Dr. Shamsaie maintains a private practice in the Terre Haute community, where she provides outpatient behavioral health services to children, adolescents and families. Dr. Shamsaie has taught adjunct courses (2003-2006) to doctoral students in Counseling and School Psychology. She has provided ongoing supervision to doctoral level students in School Psychology by serving as a site supervisor for the National Association of School Psychologists required school based internship experience. Dr. Shamsaie is a member of the American Psychological Association and National Association of School Psychologists. Dr. Shamsaie will provide support to teaching and administrative staff by reviewing special education records and any psychological evaluations completed previously. She will assist in facilitation of meeting the needs of our students who are eligible for special services in school by conducting psycho-educational evaluations as needed. She will consult with teaching and administrative staff as needed to develop evidenced based interventions and monitor students' response to academic and behavioral instruction and intervention. Dr. Shamsaie will provide consultation with administrative and teaching staff to assist with crisis prevention, intervention or response efforts. She will provide support to parents so that they are full participants of the case conference committee and their child's education program. She will assist parents, as needed in understanding community resources and avenues for accessing supports.

Michele Madley, Vice President of Gibault Inc., has over 16 years of experience in the field of Human Services with an emphasis on program development, administration and clinical services for child/adolescents. She has obtained a Masters of Science, Agency Counseling Degree and is a Licensed mental Health Counselor (LMHC) with Certification as a Cognitive Behavioral Therapist (CCBT) certification. Ms. Madley's knowledge of program development and administration will aide the charter school in the development of services required to address the special needs of our students.

Michele Madley: January 2005 to Present Executive Director/Vice President Terre Haute/New Castle Campus. Michele's experience consists of implementation of Facilities management, , Food Services, Education, Household Services, Clinical and medical programs of the Terre Haute Campus, based on the mission of Gibault Inc. Michele performs all performance management issues pertaining to quality improvement functions as required by accrediting bodies and state licensing regulations, she prepares annual departmental budgets and purchases items within the limits of the approved budget. She ensures program compliance with regulatory and accrediting bodies, provides leadership and direction to staff through daily supervision, individual supervisory sessions and annual performance appraisals, on going training and regularly scheduled meetings. She ensures the care, welfare safety and security of all clients admitted within the Terre Haute Campus programs. Michele has been the Lead Founding Group member, working to ensure the application is completed. She has met with other founding members regularly to obtain necessary information for the completion of the application. She has requested regular input from all founding members so that our current school can pursue becoming a charter school. Michele will assist with the development of a complete board to enhance school performance.

Rob Sturm, Director of Residential Operations, Gibault Inc, has over 13 years of experience in the field of Human Services and Education with an emphasis on program development and administration. Rob obtained a B.S. in Mathematics 1997 and an M.S. in Special Education in 2006. Mr. Sturm's knowledge of daily operations in our education program will aide the charter school in the development of services for our students, with a focus on special education, and parent and community involvement.

Rob Sturm: March 2005 to Present, Director of Residential Operations: B.S. Physical Education, M.S. Special Education. Rob participates in the selection, hiring, and orientation of all staff in the residential treatment program. He assists with maintaining facilities management by overseeing the physical

condition of the Terre Haute campus. He provides leadership and direction to staff through daily supervision, individual supervisory sessions, annual performance appraisals, on going training and regularly scheduled meetings, ensures the departments compliance with regulatory and accrediting bodies, prepares annual departmental budgets, directly responsible for the implementation of a residential program, based upon the mission. Rob will assist with ongoing development of the school in the areas of facility, safety and security, and the students who will be residing at Gibault Children's Campus and attending school daily.

Amy Atchley, Chief Financial Officer, Gibault Inc., has 13 years of experience in the area of accounting and fiscal management. Amy obtained a B.S. in Accounting in December of 1994. She received her CPA in 1999 and received the Saint Mary of the Woods Your Outstanding Unique Recognition award in September of 2004. Ms. Atchley's knowledge and experience in Exel, Word, Lotus 1-2-3, PPT+, A/S 400, Universe, Great Plains, Best Fixed Access, and various accounting, tax and research software packages will contribute to reporting properly to the Department of Education and Ball state any required and requested financial information.

Amy Atchley: 2007 to present, Chief Financial Officer, BS Accounting, Certified Public Accountant (CPA) designation, current on CPE requirements. Amy will play a key role in the charter school as she will be responsible for financial, business and reporting for Summit Academy.
(See Attachment #1 Founding Group Resumes/ Attachment #2 for the Principal Resume)

2. N/A Summit Academy did not partner with any organizations, agencies, or consultants while establishing the school as our school has been established and has been in operation as an accredited school.

3. Circumstances and motivations that brought the Founding Group together to propose this school: The Summit Academy Founding group originated, due to a recognized need within our current on grounds school. The parents of current students and placing agencies continued to inquire as to how they might be able to maintain their child in attendance at our on grounds school. It occurred to our admission department as well as our educational staff that many children with special needs or at risk behaviors were not succeeding in the public school. It was at this time that the Summit Academy Founding group was developed in an effort to provide alternative education to students in the community who may have been expelled, suspended or simply not attending school. The Founding group for Summit Academy is a diverse team of qualified leaders. All Founding members have an existing working relationship at Gibault Children's Services and are key players in the current school setting. Members have experience and expertise in Human Resources, Education, Mental Health, Compliance, Behavior Management, Residential, and Financial Operations. The founding group is committed to working toward a successful start-up of Summit Academy.

School Leader and Leadership Team

1. Principal/Head School Candidate

The school leader's role at Summit Academy will be to work toward increasing student achievement and growth on standardized assessments and maintaining effective attendance rates, hiring, evaluating, retaining high quality teachers, and dismissing poor teachers.

The Principal will conduct informal classroom observations frequently and provide feed back, conduct formal evaluations and provide ample collaboration time. The principal should maintain a high level of personal behavior, be able to build relationships with all stakeholders and nurture a culture of achievement. The qualifications for the principal at Summit Academy include:

- State of Indiana Administrative Credentials
- School Administrator experience

- Focus on the mission and vision
- Knowledge of elementary, middle and high school curriculum
- Experience managing others while recognizing the social, emotional and behavior issue of children the teachers will be assigned to.

Principal/Head of school Specific data demonstrating leaders capacity to design, launch, and manage a high performing charter school:

Cary Molinder's academic and organizational leadership consists of the following: August 2006 to Present, Principal, Director of Educational Operations at Gibault Children's Services on grounds accredited school. Cary possesses a B.S. in Physical Education and General Science, a Biology Teaching Minor and M.ED. Educational Administration and Supervision. Cary's relevant experience/skills consist of Supervising a staff of over twenty teachers, providing educational services to students with a diverse set of needs in an overall treatment milieu, coordinating ongoing in-services for education staff, preparing staff and student schedules, selecting, hiring and orienting staff in the education department, providing leadership and direction to education staff by various instruments and techniques, selecting and purchasing school related materials, coordinating ISTEP testing, maintaining compliance with all applicable laws mandates and requirements of the Indiana State Board of Education, overseeing the development and implementation of the school improvement plan as required by P.L. 221, preparing calendars and updates pertaining to student transcripts, oversee and select curriculum for the regular school year and summer school session, over see the development and revision of curriculum as necessary according to Indiana State Standards. (See Attachment #2 Principal Resume)

2. Who will work on full time basis immediately after approval to lead development of the school?

How will the person be compensated? Summit Academy is unique in that we are requesting to become a charter; however, we already have our buildings, school, teachers, principal, assistant principal and support staff in place to continue to educate children as we have for several years. Our principal has been employed within our school for 26 years and we have numerous teachers who have also been employed for as long as thirty years. It is the intention of all of our current educators to work with our sponsor to assure we are meeting regulations as we have in the past. In addition we are familiar with case conferences, parent meetings, back to school events, detentions, financials, confidentiality pertaining to records, scheduling, transient students, obtaining prior school information, credits, etc. It will be the responsibility of our principal to continue to conduct our school as it has been conducted. It is the responsibility of the founding members to transition founding member responsibilities to a fully developed board. Development of the board will be a focus of the founding group.

3. Describe the responsibilities and qualifications of the school leadership/management team (beyond school leader)

Summit Academy will be managed daily by a licensed Indiana Principal or his or her designee being the Assistant Principal, also a licensed Principal. The Principal or his or her designee will comply with all laws, mandates and reporting requirements set forth by the Indiana Department of Education. Hiring practices will be conducted by the Principal or his or her designee in coordination with the Human Resources Department. Finances will be monitored by the board of directors of Summit Academy and the Chief Financial Officer for Gibault Inc.

The first year staffing would include a principal, assistant principal, administrative assistant and two instructional aides. This staffing arrangement would remain consistent for the term of the charter. The first year instructional staff would include three K-9 teachers, four special education teachers, a physical

education and health teacher and four secondary teachers licensed in social studies, science, mathematics, and English. Subsequent enrollment will determine licensure areas of future teachers hired.

Gibault Children's Services has been effective at managing the operations of our current on grounds accredited school. The current group of individuals involved in the management of the school, have an array of skills in school management, business and finance, curriculum, special education, community and student development, college and career assistance and the past and present management of Gibault Children's Services school and facility. Summit Academy's leadership includes:

- Michele Madley- Vice President Gibault Children's Services
- Cary Molinder- Principal (Resume included in attachment 2)
- Robin Shamsaie- School/Clinical Psychologist
- Rob Sturm-Director of Residential Operations
- Brion Blanc- Assistant Principal
- Amy Atchley-Chief Financial Officer

SECTION I: EVIDENCE OF CAPACITY - GOVERNANCE

1. Governance Structure and Composition: Summit Academy Board of Directors will be responsible for carrying the mission of the school into the community and bringing the views of the community into the school. Summit Academy will be managed daily by the School Principal and/or his/her designee for example (Assistant Principal). Summit Academy will abide by or exceed state standards pertaining to educational hours provided daily. The Board will delegate the responsibility of running the Charter and implementing board policies to a Principal. Where appropriate the Principal will delegate certain responsibilities to the teachers.

- Summit Academy Board of Directors will be responsible for the following:
 1. Implementing the mission by providing each student the opportunity to reach his/ her greatest potential This will be done through a safe, disciplined structure and creative environment that prepares students for academic success. The board will periodically review this mission and each board member will fully understand and support the mission.
 2. The Principal will work with the board to determine a periodic evaluation of the Principal's performance.
 3. The Board will approve the annual budget and ensure the proper financial controls are in place.
 4. The Board will articulate the organizations mission and goals to the public as well as gain support from important members in the community to increase public relations relevant to conducting the charter school.
 5. The Board will annually review its own performance and work to decide which areas need improvement.
 6. The Board will work with the Principal and the fund development staff to raise funds from the community.
 7. The Board will work with the principal and CFO to ensure compliance with all local/state/federal regulations and accountability measures of the authorizer are in place.
 8. The governing board will not manage the day to day operations of the school. This will be the responsibility of the Principal.

As noted in our Bylaws, Summit Academy Board of Directors shall have the number of members, not less than seven or more than 15, as designated by resolution of the Board of Directors.

2. N/A

3. Governing Entity's Responsibilities: The founding group members will be responsible for establishing a complete Governing board. The founding group is involved in the application process, the development of governance documents and make up and they have and will continue to be active in the development of the school once a charter is granted. Board Development will continue if the charter is approved. The founding group will meet bi-weekly to monitor the start up process. Summit Academy chose one of the three models presented by Gary Gruber Ph.D. consultant with Carney Sandoe and Associates, Santa Fe. The model Summit Academy will implement includes conducting our school's Board of Directors with a structure of officers, by-laws and delegation of management to a principal. As stated by Gary Gruber, this model draws inspiration from the approach to board governance traditionally found in non profit organizations.

Summit Academy will be managed by the Board, subject to the Articles of Incorporation and established Bylaws. The Board shall operate in awareness of its trusteeship obligation to its charter and stakeholders.

The Board will acquire the skills and knowledge that make for board excellence. The Board will assess the board's growth and progress through annual evaluations throughout the year. The Board will lead the school throughout the establishment of the broadest organizational policies with a primary focus on developing a school that accomplishes its mission.

4. Procedures: Election/Selection of our initial three Board members occurred by our founding members seeking qualified applicants, contacting and meeting with each interested individual. The selection was not a difficult process for our members as we have an already existing school. The three individuals chosen, currently volunteer their time and services to the improvement of our existing school. The founding group will identify additional board members once the charter is approved. Meeting procedures are outlined in the bylaws, as is board membership procedures.

Election/Selection of our future board members will be completed year round and not in a traditional ad hoc nominations process. The board will review the mission, vision, goals and determine new skills, personal contacts and other attributes on a year round basis. This will occur after the completion of the strategic plan and a written board director job description will be created so that board responsibilities are clarified to those who wish to apply. A board development committee will be established so that recruiting priorities can be established. This team along with the Principal will develop an initial list of prospective board directors. Following review of these individuals, the committee will initiate personal contacts with prospective individuals. A formal invitation letter will be mailed to possible candidates, and a copy of the position description and additional materials about the charter school board and its responsibilities. This mailing will be followed up with personal calls and the individuals will be invited to attend an in person orientation session if interested.

Prior to the orientation session, a prospective board director will be offered an opportunity to visit Summit Academy to meet some of our current students and the Principal and other staff. Following the orientation process, any interested prospective board director wishing to continue the process will complete a questionnaire that provides Summit Academy background information. The board committee, will then meet and review all of the individuals who participated. Final selection of new members will then occur in accordance with Summit Academy Board Bylaws.

As stated in the Summit Academy Bylaws, The Board of Directors may hold regular meetings, as fixed by these bylaws

Board meetings will occur 8 to 12 times per year.

The Officers of Summit Academy will consist of a Chair, a Secretary, a Treasurer and such other officers as the Board of Directors may otherwise elect. Each Officer shall serve a one year term or such other period as prescribed by the board at the time of such election, and until the officers successor is elected and qualified. Refer to Bylaws.

5. Ethics and Conflicts Of Interest: Summit Academy is committed to conducting all business through the efforts of our highly skilled employees with honesty, integrity, and in substantial compliance with the letter and spirit of all applicable federal, state and local laws, regulations and standards. Further, Summit Academy is committed to maintaining a working environment that permits our employees to demonstrate the highest ethical standards in performing daily tasks. Summit Academy has established compliance as part of the mandatory competencies for all employees. Summit Academy will authorize initial and continuing education on compliance related issues for all board members to be coordinated at least annually. Written certification of training and compliance with the Code of Conduct will be required of all board members. Once appointed to the Board, a board member is expected to disclose any personal business, or financial relationships with vendors or organizations or individuals doing business with the school. Board members and staff members in decision making roles will make known their relationships with groups doing business with Summit Academy.

Terms and Removal of Board Members:

1. Each Board member will serve for a term of three years or such other period as prescribed by the directors at the time of such election, and until his or her successor is elected and qualified. Following the expiration of a director's term at least one year must elapse before he or she again may be elected to the Board of Directors.
2. 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 Secretary. The acceptance of the resignation shall not be necessary to make it effective.
3. 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) violation 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 service
 - 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 but not limited to the articles, these By-laws, and the Charter Agreement.
 - d. Inadequate attendance at meetings of the Board of Directors, defined as absence from two or more regular meetings in any calendar year.

6. Advisory Bodies: N/A Summit Academy will not begin operation with an advisory board, but may consider future development of such structure in accordance with our bylaws.

7. Grievance Process:

- 1
 - a. A person or group that wishes to express a complaint/issue is encouraged to directly discuss and resolve the complaint/issue with the staff member/employee the complaint/issue concerns. If the matter is not resolved, it must then be directed to the attention of the school Principal.
 - b. A person or group that wishes to express a complaint/issue about the school principal, is encouraged to resolve the matter directly with the school principal.
2. If a complaint/issue can not be resolved by the above mentioned process, the school contracts with a third party mediator, Gibault Children's Services, Inc., to assist with resolving a complaint/issue. In order to access the process, the complaint/issue is directed to the Executive Director or designee of Gibault Children's Services Terre Haute Campus. A process will be initiated to resolve the complaint/issue which will include consulting with the person or group having the complaint/issue and the principal, among others if necessary
3. If the issue can not be resolved by the Executive Director or designee of Gibault Children's Services Terre Haute Campus and the person or group with the complaint/issue requests, the person or group with the complaint/issue may address the matter to the school board for resolution. The complaint/issue must be delivered to the school board by a document fully outlining the nature of the complaint/issue, the reason for appealing to the school board and the desired outcome/resolution sought. The document is delivered to the school board by delivering the document to the Executive Director or designee of Gibault Children's Services Terre Haute Campus whose responsibility is to ensure it is delivered to the school board. The school board will consider the request to hear the

appeal. If the request is approved, the person or group will be invited to appear before the board. Any employee against whom a complaint is made may also appear. A board decision regarding the appeal will be communicated in writing to the person or group and to the individual(s) against whom the complaint/issue was made, if applicable

School Management contracts N/A

Summit Academy does not intend to contract with an Education Service Provider. Summit academy will organize and operate a charter school in Terre Haute, Indiana pursuant to the Indiana Charter Schools Law. Summit Academy is able to organize and operate a public charter school independently.

SECTION I: EVIDENCE OF CAPACITY - NETWORK VISION, GROWTH PLAN & CAPACITY

Gibault Children's Services educates students with significant challenges. It is not uncommon for our agency to receive students who have been placed in numerous foster families, residential, detention settings, acute and short term Psychiatric etc. We have been informed by several placing agencies that the children determined to need our services are the children that have failed in all other settings. It is easy to state that the children we accept in to our school come from challenging family situations and are academically behind. Unfortunately, our staff might be pleased if these were the only two factors contributing to the academic difficulties our students face. When our admission committee agrees to accept a student in to our care/academic setting, we are often met with a child that has completely given up on life, and therefore school is the last thing they consider important. If a student arrives to our school having been in detention, due to running away and stealing food, our first goal is to find out what contributed to the actions leading to her placement. When we discover that the female student attempted to inform her mother that her step father was repeatedly raping her but no action was taken, she believed her only option was to run away. Upon arrival to Gibault, we inform the student that in two days she will be required to take the ISTEP. Our staffs recognize she is not going to do well when the only two questions she has for us consist of whether or not we can provide her with a toothbrush and a room with a lock on the door. The challenges many of our students face are unspeakable, yet our school has managed to graduate 46 students and presently 67% of our students have IEP's. Our present school establishes strong relationships between staff and students. Our teachers, given enough time, are able to assist many students who are behind in academic progress to recognize that their education can be a contributing factor to their future success. While reading several charter school proposals submitted to colleges, and the office of the Mayor, we noted that many stated they help students who are on an average two grade levels behind when they enroll. Gibault has accepted students multiple grade levels behind in math and reading when they enroll. Although this makes it difficult to achieve short-term success with this population, it is our belief that these children do deserve an education and our population truly represents the children that have been left behind.

Summit Academy wishes to become instrumental in developing the operations and vision of our current school, because we believe if we can be successful with students who have failed in a traditional public school, often failed in a residential or foster family, we can open our doors to students in the community who have and are struggling. We believe we can reach these students as well as the students placed here by outside agencies. If you ask our students presently attending school on our campus, many will respond by stating they were ill-suited to the traditional public school setting. They will explain that they did not succeed and that they did not feel they had many options. Most recently our school attempted to enroll a student in our local middle school due to his agency requesting that this child participate in a public school experience prior to returning to his home community. The agency granted us permission to share with the school a portion of the reason the child was placed at Gibault as we believed it was a matter of safety for all involved. When the school learned of our request to permit the child to enroll but with a request to have the child change for gym in a separate area, the school sent the request downtown. The school stated they could not enroll the child in school due to not having the personnel to watch the child. Our school did not ask for the child to be watched and we are aware that the said child does not have a right to be denied entrance in to a public school, but now the child is expressing a desire to not attend the school, because he doesn't want to be treated the way they treated him, during the process of attempted enrollment. Gibault is aware, that we can pursue the issue, but if we pursue, is it now in the best interest of the child? We will accept these children because we feel they need educated and we do believe with proper attention, and intervention, and education, the child has a greater chance of success than if not educated. If granted a charter, it will continue to be our goal to reach out to students and families as we have for many years, but with the ability to reach out to our own community and offer an alternative choice that might fit a student. We believe strongly that if we can support and ensure the quality of success that we have displayed and with the difficult population that has been given to us, that we can do

the same in a new Charter School. It is our intent to become successful by educating students that have not been successful elsewhere and although we recognize this challenge, we believe we will need to evaluate our students on the quality of our approach with the type of student we serve. It is our intent to use relevant and strict accountability measures that take in to account our unusual student population. At this time there is not a plan to develop or apply for opening additional charter schools. The current proposal process had originally started before the Indiana Charter School Board was developed in 2008. A proposal was developed for Ball State University to act as sponsor. Work on the application to Ball State University Office of Charter School (OSC) culminated in mid October 2011. Summit Academy received guidance and feedback that our proposal was sound and that (OCS) was preparing to present our application to the Ball State University president for final approval. Work was suspended on the fall 2011 application to ICSB. In December 2011, the Ball State University president declined to give final go-ahead approval of the application. We were informed our denial was due to the at risk population we serve. At this time our intent to open one successful charter school was suspended. If we are granted a charter, it is our intent to evaluate our successes and determine operation of future charter schools.

Our first accreditation cycle started in 1998-1999 for NCA. Prior to that we participated in Performance Education Accreditation in the mid 90's, and we have been accredited by the DOE since 1998. Our accreditation history displays our ability to maintain operation beyond five years. In addition Gibault Children's Services has been in operation for over 90 years.

SECTION I: EVIDENCE OF CAPACITY - NETWORK MANAGEMENT

School -and organizational –level decision-making authority

Function	Network/Management Organization Decision-Making	School Decision-Making
Performance Goals	School Board	Principal, team leaders
Curriculum	School Board	Principal, team leaders
Professional Development	School Board	Principal
Data Management and Interim Student Assessments	Gibault Children's Services	Principal, team leaders
Grade Level Promotion Criteria	School Board	Principal
Culture	School Board	Principal
Budgeting, Finance, and Accounting	Gibault Children's Services	Principal monitoring
Student Recruitment	Gibault Children's Services, School Board	Principal
School Staff Recruitment and Hiring	Gibault Children's Services, School board	Principal
HR Services (payroll, benefits, etc.)	Gibault Children's Services	Principal consults with Gibault Children's Services
Development	Gibault Children's Services, School Board	Principal, team leaders
Community Relations	Gibault Children's Services, School Board	Principal
Information Technology	Gibault Children's Services assigned person	Principal consult with Gibault Children's Services
Facilities Management	Gibault Children's Services assigned person	Principal monitoring
Vendor Management/Procurement	Gibault Children's Services, School Board	Principal requests
Other operational functions, if any		

SECTION II: SCHOOL DESIGN - EDUCATION PLAN

Curriculum and Instructional Design

1. Framework for the proposed instructional design: The needs assessment indicates the history of underachievement in Summit Academy's targeting demographics in the area of free and reduced lunch and special education subgroups. Upon enrollment, formative assessments in academic and behavioral areas are administered to determine appropriate programming for the individual student. An appropriate plan of study and treatment will be determined based on the results of the assessments. Diagnostic assessment information will be disseminated to the appropriate staff to provide guidance to developing a roadmap of teaching, learning and overall behavior change.

Basic learning environment, class size and structure

The instructional design of Summit Academy consists of classroom instruction supplemented with computer based activities when appropriate, utilizing a low student to staff ratio in small classes. Instruction may occur in a variety of ways such as one-on-one, small group, online, whole class, cooperative learning activities, laboratory experiences and field trips. Instructional strategies may include direct instruction, interactive instruction, indirect instruction, independent study, and experiential learning. Teachers will be assessing student prior knowledge and develop a connection from that prior knowledge to the introduction of new learning, a scaffolding concepts and skills necessary to master the standards addressed. Students then interact with the new material by analyzing information, demonstrating, and practicing new skills. Time is allotted for the student to demonstrate in writing, verbally or other assessment avenues, the impact of the lesson. The quality of the impact of the instruction toward learner goals is assessed informally on daily basis by the teacher. In addition to regular feedback from the teacher students will receive more frequent feedback in the form of 3 week progress reports on a 6 week grading period. The instructional design supports the goals and objectives because the standards are the basis for instruction. These standards are the basis of ISTEP+ grades 3-8; end of course assessments in English/Language Arts and Algebra I and NWEA MAP.

Overview of curriculum

An overview of the school curriculum would include instructional focus on reading, writing, mathematics, science, social studies and selected electives. The school curriculum of Summit Academy will provide access to the common core standards for all students. The school curriculum will be driven by Indiana Department of Education academic standards focusing on common core standards in English/Language Arts and mathematics. This emphasis will be evident in lesson plans and curriculum maps. Double-block scheduling could also be utilized for students in taking English 10 and algebra I as well as increasing instructional time in literacy.

Subjects to be included in the curriculum, i.e., English language arts, mathematics, social studies, science, music, art etc.: Summit Academy will operate a comprehensive year-round education program through a traditional school year with a supplemental summer school session. Summit Academy will be comprised of a self-contained and semi self-contained K-8 program, as well as a departmentalized high school. The K-8 program is designed to provide instruction in math, language arts, reading, social studies, science and various electives in art, music and physical education. The high school departmentalized program will assist each student in progressing towards a high school diploma and making improvements on state mandated assessments such as ISTEP+ and End of Course Assessments. Courses will be offered in social studies, language arts, mathematics, science and electives in art, music and physical education. Select students will also be able to earn credits through the Plato Learning Environment. Students utilizing the computer based instruction will also take traditional classes in areas of their greatest academic need.

Use of technology in delivering instruction

Summit Academy will implement technology to support learning goals by utilizing interactive white boards in most classrooms. Professional development on interactive white boards used will be incorporated to gain the most benefits for student learning. Portable laptop carts servicing classrooms are currently in use as well as a computer lab with 10 wireless computers, printer, and internet access for student use as well as for electronic assessments of NWEA. Another computer lab dedicated for credit recovery/accrual programs is also currently operational. All of the above mentioned technology will be used to address content in the areas of reading, writing and mathematics especially to address school goals. The use of media and technology will provide greater access to content and allow teachers to more effectively address various learning styles and also increase technology related skills.

Plans for ensuring the school is staffed with highly effective teachers

The instructional strategies and methodology that all teachers need to know and use at Summit Academy would include anticipation guides, K-W-L, concept mapping, choral reading, didactic questions, Frayer models, problem solving, quick writes, reader's theatre, and various graphic organizers. Teachers would need to know a variety of collaborative methods such as parallel teaching, alternative teaching, and station teaching as well as maintaining high expectations for all learners, differentiating instructional practices in addressing student's needs, and creating learning environments that incorporate incentives for success.

Students will have experiences based on best practice strategy and methodology. To ensure this administration will monitor lesson planning, observe that stated plans are carried out by formal and informal observation of teaching and learning in the classroom. Teachers will receive professional development to support greater learning opportunities for students.

To develop and maintain consistency in the delivery of instructional strategies and methodology, all teachers will participate in in-service experiences on best practices. Best practice strategies that are the focus of in-services will be implemented in the classroom across the curriculum. Teachers will be provided growth opportunities to refine their use of strategies and methodology through observations of other teachers and administrative formal observations. Follow-up dialogue after observations will be necessary in order to maximize feedback to improve teaching and learning. The impact of the strategies will be determined through a regular, thorough review of summative assessment data in specific areas of reading, writing, mathematics and behavior.

Assessment information will be used to drive instruction in two ways. As a diagnostic tool teachers will use assessment information to tailor instruction in the classroom. Pre and post test information will be reviewed daily by staff in morning meetings so that staff may identify areas of strengths and weaknesses in instruction and student learning.

Evidenced-based support

A variety of research is available documenting successful approaches with students who live in poverty and/or have special needs in a typical school setting. Because Summit Academy will serve students who have been involved in the juvenile justice system and other public agencies, students who have not been in school, have special needs, have been raised in poverty, are at risk of dropping out or need a greater focus on individual needs, a variety of research based strategies from different researchers and programs have been utilized. In working with this difficult student set, research from authors such as Eric Jensen, Robert Marzano, Ruby Payne and Mike Schmoker are examined and their research put into action.

2. Specify instructional strategies that your school will implement: The instructional design of summit academy will utilize various formative assessments both formal and informal to determine the individual academic needs of each student. Teachers will be proficient at scaffolding and differentiated instructional methodologies within the classroom. Teachers will receive professional development experiences and collaboration to identify and refine effective best practices for students from low

socioeconomic and special education subgroups. The curriculum will allow for students to have additional instructional in language arts and mathematics yet still receive instruction in other core academic areas, music, art and PE.

Summit Academy will ensure that curriculum and instruction is aligned to standards through administrative review of lesson plans, and formal and informal observation of teacher performance. This will additionally be supported by professional development activities including in-service training, classroom observation and follow-up dialogue and collaboration.

3. There are not any features that would differ from our current educational model.

4. A course scope and sequence by grade level and course is included in attachment 11.

Pupil performance Standards:

1. Exit standards for grades 12, 8 and 5 are included in attachment 12
2. Promotion decisions for grades 5 and 8 will be made during the last two weeks of school. Promotion will involve a review of three areas: attendance, final reading and math grades, and a state-wide assessment. Beginning in 2012, the Indiana Reading Evaluation and Determination (IREAD-3) Assessment will be administered statewide to third graders and determine their access to grade four curriculum.

Grades 5 + 8 NWEA Assessment	Absences	Academic Performance	Reassessment Required	Summer School Required	Promotion
At or above 25 th percentile in reading and/or math	Less than 10	C or above in math and reading	No	No	Yes
	10 or more	C or below in reading and/or math	No	Yes	After successful completion of summer school
At or below 24 th percentile in reading and/or math	Less than 10	C or above in reading	No	Yes	After successful completion of summer school
	10 or more	C or below in reading and/or math	Yes	Yes	After successful completion on summer school and reassessment at or above 25 th percentile

Promotion Criteria

- Assessment
The assessment used could be a state assessment administered by Summit Academy and/or the Northwest Evaluation Association (NWEA) Measures of Academic Progress (MAP).
- Academic Performance
The academic performance is the final report card grade in math and reading

- Attendance
The attendance includes all absences, excused or unexcused, during the school year.

Additional Criteria

- Students with disabilities are held to the same criteria as their non-disabled peers except as modified by their IEP.
- Satisfactory summer school completion includes fewer than 5 absences and all passing grades.
- No student will be retained more than twice.
- A student scoring below the 25th percentile, has ten or more absences and grades below a C in math or reading will need to re-take the NWEA MAP at the end of summer school and score at or above the 25th percentile to be promoted.

Graduation criteria and the Promotion Policy will be posted on the school website and copies will be mailed to parents. Additionally, this information will be communicated at open houses, student convocations and individual guidance meetings.

High School Graduation Requirements:

To graduate from Summit Academy, a student must fulfill the graduation requirements as set forth by the Indiana Department of Education. To earn a Core 40 diploma, students will need to pass the End of Course Assessments and complete a course plan that meets the following criteria:

English/Language Arts-8 credits
 Mathematics-6 credits
 Science-6 credits
 Social Studies-6 credits
 Directed Electives-5 credits
 Physical Education-2 credits
 Health and Wellness-1 credit
 Other Electives-6 credits

Summit Academy will offer the following electives:

Advanced Two-Dimensional Art
 Applied Music
 Art Appreciation
 Basic Skills Development
 Business Math
 Career Exploration Internship
 Ceramics
 Composition
 Computer Applications
 Environmental Studies
 Instrumental Ensemble
 Language Arts Lab
 Mathematics Lab
 Physical Science
 Printmaking
 Topics in History
 Two-Dimensional Art

Students will earn credit shown by demonstrating skills in the content as stated in the description of the state approved course. For courses that have academic standards defined, students will attain proficiency in the described standards for each course. Summit Academy will have curriculum maps for all courses offered. Dual credits courses will be explored to meet individual academic needs, such as advanced placement courses, of students through IVY Tech Community College. The opportunity for dual credit on IVY Tech’s campus is a possibility as the main Wabash Valley campus is less than five minutes away. This would come at a cost through the school or student. Additional courses may also be completed on-line via Plato Learning Environment. Student grade point averages for each course are calculated based on the final grade students earn in each course.

GPA Chart

A =	4.0
A- =	3.67
B+ =	3.34
B =	3.0
B- =	2.67
C+ =	2.34
C =	2.0
C- =	1.67
D+ =	1.34
D =	1.0
D- =	.67
F =	0

High school transcripts shall contain at minimum attendance records, ISTEP+ scores, secondary and postsecondary level certificates, immunization information and dual credits as described in IC 20-33-2-13. In addition the transcript will contain contact information for Summit Academy, student demographic information, details on the term each credit was earned, PSAT, SAT, and other assessment information.

Additional graduation requirements for students, who “opt out” of Core 40 curriculum due to falling below the twenty-fifth percentile and/or failing excessive number of Core 40 classes will instead pursue a General Education Diploma and additionally will be required to complete a Career Exploration Internship as outlined in the Indiana Department of Education course description.

Summit Academy’s program is structured and focused to meet the needs of students; students who have dropped out and those that are in danger of not graduating. As described in the earlier sections, students will receive more individual attention and instruction. Positive behavior supports provide incentives that allow a student to attain a level of success that fuels a reengagement with their academic career.

**School Calendar and Schedule:
Attachment 13**

School Culture School Culture

1. The culture of school not only includes an academic focus, but has, and will have, supports that allow a student to grow and mature socially, emotionally and behaviorally. To promote social development, Summit Academy will utilize a character education program in all grades with lesson plans, activities and student recognition for progress. Staff also receives professional development in instruction and social interaction strategies with our targeted demographics. Many of the students also receive therapy services outside the school day to address emotional progress and coping skills. The school has a well developed discipline system for addressing

negative behavior as well as positive behavior supports as explained in attachment 12, Student Discipline Policy.

2. The culture of the current school has already been established. As a charter school, there would need to be greater involvement with parents to communicate with parents by holding open houses, school newsletters sent regular mail and email. The school holds patriotic programs, award luncheons, graduation ceremonies where the community will be invited. Prior to the school day, morning convocations are used to recognize students who have earned recognition through our positive behavior incentive program.

3. I am a student at Holy Cross High School. I've been attending Holy Cross since June 8, 2010. I came to Holy Cross with zero credits and as of right now I have 21. Holy Cross is not an ordinary high school, in my perspective it is better and a more favorable school. I have many reasons as to why I think this.

Waking up in the morning I actually look forward to school because the teachers there make me feel acknowledged with their individualized attention and supervision. I also get a direct lesson on a subject because the classes are smaller than a normal public high school. There are also less distractions and slim chances of my education being sabotaged by a disruption in the class because there are so few students.

Also instead of going along with everyone else's pace, teachers at Holy Cross are reluctant to rush through a lesson until they feel that I have a general comprehension and understanding of whatever it is I am learning. Nor are the teachers hesitant to stay after school with me for tutoring if requested. I move on to different lessons frequently as a result of the one-on-one tutoring in the classroom setting. This also applies to the credit recovery class Holy Cross provides, which allows me to take classes on-line and move at my own pace, and if at times I might not understand the directions the computer is giving me then I am encouraged to ask for a certain teachers' help depending on what class I am taking on-line. I am motivated to behave at school because of the recognition and rewards I get from the whole educational staff

When I leave school everyday, I take more knowledge, morals, and self-confidence along with me, than I went to school with that day. This is what I see and experience everyday at Holy Cross. This is a summary for my regular day at Holy Cross High School.

Written by Julio, Holy Cross student

4. I have been an English teacher at Holy Cross School for 12 years now. I have taught in the public schools previously to coming here, but I prefer the atmosphere at Holy Cross School. I know when I start my day that a student needs me. I enjoy the greetings of the students as they pass me on the sidewalks in the mornings. My first task of the day is to attend our Education 8:00 A.M. staff meeting. We discuss many things that pertain to the students academically, behaviorally, and socially. I'm asked for input on the student's progress. I also participate in the discussions of up-coming events, changes in the day's schedule, professional development, and best practice strategies. From my meeting, I gather my supplies, paperwork, and books needed for the day's classes.

I head to my first building to meet my students in the classroom. This is an important transition of the day as the students are coming from the dormitory and entering the education setting. This is when I need to be on top of my game greeting the students making sure they feel comfortable and ready to learn. I use humor, verbal and nonverbal cues, and eye contact to get the students focused. I have lesson plans ready to start knowing that my students are receptive and attentive to learning. I continue using the same mannerisms as I go to all of my classes. The students feel more at ease when I enter the classroom on a good and positive note. If I notice a student struggling, I know with the classes being small that I can go sit by the student and assist. Sometimes, I'll have a brighter student tutor or buddy up to help the other student. I give the

students respect and encouragement throughout my day. Even during passing period, I'm out in the hall shaking hands and patting the students on the back. They seem to be more receptive and can demonstrate the same traits. Within the classroom, I also like the freedom that if my lesson plans are not working for the moment that I can alter them to fit the mentality of the students.

During lunch, I eat with the students like we are a family. I love this time because the students show more of their personality and feel freer to share personal stories or even their concerns. I enjoy the relationship-building at this time. After lunch, I recreate or walk with the students. Once recreation is over, I attend a couple more classes. Once the students are dismissed at the end of the day, I work in my classroom on papers or grades. I also like visiting other teacher's classrooms so we can share our day's events. Come quitting time, I know that when I leave that I have done my best for the day for when I come back tomorrow, those same students say Hi again with smiles on their faces.

Written by Ms. Smith, current Holy Cross
School Teacher

Supplemental Programming

1. Summit Academy will offer a nine week half day summer school program. The school day runs approximately 8:30 am to 12:30 pm with enough time for high school students to meet the amount of instructional time to earn two credits. The program would focus on reading, language arts, and mathematics at the K-8 level. At the high school level, the course offerings would include language arts lab, mathematics lab, science and social studies electives, health and wellness and physical education. Courses selected are reimbursed by the state as Category I core curricular programs or classes required for graduation at a 70% rate in 2011.
2. Summit Academy does not plan to offer any co-curricular or extra-curricular activities under the terms of this charter.
3. Summit Academy will be located on the Terre Haute Campus of Gibault Children's Services. Although the school itself will not deliver therapeutic services, many students will have the opportunity to receive therapy services from the clinical department. Available services funded by external sources include individual group and family therapy, psychiatric services, and routine medical and dental care and screening beyond that required for a typical public school.
4. Included as a school goal is social, emotional and behavior assessments to measure students at enrollment and at a later time intervals. Therapeutic and educational goals support progress in the three areas. Student focused programs during the school day include an extensive positive behavior reward system and character development program focusing on selected character traits and associated lesson planning, instruction and activities.

Special Populations and At-Risk Students

1. Summit Academy will devote various resources to serving special needs students. As this is one of targeted demographics Summit Academy plans to employ on staff four special education teachers. Caseloads and class loads will vary from teacher to teacher but all teachers will have built within their schedule at least one period for case conferencing and other responsibilities associated with IEP development, monitoring communication with general education teachers, and observation. Additionally, Summit Academy would contract a school psychologist for testing, evaluations and consultation purposes, and also contract for a speech and language pathologist. Specific professional development activities needed in serving students with special needs are diverse and could include conferences and workshops offsite with teachers bringing newly acquired ideas and skills to Summit Academy and being provided collaboration opportunities with other special educators.

2. The supplemental instructional design will meet the range of learning needs at Summit Academy. Upon enrollment students are tested to determine current academic skills. Students are placed in an ability based class determined by testing, age, and other individual factors. Within the classroom, student's assignments can be tailored and modified according to individual student needs. Teachers will modify assignments based on IEP's, student learning styles and utilize a variety of methods and strategies to determine what students know, what students learn, how students will learn it and how students will express what they have learned. General and special education teachers will collaborate daily in the morning meetings. This time will be used to plan for instruction in co-teaching arrangement, review assessment data on individual students to assess progress on IEP goals.
3. Students with ELL needs are referred for screening and interventions. This process includes identifying problems and applying/teaching strategies that address the specific problems. A case committee consisting of the English teacher, parent and other interested parties should develop a plan of action and have a follow up meeting to assess the effectiveness of the intervention plan. If the plan does not work, referral to special education is an option, and Article 7 procedures are followed. Ideally students are tested in their native language. If this is not possible, the school can engage a trained interpreter. Other strategies for ELL students can include: direct teaching of socially and culturally appropriate language, nonverbal language, proxemics, role playing, peer mentoring, one-on-one help, and grade level reading strategies. Monitoring ELL students includes assessing skills in listening, speaking, reading and writing. Proficiency in these four areas is important and can be assessed by qualified personnel and valid testing. Summit Academy will recruit licensed teachers and paraprofessionals who have experience working with ELL students.
4. Summit Academy's overall approach to serving students with special needs will involve a multifaceted approach rooted in school-wide positive behavior and intervention strategies or SWPBIS. This approach utilizes an agreed upon set of school wide behavior goals, staff buy-in, character education instruction, clear discipline policy and procedures and positive behavior programs within the school for short term and longer terms. This program involves data collection on each facet to attain more for results and outcomes and to refine programming. Specific details of this program are available at www.pbis.org
5. To create a learning environment in which gifted students can fully develop their abilities and interests, services begin in the regular classroom. The teacher can act as a facilitator or coach to help develop the skills necessary to learn, understand and interpret information. Strategies might include teaching ability based rather grade based textbooks and curriculum. Other strategies are curricular compacting, contracting and credit by examination, and these can be integrated into the classroom. Designing instructional opportunities based on the student's strengths, weaknesses, interests and needs will demand flexible plans and management. Summit Academy will recruit licensed teachers and paraprofessionals who have experience working with gifted students. Monitoring the student's progress through the curriculum and administering valid tests will provide assessments of the student's progress.

Student Recruitment and Enrollment

Summit Academy Charter School is open for enrollment to any persons in Indiana from grade K-12, who wishes to apply. However, our focus will be serving an at-risk population demonstrating behavior, academic, and social difficulties such as expulsion, juvenile justice system involvement and maladaptive behaviors. Our marketing and promotion will continue to focus on providing opportunities for students in need of services through the DCS, DOE, county probation departments and juvenile justice personnel,

mental health organizations and other social service agencies. Avenues of new student recruitment will focus on Vigo County and adjacent communities. Specific strategies for recruitment would include targeted direct mailings, announcements in local media, flyer distributions to businesses, community meetings and through electronic postings and emails. **The enrollment policy is outlined in attachment 14.**

Student Discipline

1. According to reports released by the Council of State Government (CSG) Justice Center students who are repeatedly suspended or expelled are less likely to finish high school successfully. The Texas study Breaking School's Rules: A Statewide Study of How School Discipline Relates to Student's Success and Juvenile Justice Involvement had several key findings summarized below

- Half the students with at least a dozen disciplinary actions were involved in the juvenile justice system.
- Three percent of the actions were for zero-tolerance policy actions.
- Almost half of students with at least a dozen disciplinary actions failed to graduate.

The report's findings suggest that there are major differences between similar schools but yield different disciplinary action records. The report also concludes on steps needed to be taken to improve discipline programs in schools. Once such program is school wide instructional-positive behavior support (SWPBS on www.pbis.org). This program has a multi-tier level of prevention and incorporates positive behavior support into a comprehensive discipline program. In another article from the National Association of School Psychologists, Fair and Effective Discipline for all Students: Best Practice Strategies for Educators, states that ... "zero-tolerance" policies have proven largely ineffective and even counter productive"... The article promotes researched based strategies that increase desired behavior and not just using punishment to decrease negative behaviors. Summit Academy will employ a discipline program that is comprised of numerous positive behavior support systems both school wide and teacher developed in addition to a detention based system.

2. Contained in Attachment 15

SECTION II: SCHOOL DESIGN - PARENTS & COMMUNITY

1. Since 1988 Gibault Children’s Services has served the following number of children:

Corporation: 8030		School: D725		Total Enrollment: 2435	
1988 – 92	1989 – 71	1990 – 118	1991 – 119	1992 – 135	
1993 – 104	1994 – 103	1995 – 111	1996 – 104	1997 – 115	
1998 – 116	1999 – 121	2000 – 124	2001 – 103	2002 – 107	
2003 – 76	2004 – 103	2005 – 82	2006 – 76	2007 – 87	
2008 – 87	2009 – 94	2010 – 61	2011 – 71	2012 – 55	

Holy Cross High School has been in operation as an accredited school since April 1, 1998. The percentage of students enrolled who have an IEP is currently 67%, representing the extraordinary needs of the students we accept in to our school.

Children are placed at Gibault by the Department of Children’s Services, Juvenile Probation, Department of Education, Private Referrals, and Parent referrals (when admitted in to our Psychiatric Residential Treatment Facility). At the time of admission, these children are enrolled in our on grounds accredited school. Summit Academy will continue to accept these children into our educational program.

Summit Academy is unique in that it is supported by not just the local community, but several communities. Summit Academy most recently received support for the charter application from the Department of Children’s Services. Gibault circulated a brief survey, requesting input from current placing agencies. The Department of Children’s Services attorney, Regina Ashley responded, that DCS is committed to ensuring the educational well-being of the children in its custody and care. “We at DCS wish the best for you in this endeavor.” Summit Academy believes strongly that the Department of Children’s Services, often acting as guardians for students in our care are indeed stakeholders. Other stakeholders include probation officers, juvenile judges, special educators and parents from the local community who advocate and care for some of Indiana’s most vulnerable children. These children are often the ones who are left behind.

Holy Cross School currently has two children enrolled that have completed residential placements at Gibault. One student attends our local high school half day and is a member of the ROTC program. The other half of the day, she attends our on grounds school. She was a client in our care for approximately three years and she is diagnosed with an Autism Spectrum Disorder. Her parents requested this arrangement as they believed it was in her best interest. The other client was originally in our locked Psychiatric Residential Treatment Facility. During the discharge planning phase, his mother completed an application to the Choice Scholarship program for here son to attend Holy Cross Private School. He is thriving both educationally and behaviorally. His mother has stated that she does not plan to enroll him in the local school he was previously attending.

Our Education staffs are often asked by parents about the possibility of their child remaining in our school once they are discharged. These inquiries are in part what contributed to our research about opening a charter school. This charter status will allow our education staffs to continue to serve the students beyond their residential placement at Gibault.

Our ability to serve several special populations as an accredited school has been long standing, since 1998. Our clients often present with significant mental-health conditions. Gibault operates a specialized Autism Unit, with four students living on campus and attending school daily in a self contained classroom. Two of these children are placed by the local special education cooperative, funded by the Department of Education. Both of the students presented with needs beyond the

scope of our local special education cooperative and the local schools. One of the students' parents has expressed a desire to maintain her son at Holy Cross School.

The local community mental health center recently closed the alternative school it had previously operated for several years. It provided the only external choice aside from the alternative school operated by the Vigo County School Corporation. Parents with children who are not thriving, have been expelled, suspended or simply are not attending, have little options in Vigo County. Enclosed are statistics pertaining to expulsions and drop outs from the counties we currently serve.

district	school	expulsions			drop-outs		
		2007-08	2008-09	2009-10	2007-08	2008-09	2009-10
IPS	Arlington	8	10	28	78	42	43
	Tech	29	36	54	150	140	386
	Ripple	21	18	7	47	22	69
	Attucks	0	1	3	0	0	0
	Howe	8	22	25	21	8	24
	Manual	11	15	20	48	48	55
	Northwest	4	2	14	29	64	54
	Washington	5	7	13	22	12	24
	Marshall	10	3	11	0	0	7
	Shortridge	5	7	3	2	1	6
	middle schools	18	8	19	0	3	8
elementary	24	11	24	n/a	n/a	n/a	
VCSC	North	11	14	22	6	1	0
	South	28	21	19	10	1	1
	West	9	11	5	1	3	0
	McLean	16	12	8	15	0	0
	Washington	2	2	1	7	0	0
	middle schools	30	27	16	0	1	0
	elementary	1	0	0	n/a	n/a	n/a
Gary Public	Roosevelt	14	15	40	7	6	11
	Wallace	41	42	60	59	14	8
	West	16	24	45	42	2	4
	Wirt	16	28	n/a	14	8	n/a
	middle schools	43	34	0	1	1	0
	elementary	3	11	3	n/a	n/a	n/a
Hammond	Clark	84	75	101	16	23	12
	Gavit	1	0	52	3	2	7
	High	13	0	0	22	42	48
	Morton	45	8	65	22	42	48

	middle schools	0	0	13	0	0	0
	elementary	0	3	3	n/a	n/a	n/a
East Chicago	Central	105	99	47	27	64	132
	middle schools	11	18	19	0	0	2
	elementary	7	11	4	n/a	n/a	n/a
MSD Wayne	Ben Davis	1	0	0	135	120	22
	9th grade	0	4	6	0	5	0
	middle schools	0	14	9	0	1	4
	elementary				n/a	n/a	n/a
MSD Washington	North Central	104	87	101	22	52	48
	middle schools	7	8	5	0	0	1
	elementary	0	1	0	n/a	n/a	n/a

In addition it should be noted that Gibault Children's services has an on grounds locked psychiatric residential services program. Children in this program are often local and from surrounding counties. The majority of our questions pertaining to how one can keep their child enrolled in our PRTF school, derive from parents of children in this program. It should be noted that the closest PRTF program similar to ours, is one hour away from Terre Haute. During the month of August 2011, Gibault surveyed Vigo County Community members during National Night Out sponsored by the local police departments. 23 individuals completed the survey and of the 23, 18 stated as a parent they would be interested in having their child attend a Charter school. 16 stated they would be able to provide transportation and 7 of them stated they had other children whom they would be interested in sending to Gibault Summit Academy Charter School. During the month of August, 2011, Gibault surveyed 12 parents of current students in Residential care on Gibault's campus. Of the 12 parents surveyed, 9 stated they would be interested in having their child attend our charter school. 5 stated they could provide transportation and 1 stated they could some times and 3 stated they had other children who they would like to attend the school. During the month of March, 2012, Gibault surveyed 6 parents of children currently residing in our residential or short term Psychiatric care in an effort to find out if they would be interested in their child attending a charter school. We received 6 yes, 4 no to transportation, 1 yes to transportation and 2 uncertain.

2. How will you engage parents in the life of the school: Summit Academy Charter School will strive to develop an understanding within the community in order to garner local support for our mission. We will inform parents and the community about the development of the school by holding informational meetings, use of the media such as newspaper, radio, television. The content of media ads will focus on describing our mission and curriculum of Summit Academy. Summit Academy will market to local community mental health centers, acute care facilities, special education co ops, private Psychiatrist, Psychologist and therapist offices. In addition we will meet with school corporations in an effort to reach students that have failed in a traditional public school setting and we will market to the Probation department, Department of Children Services, Judges and detention centers. Marketing literature will be shared with each of the mentioned organizations.

A Likert type scale will be utilized as a pre and post assessment tool to determine specific benchmarks for goals. The standards for assessments are derived from a framework developed by Dr. Joyce Epstein, director of the Center on Families, Communities, School and Children's Learning at John Hopkins

University as adopted by Project Appleseed available at www.projectappleseed.org. According to Project Appleseed the six standards of parent involvement are Volunteering, Parenting, Communicating, Learning at Home, Decision Making, Collaborating with Community. The overall program would consist of parental surveys to determine how parents may be able to assist the school in its mission and complete a parent pledge. Parental group meetings will occur on a bi-monthly basis to discuss topics in response to survey information that parents desired to know, and other workshops of benefit. Other activities will include a semi-annual open house and Parent Advisory Committee that meets on a regular basis. The school would need to use various methods of communication such as newsletters, emails, and phone messages to inform parents of activities. The expectations of the program would be to increase student achievement through the parental pledge and parent workshops. Increase awareness of school policies, activities and goals and increase parental input, when appropriate in the decision making process. Summit Academy will identify the needs of students and families through the use of a survey. A sample survey is included to serve as a starting point and will be used as a guide for decision making for effective parental involvement.

Parent Involvement Survey,

Dear Parent,

Thank you so much for taking the time to provide us with your valuable input to complete this parent survey.

1. What opportunities to participate, as appropriate, in decisions relating to the education of your child, would you be interested in?

Annual Surveys

Book Fair

Conferences

Clubs/Organizations

Luncheon with your child

Volunteer

Workshops

Other Please Specify:

**2. Which of the following days and times are best for you or your family to attend a school event?
(Please check all that apply)**

7-9 a.m.

3-5 p.m.

9-12 noon

5-7 p.m.

12 noon-1 p.m.

7-9 p.m.

1-3 p.m.

Monday

Tuesday

Wednesday

Thursday

Friday

Saturday

3. What topics would you like more information on to ensure your child's success? (Check all that apply)

Subject area standards

Academic achievement standards

Assessments ISTEP

Title I

Monitoring your child's progress

Workshops related to reading, math, etc.

Other Please Specify:

4. How do you monitor your child's progress? (Check all that apply)

Conferences with teachers

Emails

Interim reports

Report cards

Student

Telephone calls

Other Please Specify:

5. What type of Parent Involvement activities would you like to see at your child's school next year?

6. What method do you prefer the most as a means of notification regarding meetings, events and other programs offered at school? (Please select one.)

Phone messages

Fliers

Newsletters

Email

Other Please Specify:

7. What reasons, if any, prevent you from attending school functions such as the Title I Open House, PTO meetings, Family Reading Nights, etc.? (Please check all that apply.)

Distance

Family commitments or other activities

Refreshments

Transportation

Work

Other Please Specify:

8. What type of workshops would you be willing to attend or would like to see? (Check all that apply.)

Tutoring

Reading activities

Math activities

Parenting

Computer training

Academic planning

Other Please

Parents will have opportunities to influence the management of the school through a parent group. Through the use of surveys parents will participate in school improvement planning process. Parents will be directly involved with Summit Academy through an open house conducted at the end of the first six weeks hosted by the education staff. After the first grading period each semester a parent teacher conference will be scheduled to discuss student progress. Grade cards will be available at the parent teacher conference. Parents will also receive information on how to view their child's academic progress electronically. Report cards, school newsletter, personalized letters sent home will ensure parental involvement. Education staff will be available for individual scheduled appointments as needed throughout the year. Parents will also be able to provide input through a survey, requiring their experiences with and attitudes toward the school. The information obtained from the survey will be utilized as a part of the school improvement plan. Parents will be encouraged to volunteer to assist with field trips and attend and/or participate in special programs throughout the year and parent/teacher organizations will be encouraged so that a family-school partnership is developed.

3. What community resources will be available to students and parents: Gibault Children's Services is a comprehensive social service agency with contacts and relationships throughout the state of Indiana. Our organization has experience working with community based services such as outpatient counseling, group homes, parenting training, day care, supervised visitation programs, residential care consisting of a specialized autism program, a program for maladaptive sexual behaviors with INJSOP certified therapists, Psychiatric Residential Treatment, outpatient and on grounds therapy provided by Masters and Licensed therapists. Gibault Children's Services provides additional services to our students beyond education by assisting the students and their families with other services that support their educational and social

development. Services may include applying for community alternative placement in psychiatric residential treatment in eligible counties through local community mental health agencies, assisting our high school students and families with registering for 21st century scholarship via waiver due to missing the deadline as a result of incarceration or other circumstances, providing resource numbers for therapy, additional educational services such as tutoring, summer campus, counseling etc.

The goal of Summit Academy is to prepare students for academic success. Parent involvement is important in the education and development of the child. Parent involvement today can take on a variety of forms. The goals of Summit Academy Charter School would be to:

- Increase parental involvement
- Increase communication between the school, parents and the community at large
- Provide relevant programs that increase parenting skills that can be utilized to improve their child's chance for educational success

4. Attachment 16

SECTION II: SCHOOL DESIGN - PERFORMANCE MANAGEMENT

1. The current school uses as an interim assessment NWEA MAP. This would continue as the school transitions to a charter school. The current school is a Choice Scholarship School and as such, has been seeking information to possible change to Acuity. The current school, at the time of this writing is waiting to see if funding will be available and any other associated cost considerations. Additional information on Acuity is needed as the DOE plans further expansion of Acuity to encompass all secondary in upcoming school years. Currently, MAP assessments are used as a diagnostic tool to drive instruction and as a means to determine growth during an academic year.
2. Summit Academy administration and designated lead teachers will collect student achievement data from interim assessments and mandatory state assessments. The data will be organized for each assessment so that specific instructional areas can be easily identified. In regularly occurring in-services that include all education staff, data will be analyzed in a manner to identify trends in student performance. That information will be used to refine and improve instruction and focus professional development future activities. The principal will be responsible for organizing relevant data and demographic information into an annual report made available to the public.
3. The school information system to be utilized will be Harmony LogicKey. The staff member responsible for warehousing data would be the administrative assistant. Administration and lead teachers will be responsible for analyzing, interpreting, and leading professional development activities for all teachers to increase student achievement.
4. Summit Academy will maintain a dynamic schedule of professional development activities. School administrators and teachers will meet regularly to collaborate on how to effectively use performance data to improve teaching and learning. Teachers are further supported by regular professional development activities that include discussions and presentation of best practices, strategies, videotaping teachers utilizing the strategies for collaborative dialogue between colleagues.
5. The corrective action if the school falls short of goals at any level would be to seek targeted professional development to improve instructional strategies and methodologies. Review of the curriculum to determine alignment with standards, collaborate with other schools whose mission and demographic targets are similar to that of Summit Academy to determine successful strategies. A review of scheduling patterns to determine ways to increase instructional time. In a case when the school consistently falls below performance standards, it may be necessary to find other leadership to operate the school.

SECTION III: IMPLEMENTATION PLAN – HUMAN CAPITAL

Network wide Staffing

Staffing

	Year 1	Year 2	Year 3	Year 4	Year 5
Number of K-12 schools	1	1	1	1	1
Student Enrollment	70	80	90	100	110
School Staff					
Principal	1	1	1	1	1
Assistant Principal	1	1	1	1	1
High School Core Classroom Teachers	4	5	6	7	8
Special Education Teachers	4	4	4	4	4
Administrative Assistant	1	1	1	1	1
K-8 Teachers	5	6	7	8	9
School Psychologist	1	1	1	1	1
Speech Therapist	1	1	1	1	1
Health/PE Teacher	1	1	1	1	1
Paraprofessionals	2	2	2	2	2

School Leadership & Staff Hiring, Management and Evaluation

1. N/A Summit Academy is not applying for more than one charter at this time.

2. Describe your strategy and timeline for recruiting and hiring teachers: Summit Academy is unique in that our teachers are in place and currently educating the students attending our school. We are not in a position of having to recruit qualified teachers and all of our teachers are aware of our application

submission to become a charter school. Summit Academy will ensure all teachers meet state teacher certification and licensure requirements at the time of hire. Summit Academy will employ certified teachers as school employees. At the time of hire, all teachers will meet the certification requirements by providing a copy of a current teaching license in the area of hire, which will be searched on the state website. Licensure will be verified by a check on the Indiana Department of Education Website. Summit Academy is an equal opportunity employer and we will utilize a variety of means to attract and recruit high quality teachers. We have a strong relationship with local college career centers including St. Mary of the Woods and Indiana State University and have utilized career placement opportunities to recruit talented and licensed students who meet the qualifications necessary to teach within our educational program. Other resources include but are not limited to; attendance at teacher fairs, visits and interviews on college campuses, electronic recruitment mediums, including posting on the Department of Education career opportunities webpage, various periodicals and actively seeking talented individuals through a network of organizations and facilities that we partner with through the completion of our services. Once applicants have been selected for review, a recruitment team composed of the Principal, Human Resources and Education staff as deemed appropriate will be involved in the interview process. We seek teachers who are willing to work with children who have not been successful in a traditional public school setting, are team players, are willing to improve and learn how to teach creatively due to the social and emotional difficulties that may present as well as the educational challenges of our students. Appropriate background checks will be completed by the Human Resources department to ensure that all candidates for employment meet the qualifications stipulated by all state and federal regulatory bodies. As a means of retaining quality, qualified employees, Summit Academy will remain an active participant in periodic compensation studies promoted by various trade associations and professional groups as applicable and will utilize the compiled information to ensure competitiveness of the compensation package offered to our employees. Our goal is to continue to maintain a comprehensive compensation package which includes competitive salaries, employee health insurance and benefits package, retirement planning options, certification and training fees and, on a case by case basis, tuition assistance for the pursuit of advanced degrees. Utilizing a variety of methods, including daily meetings, periodic staff forums and annual employee surveys, Summit Academy will also seek employee input regarding means of improvement and enhancement of their positions and operations within the facility. By seeking and utilizing this employee input, our staff are made aware that they are our most valuable resource which is seen as an intrinsic benefit of employment at our facility.

3. How will the network ensure that every student at each school has access to excellent teaching?

The potential staff that exists has a range of experience from 1 to 33 years with diverse experiences within the group. The current staff has extensive training on best practice strategies and methodology. The professional development is ongoing and will include scaffolding, reading, writing strategies and in-services covering poverty research publications from Ruby Payne. The expertise of staff is wide ranging from secondary content area teachers, middle and elementary, special education teachers and fine art.

4. Explain how – and how frequently – the school/network will evaluate the performance of the school leader and teachers: Summit Academy will use the framework and guidance from RISE Evaluation and Development System available at www.riseindiana.org. The frequency of how teachers are to be evaluated is described by RISE using a system of formal and informal observations with follow-up collaboration. The school principal will evaluate teachers in the domains of professional practice and student learning as evidenced by the Indiana Growth Model and various other assessments.

5. Explain how the school/network would handle unsatisfactory leadership or teacher performance, as well as leadership/teacher changes and turnover: Our Principal has multiple years of experience recognizing and addressing teaching difficulties that may surface due to challenging students, conduct of the teacher, failure to maintain a safe classroom, failure to improve once performance assistance has been

implemented, etc. Teachers who demonstrate difficulty in teaching will be addressed by the Principal in the form of individual supervisory sessions which document and teach techniques to improve the difficulties the teacher may be experiencing.

When disciplinary action is required, we utilize a progressive disciplinary action plan designed to provide teachers the opportunity to receive counsel and to learn from their mistakes while tracking and correcting adverse performance issues. Progressive action would begin with the issuance of verbal reprimand/redirection. Should the problematic behavior persist, written disciplinary action in the form of a counseling statement would be issued, followed by suspensions and ultimately termination of employment and/or related contracts based upon the frequency and severity of the issue(s) at hand. When necessary, disciplinary action will be issued in the presence of the Human Resources director or designee.

In regards to teacher changes and turnover, the Principal will work in coordination with Human Resources to develop a recruitment plan for the planned/unplanned position vacancy. Human Resources will seek candidates that meet requirements for the vacant position and review qualified candidates with the Principal and assist in the facilitations of interviews. While seeking and selecting a candidate for the vacant position, the Principal will ensure that educational responsibilities of said vacancy are being maintained and performed by another qualified teacher under our employ or a qualified substitute. Should the vacancy be related to change or turnover in leadership, the Vice President of Gibault Children's Services would work in coordination with Human Resources to replace said vacancy and see that a qualified individual would be placed into said leadership role on an interim basis. Our approach to identifying and addressing development needs or concerns is driven by our belief that open communication is the key to further enhancement/development of our

6. Teacher/Staff Health insurance, retirement benefits, liability insurance, and other benefits

Eligibility to participate in Gibault's 403 (b) Thrift Plan in which contributions may be made pre-tax via payroll deductions.

Aflac supplemental health coverage options, including group plans with reduced premium costs.

Voluntary dental coverage through Dental health options starting as low as \$9.65 per pay for monthly premium costs.

Employee health insurance plan consisting of Anthem Blue Cross/Blue Shield Health Savings Account PPO coverage with premiums as low as \$31.68 per pay which includes:

- 100% of cost for preventative care.
- \$3,000 maximum out of pocket deductible for individual coverage
- Cost attributed to maximum out of pocket deductible are issued at rate of Anthem network discounts.
- Anthem Blue Vision Coverage.

Life insurance and short term disability (STD) through Anthem life including life coverage at (1) times annual salary and STD coverage is equal to 60% of annual salary for up to (6) months of coverage. Both are provided at no cost to employee.

Long term disability provided at no cost to our employees, provides coverage equal to 60% of annual salary after (6) months of short term disability has expired.

PROFESSIONAL DEVELOPMENT

1. Describe how school leaders will be supported and developed throughout the year. On going professional development opportunities will occur on a regular schedule for the entire school on the first and third Wednesdays of each month in a 20 minute morning meeting, instructional strategies and techniques will be presented. Teachers will be required to implement the strategy within the classroom within a two week time period. Administration will monitor implementation through a review of lesson plans, formal and informal observation, administrative conferencing and peer observation and collaboration. Details of this schedule were outlined in the previous section. As a part of the professional development process, regular timely review of assessment data will occur as it becomes available throughout the school.

2. Provide a schedule and explanation of professional development that will take place prior to school opening: Prior to the opening of the school during the summer of 2012, teachers and administrators will be working daily with students in summer school. Teachers will continue to meet each a.m. with the principal prior to the beginning of the school year, so that they may implement professional development sessions. Areas of importance will include: Vision/Mission of the school, curriculum, social/emotional and behavioral assessments that will be implemented, classroom management etc.

3. Include the expected number of days/hours for professional development throughout the school year: On going professional development opportunities will occur on a regular schedule for the entire school on the first and third Wednesdays of each month in a 20 minute morning meeting, instructional strategies and techniques will be presented. Teachers will be required to implement the strategy within the classroom within a two week time period. Administration will monitor implementation through a review of lesson plans, formal and informal observation, administrative conferencing and peer observation and collaboration. Details of this schedule were outlined in the previous section. As a part of the professional development process, regular timely review of assessment data will occur as it becomes available throughout the school.

The professional development system will need to measure the impact of professional development activities on student learning and classroom behavior. A variety of evidence will be collected such as formative and assessment data, instructional audits, lesson plans, and student work. Data from these sources will be organized by administration and lead teacher, analyze and interpreted by all staff to draw conclusions and make recommendations. Administration and lead teachers will identify areas of professional development evaluation in need of refinement.

The teachers of Summit Academy would have a variety of skill levels to work with the targeted demographics of special education and low socioeconomic status. Five lead teachers would be identified to attend specific professional development opportunities and assist administrators.

4. Explain how the professional development program will be evaluated to assess its effectiveness and success. The professional development system will need to measure the impact of professional development activities on student learning and classroom behavior. A variety of evidence will be collected such as formative and assessment data, instructional audits, lesson plans, and student work. Data from these sources will be organized by administration and lead teacher, analyze and interpreted by all staff to draw conclusions and make recommendations. Administration and lead teachers will identify areas of professional development evaluation in need of refinement.

SECTION III: IMPLEMENTATION PLAN - START UP & OPERATIONS

Start Up Operations

1. Once Summit Academy is granted a charter from Indiana Charter School Board in late May 2012, the first key of operation will commence on June 4, 2012 working toward the first day of student attendance of August 14, 2012. Attachment 17 outlines all tasks to be completed by the first day of student attendance, as well as responsible individuals or personnel who support Summit Academy. Summit Academy will apply for and secure start-up charter school grants to fund pre-opening activities.

Summit Academy will be fully ready to serve students beginning August 14, 2012. The current school, Holy Cross School, is a private school that has been in existence for numerous years although legal, not a conversion school. Summit Academy would already have most or all start-up and implementation tasks completed or in place, especially compared to a new school. Summit Academy will embrace the challenge of its role to serve students in the best way possible by setting high expectations being accountable for performance through strong board and administrative leadership.

See attachment 17

2. See Attachment 19

3. Transportation. Currently there are no plans for school provided transportation.

4. SCHOOL SAFETY PLAN AND EMERGENCY MANAGEMENT GUIDELINE

SITUATIONS: OUTLINED

- Illness and Injury
- Fire/Tornado/Power Outage
- Earthquake
- Evacuation of Site
- Visitor and Intruder
- Bomb Threat
- Gun/Weapon on Campus
- Hostage Crisis
- Client Disturbance
- Emergency Maintenance Procedures
- Vehicle Accidents

PROCEDURE:

A variety of emergency situations can occur involving our facility and property. . Such emergencies can include natural disasters (fire, tornado, etc.) or person initiated (accidents, hazardous material releases, acts of violence, trauma, death or suicide, bombs, client unrest, hostage situations, etc.) Summit Academy recognizes the necessity of having appropriate emergency procedures in place, should a crisis occur. It is the intent of the Emergency Management Guidelines to guide and assist: Administrators in their effort by including emergency checklists and allocating resources for responses to emergencies, and plan and train all staff members for their roles as outlined in the Emergency Management Guidelines.

It is impossible to develop a definitive plan which will meet the demands of every emergency or situation; however, it is important to have written contingency plans and procedures for responding to and coping with emergency situations. Because of the impossibility of any guidelines providing all the information necessary for every situation, each administrator needs to recognize that any situation may have requirements beyond those outlined here.

Also, this document will continue to expand when more information regarding emergency situations is gathered.

ACTIVATION AND NOTIFICATION OF EMERGENCY MANAGEMENT GUIDELINES (EMG).

- The Executive Director of Terre Haute Campus or school administrators may activate the guidelines.
- Any Safety and Security Specialist may initiate the guidelines as requested or necessary.
- Any community based emergency agency may request the activation of the guidelines as necessary based upon community situations.

Emergency Telephone Number List

Fire Department	911
Ambulance.....	911
Sheriff s Department... ..	911
State Police.....	911
City Police	911
Poison Control.....	1-800-222-1222
Indiana-American Water Company	1-800-492-8373
Duke Energy	1-800-343-3525
Vectored, Inc	1-800-777-2060
American Red Cross.....	1-800-REDCROSS

I. ILLNESS AND/OR INJURY

In the event of several persons being injured or becoming ill, the following guidelines are to be followed:

1. Nurses, Administration or Safety and Security Specialists will notify Emergency Medical Services (EMS) (if required).
 - Fire Department (911)
 - Coordinate building first-aid team.
2. Executive Director of Terre Haute Campus to be notified.
 - RS/Shift Supervisors/Principal will notify parents/guardians/next of kin of involved students or staff.
3. Executive Director of Terre Haute Campus will coordinate site needs with American Red Cross (if required).
4. If parents/guardian cannot be reached and evaluations suggest the client needs immediate attention, EMS personnel shall be advised that no parent/guardian has yet been notified.
5. If the Supervisor of Medical Services is not present or is incapacitated, the person responsible for duties performed by this person is:
 - Nurse or Medical Assistant (if on campus);
 - Safety and Security Specialists

In compliance with Department of Child Services (DCS) emergency management requirements, the following DCS licensed programs will implement the following procedures in the event of an HINI exposure related incident:

II. FIRE/TORNADO/POWER OUTAGE EMERGENCY

Building Fire or Tornado Damage

In the case of fire in any building or a tornado touch-down, the Executive Director of Terre Haute Campus will be notified. The students from affected buildings shall relocate to the convocation center as it is the central location building and easiest for parents to access.

The Executive Director of Terre Haute Campus, along with the Director of Facilities & Grounds and emergency services, is responsible for determining if the condition of each building is suitable for the students' return. In the event that the building is uninhabitable, the Executive Director of Terre Haute Campus will make decisions regarding where students will reside during the period of time that the building is uninhabitable. The Executive Director/Principal or designee will notify parents.

1. The Board of Summit Academy shall be notified of the emergency.
2. The students shall proceed to whatever location the *School Administration* or Safety & Security has deemed as temporary educational accommodations. These staff will coordinate additional needs at that time.
3. Additional staff may need to assist *Administration* or Safety and Security
4. Students may be allowed to call their parents or guardians for emotional comfort.
5. Placing agencies/parents/guardians will be contacted as soon as possible.
6. Coverage will be arranged if a staff member cannot finish his or her shift.
7. In the case of a kitchen area being inoperable, meals will be ordered out in order to meet the immediate need. Vendors will be contacted for the delivery of food and possibly the use of a freezer truck. Another option may be to contract for meals with a local facility, for example, another School Corporation.
8. In the case of phone systems being non-operational, staff will utilize wireless phones, and notify Information Systems personnel of the outage.

III. EARTHQUAKE

A. Inside a Building

At the first feeling of a tremor, staff will instruct students to:

- Immediately take cover under desks or tables.
- Turn their bodies away from windows.
- Remain in sheltered position until instructed otherwise. During a crisis, remain in sheltered position at least 60 seconds.
- Remain silent, and listen to instructions.
- During a drill or event, staff will:
 - Take cover.
 - Talk calmly to students.
 - Follow evacuation procedures.

B. In the Gym, Hall, Stairways, or Other Areas Where Cover is Not Available

Staff will instruct students to:

- Move to an interior wall.
- Turn their bodies away from windows.
- Kneel along side the interior wall and use the tornado drill position.

C. Outside

Staff will instruct students to:

- Move to open space away from buildings and overhead power lines.

- Lie down or crouch low.
- Be aware of dangers that may demand movement.

D. In a Vehicle

Driver will:

- Stop the vehicle away from power lines, bridges, overpasses, and buildings.
- Instruct students to remain in their seats.

E. After the Earthquake

Staff will:

- Evacuate the building as soon as the tremor has subsided using fire evacuation routes.
- Injured persons will not be moved unless building condition is life threatening.
- Anticipate the aftershock. It will be coming.
- All staff will remember two-way radios.
- Assemble all students in the open recreation area or the area the School Administration or Safety & Security deems appropriate.

IV. EVACUATION OF SITE

(Tornado, chemical spill, fire, gas leak, etc.)

In the event conditions in the community or within the campus itself necessitate a site evacuation, the following steps will be taken:

A. Supervisor of the Area Affected:

1. Notify a School Administration or Safety and Security who will notify their supervisor.
2. The School Administration will notify the Executive Director of Terre Haute Campus, who will contact The Board of Summit Academy.
3. The Executive Director of Terre Haute Campus or designee will contact the American Red Cross for instructions.
4. Confirm the number of students and staff present.
5. Direct staff to ensure that all students are accounted for.
6. Notify staff of any students with special needs and their requirements.
7. Direct medical staff to prepare emergency medications to be transported.
8. Direct all personnel to leave the buildings and secure the buildings.
9. If time constraints allow, Gibault vehicles will be parked at sites designated by the Executive Director of Terre Haute Campus in order to allow for a more organized evacuation. Staff will be assigned groups of students, a vehicle, and a map of the evacuation site (if possible).
10. Evacuations in case of a chemical spill may necessitate an immediate evacuation on foot. In this instance, Hazmat professionals suggest all students and staff shall move quickly 90 degrees from the source of the chemical spill, or directly away from the spill taking into account wind direction.

V. VISITOR AND INTRUDER

Visitors and guests are welcome at Summit Academy. However, to safeguard students and staff, reasonable precautions shall be taken.

A. Visitors shall:

- Always report and sign in at the Administration area, and obtain a Visitor Tag.
- Families on campus to pick up students shall remain in the Administration area until their student is brought to them by staff.
- Be announced via computer or telephone to all parties.

- Be prepared to provide identification to Summit Academy personnel.
- Respect Summit Academy rules and guidelines.

B. Administrators will:

- Insure the front entrance is marked with a notice to visitors to first report to the Administration area.
- Provide training to all staff members on how to greet visitors. The first questions is, "May I help you?"
- Every visitor shall be greeted by someone.
- Any unescorted visitor found roaming the buildings will be escorted to the area they are seeking. Someone can then provide any additional information or directions. (NOTE: An unescorted visitor is anyone who did not check in at the Administration area or is lacking visible identification stating who they are, i.e., food delivery employee or office repair employee.)

C. Visitors Who Fail to Comply With Summit Academy Procedures

- Will verbally be informed they are in violation of Summit Academy policy. (Example - "Sir, you must report to the Administration area immediately. If you fail to do so, Safety & Security and the police may be called.)
- If this fails: send someone to or notify a School Administration or Safety and Security of the situation.
- Follow the person, if possible, and continue to give notice of the violation of Summit Academy's rules.
- Safety and Security/police will be notified: Safety Center x3045 01' call 911.

VI. BOMB THREAT

A. Telephone Threat Received

- Receiver of the call shall obtain as much information as possible.
- Document the details of the conversation.
- If another person is in the office, develop a signal to alert that person to listen in on the call.
- Remain calm. Pay attention to what is being said and how it is said. Any background noise or sounds?
- Notify your supervisor of the situation.
- Remain available to answer questions. Remember when you received the call.

B. Person Receiving the Call

- Notify a School Administration or Safety and Security at x3045. They will then notify the Executive Director of Terre Haute Campus.
- The Executive Director of Terre Haute Campus or designee will contact emergency services at 911.
- Supervisory staff on campus shall be notified to make a quick check of their areas.
- When fire and security or police arrive, they will meet the Executive Director of Terre Haute Campus or designee and offer assistance and advice. They will not conduct a search of the building for you. A quick search shall be done prior to leaving the building.
- The building in question shall be evacuated.

C. Evacuation Procedures

- Use of fire drill procedures to evacuate a building immediately upon receipt of a bomb threat can be dangerous if an actual explosive device is involved and, unknowingly, students are evacuated past its location.
- If evacuation is needed, use personal contact. Evacuation must be as fast as possible.
- If evacuation procedures are needed, evacuation shall be carried out as quickly as safety allows.
- Staff members may be used to direct evacuation away from possible bomb area.

D. Device Found

- Isolate the area.
- Handling of any suspected explosive device must be left to experts.
- Evacuate the building, if not already completed. Evacuate by room, starting with rooms nearest the device.

VII. GUN/WEAPON ON CAMPUS

A. Gun/Weapon on Campus

- Guns and/or weapons are prohibited on all of Summit Academy campuses, however:
 - If a staff member believes a client has a gun/weapon in his possession, the staff member must not leave the area. The staff member shall call someone for assistance - a School Administration or Safety & Security.
 - Do not let the person out of your sight.
 - If you believe the person tried to hide the weapon, do not leave that area.
 - Contact Safety and Security or a Residential Services/Shift Supervisor immediately; ask for help from other staff to make this contact if you cannot do so without leaving the client or area.
 - Wait for assistance to arrive; keep the person in sight.
 - If a person displays or pulls a gun in your presence, do not try to disarm the person.
 - Try to remain calm. Stay away from the person. Talk to the person in a controlled manner. Ask the person to put the gun down and move away from it. Tell other staff and/or students to remain seated and calm.
 - Do what you can to get a staff member's attention, and notify a staff member.
- * Any time a staff member hears a report about, or sees, a gun or a weapon of any kind a report must be made immediately to an Administrator or Safety and Security Specialist or the police.
- * Do not send a student to report a gun/weapon unless unusual circumstances require this. Enlist the help of a staff member where weapons are concerned.

IX. HOSTAGE CRISIS

If you observe a hostage situation occurring:

- Do not intervene: quietly remove yourself from the area.
- Alert Safety and Security or a supervisor immediately. The Executive Director of Terre Campuor designee will contact emergency services.
- Remain out of sight of the hostage-taker, but remain in proximity to the hostage area so you can prevent others from wandering into the situation. Enlist other staff to help you secure the area.
- Do not make statements to parents or the media. Only The Executive Director or designee is authorized to speak with the media.

If a hostage situation occurs in your area of supervision:

- Remain calm and controlled. Help your students stay calm. Avoid quick movements. Don't panic. Emergency services will be called.
- Follow the instructions of the hostage-taker. Tell students to do the same. Do not try to attack or disarm the hostage-taker.
- Do not bargain or negotiate with the hostage-taker. Be respectful; never critical.
- Do not argue.
- Make a mental list of students who are in the area; try to keep a mental list of what happens during the incident.
- Trust the negotiators. Follow their instructions.
- Stay alert. Evacuate students first and attempt escape ONLY if the hostage-taker falls asleep from exhaustion, or if the police tell you to do so.

IX. STUDENT DISTURBANCE

If you witness a client disturbance:

- Contact a School Administration or Safety and Security immediately.
- If in the area of the disturbance, evacuate your students in an orderly manner. If in a building, follow the fire drill exit procedures. (Prior to evacuation, should you hear gunshots, have the students assume the "duck and cover" position?)
- Take your students away from the area as instructed by your Executive Director of Terre Haute Campus or Administration.
- Remain with your students at all times.
- Do not dismiss your students until you receive official word from a School Administration. Disregard bells and normal time schedule until instructed differently. All students shall be kept in their areas until instructed differently.

X. EMERGENCY MAINTENANCE PROCEDURES

- If you witness an emergency maintenance situation, such as a damaged power line, a damaged water main, an over-flowing toilet, etc., please do the following:
- Immediately assess the situation pertaining to danger to the students. If in the area of the situation, immediately evacuate your students.
- Make sure that no other student groups enter the area.
- Call the Maintenance personnel at the number provided on the staff phone list.
- This person will assess the situation and call appropriate service personnel for assistance.
- Notify supervisors in your chain-of-command.

Summit Academy Fire Alarms/ Drills /Weather Related Emergencies

Fire Alarms/Drills The Principal of Holy Cross School will be responsible for drills in the school buildings.

- A check of the fire alarm system, smoke detectors, and fire extinguishers for all buildings.
- Evacuation of all occupied buildings. Each evacuation shall be a complete evacuation of the building in which the alarm is sounded.
- The school administrative assistant shall be responsible operating the fire alarm system.
- The school administrative assistant shall record the date and time of the fire drill, complete a fire drill form and submit it to Administration for review.
- In the event of a fire, the alarm will be activated. There are fire alarm boxes throughout the facility and they are easily assessable. The person sounding the alarm will then:
- Call 911 and notify Safety & Security and Administration.
- Clear the building, leaving no one inside. All windows and doors will be closed, but UNLOCKED if possible.
- Staff and students will assemble in a safe location outside of the building.
- After evacuation from buildings, the staff will do a head count to ensure that all students and staff are present.
- Staff will supervise students closely while a fire is being extinguished, in order to ensure that the fire department personnel have a clear field in which to work.

Weather Related Emergencies

If the facility is threatened by extreme weather conditions such as hail, severe thunderstorms, tornado, etc., the following procedure will be used:

- Staff and students will assemble in a location away from doors, windows, and outside walls (preferably interior hallways) and seek cover.
- Move to the safest area in the building. This will be on the lowest level. Clear stairwells as quickly as possible to avoid wind tunnel effects common in stairwells during tornados. Stay clear of glassed areas.
- All staff will ensure the safe and orderly movement of his/her students to the safety area. Staff will take a head count when the group is assembled.
- All staff and students will take cover under a piece of heavy furniture which has been placed against an outside wall and cover themselves with a blanket if possible. No one will leave a safety area until told to do so by Safety and Security or Administration.

If the weather emergency is a tornado alert, all windows and doors, including those in safety areas, will be left open on the North and East sides of the buildings so that an equalization of air pressure is achieved. Tornados create a vacuum and have been known to cause the collapse of buildings with closed doors and windows.

Please note Gibault Children's Services employs staff in our safety and security department. The staff designated as safety and security staffs are responsible for the safety of the entire campus including the school. The staff are responsible for assisting during crisis situations, checking all buildings and ground on campus numerous times throughout the day and evening, assisting faculty and staff with students at school functions, assist in all emergency situations, regulate parking and traffic in the school parking lot etc. In addition school faculty are equipped with portable radios which enable them to communicate through out the school.

5. N/A, we are not applying as a Blended Learning or Virtual Operator.

6. See Attachment 18

SECTION III: IMPLEMENTATION PLAN - FACILITY PLAN

1. Summit Academy buildings are currently in use for our present school and are in compliance with state fire marshal inspections, board of health and state licensing inspections. All on file as well as posted in our welcome center to reveal adequate licensing of our buildings.

2.

A. 6401 S US Highway 41, Terre Haute, IN 47802

B. School District, Vigo County

C. The school will Co-locate with Gibault Children’s Services. Our buildings are currently in existence as a school and in compliance with all regulating bodies.

Space	Year One		Year Two		Year Three	
	Number	Average Size	Number	Average Size	Number	Average Size
Classrooms	18	976 sq ft	18	976 sq ft	18	976 sq ft
Offices	10	311 sq ft	10	311 sq ft	10	311 sq ft
Meeting/Counseling	3	266 sq ft	3	266 sq ft	3	266 sq ft
Gym	2	3300 sq ft	2	3300 sq ft	2	3300 sq ft
Kitchen	1	2400 sq ft	1	2400 sq ft	1	2400 sq ft
Dining	1	2688 sq ft	1	2688 sq ft	1	2688 sq ft
Auditorium	1	2808 sq ft	1	2808 sq ft	1	2808 sq ft
Library	1	2294 sq ft	1	2294 sq ft	1	2294 sq ft
Media	Combined with Library		Combined with Library		Combined with Library	
Hallways	5	817 sq ft	5	817 sq ft	5	817 sq ft
Restrooms	17	92 sq ft	17	92 sq ft	17	92 sq ft
Locker Space	NA		NA		NA	

	Year One	Year Two	Year
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			Three
Total Estimate Square Foot Requirements	43915 sq ft	43915 sq ft	43915 sq ft
Percent of budget dedicated to facility rental, mortgage, and construction/renovation	3.6%	3.5%	3.3%
Number of Dollars per child dedicated to facility rental, mortgage, and construction/renovation	\$705.88	\$631.58	\$571.43
Anticipated Annual Utility Budget	\$90,000	\$92,250	\$94,568

Summit Academy will utilize outdoor basketball courts, two indoor gyms, one baseball field, one indoor recreation area as well as the above mentioned rooms. These areas will be used for recreational purposes and are located by or around the buildings utilized for school and they are on the grounds of Gibault Children's Services.

SECTION III: IMPLEMENTATION PLAN - BUDGET & FINANCE

- 1. Describe the systems and processes by which the organization will manage accounting, purchasing, payroll, and audits. Specify any administrative services expected to be contracted for the school. What financial controls will be in place at the network and school levels to ensure long-term financial viability?**

Management plans to operationalize the Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations issued by the State Board of Accounts to structure its fiscal procedures. The manual has extensive guidance on accounting, purchasing, payroll, capital funds, appropriation, fund requirements, prescribed forms, inter-fund transfers, budget reports, audits, undistributed reserves and many other topics. The school will maintain its accounting records and related financial reports on the accrual basis of accounting. Summit Academy will use a competitive procurement process, which requires sound business practices for purchases less than \$1,500. The school will also select the best value by obtaining three quotes for items greater than \$1,500 and less than \$5,000. A bid process will be used for items greater than \$5,000, in which three bids will be received and evaluated using a formal evaluation process. An emergency purchase must be authorized by the Executive Director or designee.

Summit Academy will establish and maintain adequate accounting records and internal control procedures to safeguard assets and resources. Internal control consists of five components: control environment, risk assessment, control activities, information and communication and monitoring. The objectives of internal control relate to financial reporting, operations and compliance. All levels of management are responsible for preventing and detecting instances of fraud and related misconduct and for establishing and maintaining proper internal controls that provide security and accountability of the resources of the school. Internal control policies provide the school with the foundation to safeguard its assets, implement management's internal policies, provide compliance with state and federal laws and regulations and produce timely and accurate financial information.

Reporting requirements to the Indiana Department of Education and other federal, state and local agencies will be the responsibility of the principal and his designee. Reporting requirements to the charter sponsor will be the responsibility of the principal and the Chief Financial Officer (CFO) of Gibault, Inc. under the management agreement. The principal will solely be responsible for the education reporting and the CFO will complete the financial reporting. Financial statements will be prepared on a monthly basis and distributed to Board members, management and other relevant parties. The annual audit will be organized by the CFO and business operations staff. Financial reports for the charter school will be available to the sponsor at all times.

The Board will provide fiscal fiduciary oversight and will ensure that fiscal policies and procedures are implemented in a timely, appropriate and intended manner. The Board will review the annual audit and management recommendations to identify problems that need to be addressed. The Board will examine and approve the annual budget and discuss any large variances. Members will have access to monthly financial statements with budget comparisons and informational reports. Board members will be required to attend quarterly board meetings for a formal presentation of the financial results. Finally, the Board will contract annually with a qualified independent auditing firm to conduct an audit of the charter school's financial statements in accordance with generally accepted auditing standards.

Summit Academy will contract with Gibault Children's Services (Gibault) for many of the administrative services so management positions will not need to be duplicated. The \$10,000 monthly management fee is intended to reimburse Gibault for costs associated with salaries and benefits for the Corporate Staff that will be responsible for oversight, payroll, benefits management, financial reporting, accounts payable, accounts receivable, information technology, marketing, safety and security and so on. Sharing employees will reduce costs by minimizing personnel and benefits and streamlining processes by centralizing various business functions. The \$120,000 annual fee is approximately 5% of Gibault's budgeted costs for these departments.

2. Describe how you will provide an independent, annual audit of both network-level and school-level financial and administrative operations (if applicable)

As prescribed by Indiana Charter Law, Summit Academy will be subject to audits by the Indiana State Board of Accounts. In addition, the school will have a full annual audit conducted by an independent audit firm and will be in compliance with requirements set forth by the State Board of Accounts and Generally Accepted Auditing Standards (GAAS). The Board will have a significant role in the audit process to ensure compliance with regulations and responsible fiscal management. It will appoint an audit subcommittee that will review all financial information of the school and be responsible to nominate the independent auditor and review the scope and results of the audit. The annual audit will be scheduled to occur in late July or early August depending on the availability of the audit firm. The independent auditors will perform a Yellow Book audit by developing an understanding of the financial operations of the school. That will be followed by risk assessment and review of policies and procedures. The auditors will evaluate governance and oversight of the operations and assess the internal controls used to safeguard assets. Sampling of transactions will be used to determine if policies and procedures are being implemented as stated. The subcommittee will receive notice of any consequential irregularities and management letter comments that the auditor noted during the engagement. In the event of findings by the independent audit firm, Summit Academy will issue a corrective action response within 90 days after the closing meeting with the auditor.

SECTION IV: PORTFOLIO REVIEW & PERFORMANCE RECORD

Attachment 21 contains information pertaining to current school performance over the last five years. Some information is unavailable for some subgroups and most grade levels due to lacking the minimum number of student required for reporting purposes. Therefore a comparison for all grades for ISTEP+ and English language learners was not possible. Since there is only one school in the organization, a comparison between any high performing and low performing school is not possible as requested in the application. Therefore only the current school's performance will be reviewed.

The current school performance of Holy Cross School has to be taking into context of the students it serves. As mentioned previously in the application, the students stay at Holy Cross less than a year. The length of stay has been declining. The number of students enrolled has stayed roughly the same but has recently declined. Holy Cross serves students in grades K-12, but the greatest numbers of students are in grades seven through eleven. The attendance rate has always been above 95% as students live on the campus. The ethnicity is predominately white and the black population ranges 15-20% annually. All students are on free/reduced meals due to being placed in residential care. Most students have a special education designation and there are few non-English language learners.

Overall, Holy Cross School has had poor performance, but from 2007-2010 maintained a PL 221 category placement of commendable progress (a "B" grade under the current accountability system) due the improvement of the number of students passing ISTEP+. Holy Cross School is currently assigned an F due to decreasing student improvement. The trend data does indicate over the last five years as viewed by ethnicity, special education and free/reduced subgroups that the percentage of students passing ISTEP+ has increased.

Holy Cross has a distinctive and unique student population. At times students present with a variety of psychological and emotional issues that needs to be addressed through treatment. Many times these issues need to be addressed before academic performance can improve. Generally as these become less sever, academics can take on a great focus. Additionally, prior to coming to Holy Cross, students may have missed educational opportunities for weeks, months, and in extreme cases, years. Most of the students have a special education population that ranges from 60% to 80% at any given time. Most students have emotional disability designation, but many students have designations of autism spectrum disorder, learning disabilities, and other health impairments. Specific strategies involve continual professional development in best-practice reading and writing strategies, a balanced school discipline program outlining consequences for negative behavior and a reinforcement system for positive, appropriate behavior. Professional development activities also include research-based activities that have proven successful in low performing schools and schools who serve students that live in poverty. Academically the school focuses on data from NWEA MAP tests and student responses to writing prompts that are evaluated by all staff.

ATTACHMENT 1
FOUNDING GROUP RESUMES

ROBIN SHAMSAIE
PROPOSED SUMMIT ACADEMY SCHOOL
PSYCHOLOGIST

Vita
Robin Shamsaie
4733 S. 7th Street
Terre Haute, IN 47802
812 232-6200

Education

Ph.D., Guidance & Psychological Services, August 2000
Indiana State University, Terre Haute, IN
M.S., Counseling, August 1989
Indiana State University, Terre Haute, IN
B.A., Psychology, May 1986
DePauw University, Greencastle, IN

Licensure

Psychologist, Health Service Provider in Psychology, Health Professions Bureau,
Indiana (20041685A)
School Psychologist, State of Indiana, Doctorate Level (944537)
Licensed Mental Health Counselor, Indiana, Retired (39000095A)
Nationally Certified Counselor, National Board of Certified Counselors, Retired
(53547)

Professional Experience

Psychological & Educational Resources, Inc., November 2002 – Present
Private Practice, Terre Haute, IN
Outpatient psychological and educational services for children,
adolescents and families

Staff Psychologist, August 2001 – Present
Gibault, Inc., Terre Haute, IN
Psychological evaluations with child and adolescent residents, supervision
of masters level clinicians' diagnostic impressions and treatment planning,
consultation, development of outpatient service delivery, school
psychology services for students eligible for special education services,
field supervisor for doctoral level students in school psychology

Psychologist, April 2004 – July 2007
Foster Care-Plus, Dunn Center, Terre Haute, IN
Consultation and supervision of diagnostic impressions and treatment
planning by masters level team leaders who provide case management
services to children in foster care

Staff Psychologist, September 2000 – August 2001

Hamilton Center, Inc., Rockville, IN

Outpatient psychological services for children, adolescents, adults and families, psychological evaluations, individual, group and family therapy, collaboration of community resources with formal post-doctoral supervision

APA Intern, August 1999 – September 2000

Hamilton Center, Inc., Terre Haute, IN

Outpatient individual, group and family therapy and psychological evaluation for children, adolescents and families; adolescent intensive outpatient program for addiction services, adult inpatient services as part of formal APA approved pre-doctoral internship

Director of Outpatient Services, January 1994 – August 1996

Charter Behavioral Health Systems, Terre Haute, IN

Administrative management of outpatient counseling centers in Terre Haute, Greencastle, Bloomington, IN

Director of Youth Services – May 1991 – January 1994

Charter Behavioral Health Systems, Terre Haute, IN

Administrative management of psychiatric inpatient child and adolescent units

Program Administrator – Adolescent Services, May 1990 – May 1991

Charter Behavioral Health Systems, Bradenton, FL

Administrative management of psychiatric inpatient adolescent unit

Clinical Therapist – May 1989 – May 1990

Charter Behavioral Health Systems, Terre Haute, IN

Individual, group, family therapy with children and adolescents

University Teaching Experience

Practicum Supervisor, January 2003 – May 2006

Indiana State University, Terre Haute, IN

Supervision of educational specialist and doctoral level students in school psychology practicum

Adjunct Faculty, June 2004 – August 2004

Indiana State University, Terre Haute, IN

Instructor of record for graduate level course in cognitive assessment and intervention. Course requirement for doctoral students in counseling psychology

Adjunct Faculty, August 2004 – December 2004

Indiana State University, Terre Haute, IN

Instructor of record for graduate level course in social-emotional assessment and intervention. Course requirement for specialist and doctoral students in school psychology.

Adjunct Faculty, January 2002 – May 2002

Indiana State University, Terre Haute, IN

Instructor of record for undergraduate course in child and adolescent psychology

Instructor, January 1998 – December 1998

Indiana State University, Terre Haute, IN

Taught undergraduate course in child and adolescent psychology under supervision of doctoral program faculty

Graduate Assistant, Personality Assessment, September 1998 – December 1998

Indiana State University, Terre Haute, IN

Graduate course in administration, scoring and interpretation of objective and projective personality measures under supervision of doctoral program faculty

Graduate Assistant, Intelligence Assessment, September 1997 – May 1998

Indiana State University, Terre Haute, IN

Graduate course in administration, scoring and interpretation of intelligence assessment measures under supervision of doctoral program faculty

Professional Membership

American Psychological Association

National Association of School Psychologists

Professional References

Nancy Faulkner, Ph.D. (812) 877 – 9391

Keith Magnus, Ph.D., HSPP (317) 940 – 9385

Paula Pelland, Psy.D., HSPP (812) 235 – 2600

Bridget Roberts-Pittman Ph.D., HSPP (812) 237 – 4793

AMY ATCHLEY
PROPOSED SUMMIT ACADEMY SCHOOL
FINANCIAL OFFICER

AMY C. ATCHLEY, C.P.A.
10653 East Welch Drive, Lewis, IN 47858
Work (812) 298-3201 Home (812) 495-5033 Cell (812) 249-8631
E-mail amy.atchley@gibault.org

CAREER OBJECTIVE

To obtain a long-term accounting position in which I can best utilize my skills, abilities and experience.

EXPERIENCE

GIBAULT, INC., GIBAULT FOUNDATION, INC., GIBAULT VENTURES, INC. AND
GIBAULT CARE, INC. Terra Haute, IN

Director of Finance, July 2006 to Present

- Oversee the financial activities of Gibault and its related organizations
- Develop, analyze, and interpret statistical and accounting information
- Member of Administrative Council which reports directly to the President/CEO
- Ensure the department's compliance with regulatory and accrediting bodies
- Perform all quality improvement functions as required by accrediting bodies and state licensing regulations
- Prepare and present reports for the Board of Trustees as assigned by the President/CEO and regularly attend committee meetings of the Board of Trustees
- Provide all levels of employee supervision, including training, evaluations, hiring and firing, disciplinary actions and record keeping
- Prepare surveys and other financial data reports
- Responsible for accounting practices and internal controls
- Prepare internal and external comparative financial statements on a monthly basis
- Coordinate and work with the Administrative Council members in formulating the annual operating budget
- Direct general accounting, accounts payable, accounts receivable, cashiering, and related functions of the Business Office
- Plan and coordinate the annual external audit
- Maintain the company's system of accounts and keep books and records on all company transactions and assets
- Work in conjunction with all departments to educate supervisors and general staff in regards Business Office policy guidelines

SAINT MARY OF THE WOODS COLLEGE, Saint Mary of the Woods, IN
Controller, October 2000 to July 2006

- Develop, analyze, and interpret statistical and accounting information
- Provide all levels of employee supervision, including training, evaluations, hiring and firing, disciplinary actions and record keeping
- Prepare RISAP, surveys, and other financial data reports
- Responsible for College accounting practices and internal controls
- Prepare internal and external comparative financial statements on a monthly basis
- Coordinate and direct the preparation of the detailed budget
- Direct general accounting, accounts payable, accounts receivable, cashiering, and related functions
- Prepare annual tax return (Form 990)
- Oversee compliance of Perkins Loan Program
- Organize and prepare work papers for the annual external audit (including A-133) and draft auditors' financial report
- Maintain the company's system of accounts and keep books and records on all company transactions and assets
- Work with diverse population of the campus community and constituents
- Report directly to the Chief Financial Officer

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E-mail amy.atchley@glbault.org

FIRST FINANCIAL CORPORATION, Terre Haute, IN
Staff Accountant at Terre Haute First National Bank, September 1998 to October 2000

- Prepare various regulatory reports for government agencies (SBC, FDIC, etc.)
- Compile and review financial statements for nine affiliate banks
- Prepare property tax returns for Indiana affiliates
- Maintain and balance fixed asset records and depreciation schedules for affiliate banks
- Respond to Internal Revenue Service and Indiana Department of Revenue notices
- Local Security Administrator for wire transfer activity and Fedline terminal
- Responsible for monthly tax accruals and related tax matters
- Supervise various functions in Finance/Control Department
- Provide General Ledger support to internal departments and all affiliates
- Assist customers with various situations when necessary
- Work directly under the Chief Financial Officer and Controller in Finance/Control Department

KEMPER CPA GROUP, LLC (formerly Mier, Eble, Bonomo, & Strange, LLP), Terre Haute, IN
Certified Public Accountant (part-time), Tax Seasons, 1999 to 2006

- Prepare individual, corporate, and partnership income tax returns
- Reconcile quarterly payroll tax returns and prepare W2s, 1099s, and W-9s

MIER, EBLE, BONOMO, & STRANGE, LLP, Terre Haute, IN
Staff Accountant, Computer Operator, Typist, January 1993 to September 1998

- Prepare individual, corporate, and partnership income tax returns
- Compile, review and audit financial statements
- Prepare sales and use tax and property tax returns
- Perform general bookkeeping activities for various clients
- Respond to Internal Revenue Service and Indiana Department of Revenue notices
- Interact daily with clients and colleagues
- Prepare monthly, quarterly, and annual payroll tax returns including W2s, 1099s, and other annual information returns

EDUCATION

INDIANA STATE UNIVERSITY, Terre Haute, IN
Bachelor of Science degree in Accounting, December 1994
GPA 3.6 on 4.0 grade scale, Cum Laude, ISU Honors Program

Certified Public Accountant (CPA) designation obtained in 1999, current on CPE requirements

SMWC Activities: Served on Staff Steering Committee (Chair), Compensation Committee, Handbook Committee, and employee search committees, SMWC Y.O.U.R. (Your Outstanding Unique Recognition) Award recipient September 2004

Accounting Associations: Indiana CPA Society, American Institute of Certified Public Accountants (AICPA)

RELATED SKILLS

- Experience with Excel, Word, Lotus 1-2-3, PPT+, A/S 400, Univer, Great Plains, Best Fixed Asset System Software, CPAS Software, WordPerfect, EDGAR, PowerPoint, Access, and various accounting, tax and research software packages
- Proficient on computers, typewriters, adding machines, and other office equipment

MICHELE MADLEY
VICE PRESIDENT GIBAULT
CHILDREN'S SERVICES

Michelle Madley
7624 South Williamsburg Street
Terre Haute, IN 47802
(812) 230-2203
michelle.madley@gibault.org

1988-1995

2001 - Present Gibault, Inc. Terre Haute, IN

January 2005 - Present

Executive Director of Terre Haute Campus

- o Maintain the physical condition of Terre Haute Campus residential operations.
- o Ensure the care, welfare, safety and security of all clients admitted within the Terre Haute Campus residential programs.
- o Provide leadership and direction to staff through daily supervision, individual supervisory sessions, annual performance appraisals, on-going training, and regularly scheduled meetings.
- o Ensure program compliance with regulatory and accrediting bodies.
- o Prepare annual departmental budgets and purchase items within the limits of the approved budget.
- o Perform all quality improvement functions as required by accrediting bodies and state licensing regulations.
- o Directly responsible for the implementation of Residential, Maintenance, Food Services, Education, Household Services, Clinical and Medical programs of the Terre Haute Campus based upon the mission of Gibault, Inc.

August 2001-December 2004

Director of Residential Services

- o Participated in the selection, hiring, and orientation process for residential staff.
- o Maintained the physical condition of facilities in areas of responsibility.
- o Ensure the care, welfare, safety and security of all clients assigned to your department.
- o Provided leadership and direction to staff through daily supervision, individual supervisory sessions, annual performance appraisals, on-going training, and regularly scheduled meetings.
- o Directly supervised Residential Services Supervisors
- o Ensured the department's compliance with regulatory and accrediting bodies.
- o Prepared annual departmental budgets and purchase items within the limits of the approved budget.

June 2001--July 2001

Residential Services Supervisor

- o Directly supervise Lead Youth Treatment Specialists, Youth Treatment Specialists, and Youth Treatment Workers.
- o Participated in the selection, hiring, and orientation process for residential staff.
- o Ensured the department's compliance with regulatory and accrediting bodies.

December 1988--June 1995

Youth Treatment Service Worker

Lead Youth Treatment Service Worker

Afterschool Coordinator

Licensed Mental Health Counselor LMHC, CCBT

EDUCATION

1993 Indiana State University
 M.S. - Agency Counseling

1988 Indiana State University
 B.S. - Criminology

LICENSES

Licensed Mental Health Counselor
Certified Cognitive Behavioral Therapist

ROB STURM

**DIRECTOR RESIDENTIAL OPERATIONS
GIBAULT CHILDREN'S SERVICES**

Robert Sturm
6541 Heather Lane
Terre Haute, IN 47803
812-466-3592
rob.sturm@glbault.org

1997 - Present Glbault, Inc. Terre Haute, IN

March 2005 - Present

Director of Residential Operations

- o Participate in the selection, hiring, and orientation process for all staff in your area of responsibility.
- o Maintain the physical condition of Terre Haute Campus residential operations.
- o Ensure the care, welfare, safety and security of all clients admitted within the Terre Haute Campus residential programs.
- o Provide leadership and direction to staff through daily supervision, individual supervisory sessions, annual performance appraisals, on-going training, and regularly scheduled meetings.
- o Ensure the department's compliance with regulatory and accrediting bodies.
- o Prepare annual departmental budgets and purchase items within the limits of the approved budget.
- o Perform all quality improvement functions as required by accrediting bodies and state licensing regulations.
- o Be directly responsible for the implementation of a Residential program, based upon the mission of Glbault, Inc.
- o Serve as a member of the Clinical Review Team, as needed.
- o Manage the functioning of the Unit Treatment Teams operating within their area of responsibility.

July 2003 - February 2005

Associate Director of Residential Services

- o Participated in the selection, hiring, and orientation process for residential staff.
- o Maintained the physical condition of facilities in areas of responsibility.
- o Ensure the care, welfare, safety and security of all clients assigned to your department.
- o Provided leadership and direction to staff through daily supervision, individual supervisory sessions, annual performance appraisals, on-going training, and regularly scheduled meetings.
- o Directly supervised Residential Services Supervisors
- o Ensured the department's compliance with regulatory and accrediting bodies.
- o Prepared annual departmental budgets and purchase items within the limits of the approved budget.

April 1998 - June 2003

Residential Services Supervisor

- o Directly supervise Lead Youth Treatment Specialists, Youth Treatment Specialists, and Youth Treatment Workers.
- o Participated in the selection, hiring, and orientation process for residential staff.
- o Ensured the department's compliance with regulatory and accrediting bodies.

February 1997 - March 1998

Teacher's Assistant
Recreation Coach

EDUCATION

2006

Indiana State University
M.S. - Special Education

1997

Indiana State University
B.S. - Physical Education

ATTACHMENT 2
HEAD OF SCHOOL/PRINCIPAL
CANDIDATE RESUME

Cary Molinder

W-812-298-3077

C-812-240-7072

246 S. 22nd St, Terre Haute, In. 47803

Cary. Molinder@gibault.org

Professional Experience

Gibault Children Services, Terre Haute, Indiana
August 2006 to present
Principal, Director of Educational Operations

Achievements:

- Father Gibault Award, for outstanding leadership and service, March 2008

Responsibilities:

- Supervise a staff of over twenty providing educational services to residential students with a diverse set of needs in an overall treatment milieu
- Coordinate on-going in-services for educational staff
- Prepare staff and student schedules
- Select, hire and orientate of all staff in the education department
- Provide leadership and direction to education staff by various instruments and techniques
- Select and purchase school related material
- Coordinate ISTEP testing
- Maintain compliance with all applicable laws mandates and requirements of the Indiana State Board of Education
- Oversee the development and implementation of the school improvement plan as required by P.L. 221
- Prepare calendars and update student transcripts
- Oversee and select curriculum for the regular school year and summer school session

Gibault Children Services, Terre Haute, Indiana
January 1986 to December 1987 and August 1988 to August 2006
Science Teacher

Achievements:

- Awarded Indiana Department Natural Resources, Hoosier Riverwatch Equipment Grant to test water quality of nearby Honey Creek

Responsibilities:

- Instructions in the area of high school science and physical education in an accredited on-grounds school serving students who are placed in a residential treatment facility
- Provide client supervision during the regular school day during non-instructional time
- Function as a member of the Unit Treatment Team, comprised of employees from various departments, whose role is to develop, implement, evaluate and revise treatment plans for each client they are assigned

- Develop and revise curriculum as necessary according to Indiana State Science Standards
- Serve on school improvement steering committee and character education committee

Education

Indiana State University, Terre Haute, Indiana
M. Ed. Educational Administration and Supervision
2007

Indiana State University, Terre Haute, Indiana
Biology Teaching Minor
1991

Indiana State University, Terre Haute, Indiana
B.S. Physical Education and General Science
1988

Principal Job Description

Position Summary: The Principal is responsible for the administration of Summit Academy Charter School

FLSA Status: Exempt

Expected Notice of Separation: Professional/Exempt Staff: 30 Days Notice

Requirements

- **Knowledge** – Specified Masters Degree in education and a principal's license required, and 5 years of experience in a related field preferred.
- **Written Communication Skills** - Writing skills must be well developed to handle a wide range of business writing assignments, such as drafting and finalizing correspondence, proposals, reports, and position papers. Incumbents must be able to devise effective approaches to the organization, formatting and style of the written material.
- **Research, Processing and Handling of Information** - Information requested, compiled or received is highly complex. Data and information must be combined, synthesized, or integrated from several sources to establish new facts, systems, hypotheses, theories, or a more complete body of knowledge or information.
- **Communication Skills** - Job duties and responsibilities frequently require persuading others to take action; resolving disagreements disputes, or conflicts; developing and making formal presentations; or otherwise engaging in communications activities which substantially contributing to solving problems or achieving work objectives.
- **Judgment and Independence of Action** - effects Department or Organizational Work Unit
- **Job Complexity** - Data and information consists of factual material, but frequently there are significant variables, uncertainties, or ambiguities to consider. Analytical ability, conceptual ability, logic, and intuitive judgment must be applied to a considerable extent. Steps, methods, or processes used are generally defined, but frequently require modification or adaptation.
- **Impact on students, Community and Staff Relations** - The job's responsibilities are expected to have a significant impact on the image of the organization, student, community and/or staff relations can be affected to the extent that issues or problems are considered significant. Positive or negative consequences are likely to become widely known (internally and externally) and materially affect the reputation of the organization.
- **Impact on Programs, Operations and Services** - The job's responsibilities are expected to have a significant impact on the quality, quantity, or timeliness of the organization's programs, services and operations. Inadequate performance will impair overall effectiveness and efficiency to the extent that services or operating objectives cannot be achieved according to original plans schedules and/or budgets.
- **Supervisory or Managerial Responsibility** – 1st Level Manager: The first-level manager role entails the responsibility of planning, directing, staffing, and controlling a department or service area, unit or function. The first level manager works through one or more subordinate supervisors (including working supervisors) and has 6 or more employees reporting.
- **Demand for Mental and/or Visual Concentration** - Level of Visual Concentration: The amount and extent of task detail with which the person must work, e.g., figures, paperwork, data, etc are periodic. Interruptions and Distracting Influences: For example people, phone calls, noise, and so forth are continuous. Pressures related to establishing priorities, meeting deadlines, or fulfilling scheduling requirements are periodic.
- **Working Environment** - Very little physical effort, individuals work in comfortable positions. The tasks performed on the job, and the location of the work is such that the incumbent's exposure to accident and health hazards is unlikely.
- Possession of valid driver's license and approved insurability status by Summit Academy's insurance carrier preferred.

ATTACHMENT 3
SCHOOL ADMINISTRATORS' RESUMES

BRION BLANC
PROPOSED SUMMIT ACADEMY SCHOOL
ASSISTANT PRINCIPAL

Brion M. Blanc
9640 Kate Court
Terre Haute, Indiana 47802
812-298-9640
brion.blanc@gibault.org

PROFESSIONAL EXPERIENCE

Holy Cross School at Gibault Children's Services

Assistant Principal, June 2007 to present

I assist the Principal with the day to day management of the students, faculty and school culture. I function with the Principal as a successful administrative team to assist teachers in providing quality instruction and a positive school climate. I work cohesively with the Principal to provide quality professional development opportunities, facilitate school improvement plans, develop a highly qualified faculty and most importantly to provide a safe and productive school environment for our students. As the Assistant Principal my primary focus is managing the daily school routine, student behavior and completion of essential documentation and reports.

Professional strengths

- *Faculty leadership
- *Team oriented management style
- *Teacher training and development
- *Classroom management support
- *New teacher mentoring
- *Positive professional relationships
- *Encourage professional development
- *Delegation of responsibilities
- *Program Development
- *Excellent communication and written skills
- *Embracing and managing change
- *Ability to create student and teacher schedules
- *Encourage continuous student and teacher improvement
- *Promote the success of all students
- * Goal driven student guidance
- * Behavior Management
- *Maintain a safe school environment
- *Student and teacher motivation
- *Long and short-term planning
- *Create and monitor policies
- * Facility management
- *Goal and objective oriented
- *Prepare and submit timely reports
- *Case Conference Coordinator Experience
- *Plato Credit Recovery Administration

Accomplishments

- *Created student handbook
- *Implemented electronic grade books
- *Created a new teacher orientation program
- *Teacher attendance incentive program
- *Assisted with adoption and setup of NWEA
- *Facilitated many reports/processes to electronic format
- *New fire, tornado and evacuation procedures for every room
- *Assisted in procuring an electronic student data system
- *Created Behavior Treat to encourage positive student behavior
- *Created Blanc's Bank to encourage positive student behavior
- *Creation of a progressive discipline policy
- *Assisted with developing a new computer lab
- *K-12 Social Studies Curriculum
- *Assisted with procurement of new technologies
- *Facilitated GED student transitions to Ivy Tech

Middle/High School Teacher, October 2000 to June 2007

I served as the High School Social Studies teacher for 4 years. I created challenging daily lesson plans and appropriate content instruction to meet state academic standards, while building positive student relationships. Incorporated technology in the classroom when available to encourage and support learning and student participation. Classes taught at the High School level were US History, Psychology, World History, Government and Economics. I also taught in the Middle School for 3 years. Courses taught in Middle School were Earth Science, Physical Science, Language Arts, Reading, Computer Applications, Math and P.E. I have actively served on committees for NCA, PL 221 and School Improvement.

Behavior Management Program Teacher, August 1999 to October 2000

Taught boys 8-17 with severe behavior problems in a self-contained classroom designed to redirect negative behavior through a highly structured environment. I was the liaison to the classroom teachers and responsible for all educational services provided in the classroom. I led the team that evaluated student progress and reintegration into their regularly assigned classrooms.

Vigo County, Clay Community and South Vermillion School Corporations

Substitute Teacher, September 1997 to August 1999

Martin Luther Homes of Indiana (now known as Mosaic)

Personal Assistant, August 1997 to August 1999

Worked as a personal assistant for a client with Cerebral Palsy in the home and community setting. I also provided respite care in the home and in the community on a weekly basis for two families with children on the Autism Spectrum.

Program Coordinator, June 1993 to September 1994

Served as the Program Coordinator for a children's group home and an adolescent group home. I designed all IHP's (Individual Habilitation Plans), managed all client goals, monitored client performance and participated in all clients IEP's. Administrative duties included monitoring budgets, staff management and staff training.

Residential Counselor, October 1990 to June 1993

Worked with residents on improving their daily living skills in a home environment. Implemented daily schedules, tracked program data, monitored resident progress and ensured compliance with state and federal regulations.

EDUCATION

Masters of Education, Indiana State University, August 2007 to May 2011

*Educational Leadership, Administration and Foundations (ELAF)

Bachelor of Science, Indiana State University, August 1997 to December 1998

*Social Science Education

*Subject areas: US History, Psychology and Sociology

Bachelor of Science, Indiana State University, Jan 1989 to May 1993

* Sociology

EXTRACURRICULAR

South Vermillion High School, Assistant Football Coach, 5 years

Holy Cross High School, Assistant Basketball Coach, 2 years

Holy Cross Middle School, Scrabble Club Sponsor, 2 years

Sunday School Teacher, current

JD#43 -Assistant Principal Job Description (Revised August 2006)

Position Summary: The Assistant Principal is responsible for Assisting the Principal in handling student behavioral problems in the Education Department in addition to providing general student supervision.

Reports To: The Principal

FLSA Status: Exempt

Expected Notice of Separation: Professional/Exempt Staff: 30 Days Notice

Requirements

- **Knowledge** – specified Masters Degree in education and a principal's license or eligible required, and one year of experience in a related field preferred.
- **Written Communication Skills** - Writing skills are considered to be basic in nature. Job duties require knowledge and applications of spelling, punctuation, sentence structure, and grammar. Use of such skills would be evident in assignments such as proofreading and preparation of routine memos or correspondence.
- **Research, Processing and Handling of Information** - Information is compiled or received in a prescribed form, but may vary in content according to difference in job tasks performed. Some data or information are encountered that must be categorized, reported to others, or modified to a limited extent.
- **Communication Skills** - Job duties and responsibilities periodically require interpreting and translating facts and information, explaining situations and issues to people and advising them of alternative or appropriate courses of action; and/or interviewing and acquiring information from others.
- **Judgment and Independence of Action** - effects Incumbent's Own Position but Affecting Student Groups
- **Job Complexity** - Data and information are mostly factual, but frequently there are minor variables, uncertainties, or ambiguities to consider. Analytical ability, conceptual ability, logic, and intuitive judgment must be applied to a limited extent. Steps, methods or processes used are normally established or pre-defined, but occasionally require some modification or adaptation.
- **Impact on Student, Community and Staff Relations** - The job performance impacts the overall community or staff relations and image of the school to a minor degree. Positive or negative consequences are relatively short-term in nature and restricted to only a few students, employees, visitors or members of the public.
- **Impact on Programs, Operations and Services** - The job impacts the overall efficiency of the school's programs, operations and services to a minor degree. The structure or design of the job permits or encourages actions which can improve individual or group performance. Errors or deficiencies in performance are more difficult to correct. Correction requires definite amounts of time, effort, and/or financial resources.
- **Supervisory or Managerial Responsibility** – Responsibility of planning, directing, staffing and controlling a department or service area in the absence of the principal.
- **Demand for Mental and/or Visual Concentration** - Level of Visual Concentration: The amount and extent of task detail with which the person must work, e.g., figures, paperwork, data, etc are occasional. Interruptions and Distracting Influences: For example people, phone calls, noise, and so forth are periodic. Pressures related to establishing priorities, meeting deadlines, or fulfilling scheduling requirements are occasional.
- **Working Environment** - The job requires periodic physical exertion characterized by activities such as repeated bending, reaching, climbing, running, moderate lifting or fine manual dexterity and eye/hand coordination. The tasks performed on the job produce exposure to injuries. Such as minor burns, cuts, abrasions, or falls. Little or no health hazard is involved. Work is carried out in mildly disagreeable conditions. Factors such as temperature, noise or ventilation yield a perceptible level of discomfort.

AMY ATCHLEY
PROPOSED SUMMIT ACADEMY SCHOOL
FINANCIAL OFFICER

AMY C. ATCHELEY, C.P.A.
10653 East Welch Drive, Lewis, IN 47858
Work (812) 298-3201 Home (812) 495-5033 Cell (812) 249-8631
E-mail amy.atchley@gibault.org

CAREER OBJECTIVE

To obtain a long-term accounting position in which I can best utilize my skills, abilities and experience.

EXPERIENCE

GIBAULT, INC., GIBAULT FOUNDATION, INC., GIBAULT VENTURES, INC. AND
GIBAULT CARE, INC. Terre Haute, IN

Director of Finance, July 2006 to Present

- Oversees the financial activities of Gibault and its related organizations
- Develop, analyze, and interpret statistical and accounting information
- Member of Administrative Council which reports directly to the President/CEO
- Ensure the department's compliance with regulatory and accrediting bodies
- Perform all quality improvement functions as required by accrediting bodies and state licensing regulations
- Prepare and present reports for the Board of Trustees as assigned by the President/CEO and regularly attend committee meetings of the Board of Trustees
- Provide all levels of employee supervision, including training, evaluations, hiring and firing, disciplinary actions and record keeping
- Prepare surveys and other financial data reports
- Responsible for accounting practices and internal controls
- Prepare internal and external comparative financial statements on a monthly basis
- Coordinate and work with the Administrative Council members in formulating the annual operating budget
- Direct general accounting, accounts payable, accounts receivable, cashiering, and related functions of the Business Office
- Plan and coordinate the annual external audit
- Maintain the company's system of accounts and keep books and records on all company transactions and assets
- Work in conjunction with all departments to educate supervisors and general staff in regards Business Office policy guidelines

SAINT MARY OF THE WOODS COLLEGE, Saint Mary of the Woods, IN
Controller, October 2000 to July 2006

- Develop, analyze, and interpret statistical and accounting information
- Provide all levels of employee supervision, including training, evaluations, hiring and firing, disciplinary actions and record keeping
- Prepare FISAP, surveys, and other financial data reports
- Responsible for College accounting practices and internal controls
- Prepare internal and external comparative financial statements on a monthly basis
- Coordinate and direct the preparation of the detailed budget
- Direct general accounting, accounts payable, accounts receivable, cashiering, and related functions
- Prepare annual tax return (Form 990)
- Oversee compliance of Perkins Loan Program
- Organize and prepare work papers for the annual external audit (including A-133) and draft auditors' financial report
- Maintain the company's system of accounts and keep books and records on all company transactions and assets
- Work with diverse population of the campus community and constituents
- Report directly to the Chief Financial Officer

AMY C. ATCHLEY, C.P.A. (continued)
10633 East Welch Drive, Lewis, IN 47858
Work (812) 298-3201 Home (812) 493-5033 Cell (812) 249-8631
E-mail amy.atchley@glbault.org

FIRST FINANCIAL CORPORATION, Terre Haute, IN
Staff Accountant at Terre Haute First National Bank, September 1998 to October 2000

- Prepare various regulatory reports for government agencies (SBC, FDIC, etc.)
- Compile and review financial statements for nine affiliate banks
- Prepare property tax returns for Indiana affiliates
- Maintain and balance fixed asset records and depreciation schedules for affiliate banks
- Respond to Internal Revenue Service and Indiana Department of Revenue notices
- Local Security Administrator for wire transfer activity and Fedline terminal
- Responsible for monthly tax accruals and related tax matters
- Supervise various functions in Finance/Control Department
- Provide General Ledger support to Internal departments and all affiliates
- Assist customers with various situations when necessary
- Work directly under the Chief Financial Officer and Controller in Finance/Control Department

KEMPER CPA GROUP, LLC (formerly Milou, Eble, Bonomo, & Strange, LLP), Terre Haute, IN
Certified Public Accountant (part-time), Tax Seasons, 1999 to 2006

- Prepare individual, corporate, and partnership income tax returns
- Reconcile quarterly payroll tax returns and prepare W2s, 1099s, and W-3s

MILLOU, EBLE, BONOMO, & STRANGE, LLP, Terre Haute, IN
Staff Accountant, Computer Operator, Typist, January 1993 to September 1998

- Prepare individual, corporate, and partnership income tax returns
- Compile, review and audit financial statements
- Prepare sales and use tax and property tax returns
- Perform general bookkeeping activities for various clients
- Respond to Internal Revenue Service and Indiana Department of Revenue notices
- Interact daily with clients and colleagues
- Prepare monthly, quarterly, and annual payroll tax returns including W2s, 1099s, and other annual information returns

EDUCATION

INDIANA STATE UNIVERSITY, Terre Haute, IN
Bachelor of Science degree in Accounting, December 1994
GPA 3.6 on 4.0 grade scale, Cum Laude, ISU Honors Program

Certified Public Accountant (CPA) designation obtained in 1999, current on CPE requirements

SMWC Activities: Served on Staff Steering Committee (Chair), Compensation Committee, Handbook Committee, and employee search committees, SMWC Y.O.U.R. (Your Outstanding Unique Recognition) Award recipient September 2004

Accounting Associations: Indiana CPA Society, American Institute of Certified Public Accountants (AICPA)

RELATED SKILLS

- Experience with Excel, Word, Lotus 1-2-3, PPT, A/S 400, Univer, Great Plains, Best Fixed Asset System Software, CPAS Software, WordPerfect, EDGAR, PowerPoint, Access, and various accounting, tax and research software packages
- Proficient on computers, typewriters, adding machines, and other office equipment

JD#120 –Chief Financial Officer Job Description (Revised –August, 2006)

Position Summary: The Chief financial officer is responsible for overseeing the financial activities of Summit Academy and its related organizations.

Reports To: The President/CEO or designee of Gibault Children's Services

FLSA Classification: Exempt

Expected Notice of Separation: Professional/Exempt Staff: 30 Days Notice

Requirements

- **Knowledge** – Bachelor of Science degree in accounting preferred and 5 years of experience in a related field or a non-specific masters degree preferred and 2 years of experience in a related field.
- **Written Communication Skills** - Writing skills must be well developed to handle a wide range of business writing assignments, such as drafting and finalizing correspondence, proposals, reports, and position papers. Incumbents must be able to devise effective approaches to the organization, formatting and style of the written material.
- **Research, Processing and Handling of Information** - Information requested, compiled or received is highly complex. Data and information must be combined, synthesized, or integrated from several sources to establish new facts, systems, hypotheses, theories, or a more complete body of knowledge or information.
- **Communication Skills** - Job duties and responsibilities occasionally require exceptionally well-developed communication and interpersonal skills in order to successfully handle problems or situations which are critical to the success of services, operations, and/or projects.
- **Judgment and Independence of Action** - effects Multiple Departments
- **Job Complexity** - Data and information consists of factual material, but frequently there are significant variables, uncertainties, or ambiguities to consider. Analytical ability, conceptual ability, logic, and intuitive judgment must be applied to a considerable extent. Steps, methods, or processes used are generally defined, but frequently require modification or adaptation.
- **Impact on Clients, Community and Staff Relations** – The job's responsibilities are expected to have significant impact on the image of the organization, student, community and/or staff relations can be affected to the extent that issues or problems are considered significant. Positive or negative consequences are likely to become widely known (internally and externally) and materially affect the reputation of the organization.
- **Impact on Programs, Operations and Services** - The job's responsibilities are expected to have a significant impact on the quality, quantity, or timeliness of the organization's programs, services and operations. Inadequate performance will impair overall effectiveness and efficiency to the extent that services or operating objectives cannot be achieved according to original plans schedules and/or budgets.
- **Supervisory or Managerial Responsibility** – 2nd Level Manager: The second-level manager has responsibilities similar to that of a first-level manager in terms of planning, directing, staffing, and controlling. The level or depth of responsibility, however, is greater because it requires the incumbent to work through one or more subordinate first-level managers and has 3 to 5 employees reporting.
- **Demand for Mental and/or Visual Concentration** - Level of Visual Concentration: The amount and extent of task detail with which the person must work, e.g., figures, paperwork, data, etc are periodic. Interruptions and Distracting Influences: For example people, phone calls, noise, and so forth are periodic. Pressures related to establishing priorities, meeting deadlines, or fulfilling scheduling requirements are periodic.
- **Working Environment** - Very little physical effort, individuals work in comfortable positions. The tasks performed on the job, and the location of the work is such that the incumbent's exposure to accident and health hazards is unlikely.
- Possession of valid drivers license and approved insurability status by Gibault's insurance carrier preferred.

ROBIN SHAMSAIE
PROPOSED SUMMIT ACADEMY SCHOOL
PSYCHOLOGIST

Vita
Robin Shamsaie
4733 S. 7th Street
Terre Haute, IN 47802
812 232-6200

Education

Ph.D., Guidance & Psychological Services, August 2000
Indiana State University, Terre Haute, IN
M.S., Counseling, August 1989
Indiana State University, Terre Haute, IN
B.A., Psychology, May 1986
DePauw University, Greencastle, IN

Licensure

Psychologist, Health Service Provider in Psychology, Health Professions Bureau,
Indiana (20041685A)
School Psychologist, State of Indiana, Doctorate Level (944537)
Licensed Mental Health Counselor, Indiana, Retired (39000095A)
Nationally Certified Counselor, National Board of Certified Counselors, Retired
(53547)

Professional Experience

Psychological & Educational Resources, Inc., November 2002 – Present
Private Practice, Terre Haute, IN
Outpatient psychological and educational services for children,
adolescents and families

Staff Psychologist, August 2001 – Present
Gibault, Inc., Terre Haute, IN
Psychological evaluations with child and adolescent residents, supervision
of masters level clinicians' diagnostic impressions and treatment planning,
consultation, development of outpatient service delivery, school
psychology services for students eligible for special education services,
field supervisor for doctoral level students in school psychology

Psychologist, April 2004 – July 2007
Foster Care-Plus, Dunn Center, Terre Haute, IN
Consultation and supervision of diagnostic impressions and treatment
planning by masters level team leaders who provide case management
services to children in foster care

Staff Psychologist, September 2000 – August 2001

Hamilton Center, Inc., Rockville, IN

Outpatient psychological services for children, adolescents, adults and families, psychological evaluations, individual, group and family therapy, collaboration of community resources with formal post-doctoral supervision

APA Intern, August 1999 – September 2000

Hamilton Center, Inc., Terre Haute, IN

Outpatient individual, group and family therapy and psychological evaluation for children, adolescents and families; adolescent intensive outpatient program for addiction services, adult inpatient services as part of formal APA approved pre-doctoral internship

Director of Outpatient Services, January 1994 – August 1996

Charter Behavioral Health Systems, Terre Haute, IN

Administrative management of outpatient counseling centers in Terre Haute, Greencastle, Bloomington, IN

Director of Youth Services -- May 1991 – January 1994

Charter Behavioral Health Systems, Terre Haute, IN

Administrative management of psychiatric inpatient child and adolescent units

Program Administrator – Adolescent Services, May 1990 – May 1991

Charter Behavioral Health Systems, Bradenton, FL

Administrative management of psychiatric inpatient adolescent unit

Clinical Therapist -- May 1989 – May 1990

Charter Behavioral Health Systems, Terre Haute, IN

Individual, group, family therapy with children and adolescents

University Teaching Experience

Practicum Supervisor, January 2003 – May 2006

Indiana State University, Terre Haute, IN

Supervision of educational specialist and doctoral level students in school psychology practicum

Adjunct Faculty, June 2004 -- August 2004

Indiana State University, Terre Haute, IN

Instructor of record for graduate level course in cognitive assessment and intervention. Course requirement for doctoral students in counseling psychology

Adjunct Faculty, August 2004 – December 2004

Indiana State University, Terre Haute, IN

Instructor of record for graduate level course in social-emotional assessment and intervention. Course requirement for specialist and doctoral students in school psychology.

Adjunct Faculty, January 2002 – May 2002

Indiana State University, Terre Haute, IN

Instructor of record for undergraduate course in child and adolescent psychology

Instructor, January 1998 – December 1998

Indiana State University, Terre Haute, IN

Taught undergraduate course in child and adolescent psychology under supervision of doctoral program faculty

Graduate Assistant, Personality Assessment, September 1998 – December 1998

Indiana State University, Terre Haute, IN

Graduate course in administration, scoring and interpretation of objective and projective personality measures under supervision of doctoral program faculty

Graduate Assistant, Intelligence Assessment, September 1997 – May 1998

Indiana State University, Terre Haute, IN

Graduate course in administration, scoring and interpretation of intelligence assessment measures under supervision of doctoral program faculty

Professional Membership

American Psychological Association

National Association of School Psychologists

Professional References

Nancy Faulkner, Ph.D. (812) 877 – 9391

Keith Magnus, Ph.D., HSPP (317) 940 – 9385

Paula Pelland, Psy.D., HSPP (812) 235 – 2600

Bridget Roberts-Pittman Ph.D., HSPP (812) 237 – 4793

JD#400 -Staff Psychologist Job Description (Revised—April, 2003)

Position Summary: The Staff Psychologist is responsible for conducting psychological assessments, clinical staffings, and school assessment testing

Reports To: Executive Director of Terre Haute Campus

FLSA Classification: Exempt

Expected Notice of Separation: Professional/Exempt Staff: 30 Days Notice

Requirements

- **Knowledge** – Phd. In Psychology with HSPP licensing.
- **Written Communication Skills** - Writing skills must be well developed to handle a wide range of business writing assignments, such as drafting and finalizing correspondence, proposals, reports, and position papers. Incumbents must be able to devise effective approaches to the organization, formatting and style of the written material.
- **Research, Processing and Handling of Information** - Information is requested, compiled or received in both prescribed formats and as unstructured data, or it must be compiled, assessed or transformed into specialized formats. Information is often incomplete or conflicting and must be verified.
- **Communication Skills** - Job duties and responsibilities periodically require interpreting and translating facts and information, explaining situations and issues to people and advising them of alternative or appropriate courses of action; and/or interviewing and acquiring information from others.
- **Judgment and Independence of Action** - effects Incumbent's Own Position
- **Job Complexity** - Data and information consists of factual material, but frequently there are significant variables, uncertainties, or ambiguities to consider. Analytical ability, conceptual ability, logic, and intuitive judgment must be applied to a considerable extent. Steps, methods, or processes used are generally defined, but frequently require modification or adaptation.
- **Impact on Client, Community and Staff Relations** - The job performance impacts the overall community or staff relations and image of the organization to a minor degree. Positive or negative consequences are relatively short-term in nature and restricted to only a few clients, employees, visitors or members of the public.
- **Impact on Programs, Operations and Services** - The job impacts the overall efficiency of the organization's programs, operations and services to a minor degree. The structure or design of the job permits or encourages actions which can improve individual or group performance. Errors or deficiencies in performance are more difficult to correct. Correction requires definite amounts of time, effort, and/or financial resources.
- **Supervisory or Managerial Responsibility** – No supervisory or managerial authority
- **Demand for Mental and/or Visual Concentration** - Level of Visual Concentration: The amount and extent of task detail with which the person must work, e.g., figures, paperwork, data, etc are periodic. Interruptions and Distracting Influences: For example people, phone calls, noise, and so forth are occasional. Pressures related to establishing priorities, meeting deadlines, or fulfilling scheduling requirements are periodic.
- **Working Environment** - Very little physical effort, individuals work in comfortable positions. The tasks performed on the job, and the location of the work is such that the incumbent's exposure to accident and health hazards is unlikely.
- Possession of valid driver's license and approved insurability status by Gibault's insurance carrier preferred.

MICHELE MADLEY
VICE PRESIDENT GIBAULT
CHILDREN'S SERVICES

Michèle Madley
7624 South Williamsburg Street
Terre Haute, IN 47802
(812) 230-2203
michèle.madley@gibault.org

1988-1995

2001 - Present Gibault, Inc. Terre Haute, IN

January 2005 - Present

Executive Director of Terre Haute Campus

- o Maintain the physical condition of Terre Haute Campus residential operations.
- o Ensure the care, welfare, safety and security of all clients admitted within the Terre Haute Campus residential programs.
- o Provide leadership and direction to staff through daily supervision, individual supervisory sessions, annual performance appraisals, on-going training, and regularly scheduled meetings.
- o Ensure program compliance with regulatory and accrediting bodies.
- o Prepare annual departmental budgets and purchase items within the limits of the approved budget.
- o Perform all quality improvement functions as required by accrediting bodies and state licensing regulations.
- o Directly responsible for the implementation of Residential, Maintenance, Food Services, Education, Household Services, Clinical and Medical programs of the Terre Haute Campus based upon the mission of Gibault, Inc.

August 2001-December 2004

Director of Residential Services

- o Participated in the selection, hiring, and orientation process for residential staff.
- o Maintained the physical condition of facilities in areas of responsibility.
- o Ensure the care, welfare, safety and security of all clients assigned to your department.
- o Provided leadership and direction to staff through daily supervision, individual supervisory sessions, annual performance appraisals, on-going training, and regularly scheduled meetings.
- o Directly supervised Residential Services Supervisors
- o Ensured the department's compliance with regulatory and accrediting bodies.
- o Prepared annual departmental budgets and purchase items within the limits of the approved budget

June 2001-July 2001

Residential Services Supervisor

- o Directly supervise Lead Youth Treatment Specialists, Youth Treatment Specialists, and Youth Treatment Workers.
- o Participated in the selection, hiring, and orientation process for residential staff.
- o Ensured the department's compliance with regulatory and accrediting bodies.

December 1988-June 1995

Youth Treatment Services Worker

Lead Youth Treatment Services Worker

Aftercare Coordinator

Licensed Mental Health Counselor LMHC, CCBT

EDUCATION

1993 Indiana State University
 M.S. -- Agency Counseling

1988 Indiana State University
 B.S. -- Criminology

LICENSES

Licensed Mental Health Counselor
Certified Cognitive Behavioral Therapist

JD#210 –Vice President/Executive Director of Terre Haute Campus Job Description (Revised – August 2006)

Position Summary: The Vice President/Executive Director: Terre Haute Campus has the overall responsibility for the day-to-day operations of campus program services. Major areas of responsibility include residential services, clinical services, education services, maintenance services, commissary/household services and food services.

Reports To: President/CEO of Gibault, Inc.

FLSA Classification: Exempt

Expected Notice of Separation: Professional/Exempt Staff: 30 Days Notice

Requirements

- **Knowledge** – Specified Masters Degree in social work, counseling, social work administration, or related field and 5 or more years of experience in a related field
- **Written Communication Skills** - Job requires a very high degree of writing skill in order to effectively perform assignments such as preparing major proposals and reports, writing material for formal publication, preparing contracts or other original legal documents, or writing substantive pieces for communication with the public.
- **Research, Processing and Handling of Information** - Information requested, compiled or received is highly complex. Data and information must be combined, synthesized, or integrated from several sources to establish new facts, systems, hypotheses, theories, or a more complete body of knowledge or information.
- **Communication Skills** - Job duties and responsibilities frequently require exceptionally well-developed communication and interpersonal skills in order to successfully handle problems or situations which are critical to the success of services, operations, and/or projects.
- **Judgment and Independence of Action** – effects Entire Organization
- **Job Complexity** - Substantial time and effort must be devoted to researching, obtaining, and organizing needed data and information. The data and information regularly include significant variables, uncertainties, or ambiguities to consider. Analytical ability, conceptual ability, logic, and intuitive judgment must be applied to a very high extent. The incumbent may also be required to develop new or original procedure methods or processes.
- **Impact on Clients, Community and Staff Relations** - Positive or negative impact on clients, community and/or staff relations and the organization's public image is considered to be major. Issues or problems would require the attention of the Board and would typically require formal actions or decisions. The reputation of the organization would be greatly enhanced or jeopardized.
- **Impact on Programs, Operations and Services** - Impact on the effectiveness and efficiency of the organization's programs, operations and services either positive or negative, are considered to be major. Attention to such increases or decreases would be given by the Board and would typically require formal actions or decisions. Improvements to the quality, quantity, or timeliness of services and operations are measurable and considered to be substantial.
- **Supervisory or Managerial Responsibility** – 2nd Level Manager: The second-level manager has responsibilities similar to that of a first-level manager in terms of planning, directing, staffing, and controlling. The level or depth of responsibility, however, is greater because it requires the incumbent to work through one or more subordinate first-level managers and has 6 or more employees reporting.
- **Demand for Mental and/or Visual Concentration:** Level of Visual Concentration - The amount and extent of task detail with which the person must work, e.g., figures, paperwork, data, etc are periodic. Interruptions and Distracting Influences: For example people, phone calls, noise, and so forth are continuous. Pressures related to establishing priorities, meeting deadlines, or fulfilling scheduling requirements are periodic.
- **Working Environment:** Types of Physical Demands – Very little physical effort, individuals work in comfortable positions. The tasks performed on the job, and the locations of the work are such that the incumbent's exposure to accident and health hazards is unlikely.
- Possession of valid drivers license and approved insurability status by Gibault's insurance carrier preferred.

ROB STURM

**DIRECTOR RESIDENTIAL OPERATIONS
GIBALT CHILDREN'S SERVICES**

Robert Sturm
6541 Heather Lane
Terre Haute, IN 47805
812-466-3592
rob.sturm@glbank.org

1997 - Present Glbank, Inc. Terre Haute, IN

March 2005 - Present

Director of Residential Operations

- o Participate in the selection, hiring, and orientation process for all staff in your area of responsibility.
- o Maintain the physical condition of Terre Haute Campus residential operations.
- o Ensure the care, welfare, safety and security of all clients admitted within the Terre Haute Campus residential programs.
- o Provide leadership and direction to staff through daily supervision, individual supervisory sessions, annual performance appraisals, on-going training, and regularly scheduled meetings.
- o Ensure the department's compliance with regulatory and accrediting bodies.
- o Prepare annual departmental budgets and purchase items within the limits of the approved budget.
- o Perform all quality improvement functions as required by accrediting bodies and state licensing regulations.
- o Be directly responsible for the implementation of a Residential program, based upon the mission of Glbank, Inc.
- o Serve as a member of the Clinical Review Team, as needed.
- o Manage the functioning of the Unit Treatment Teams operating within their area of responsibility.

July 2003 - February 2005

Associate Director of Residential Services

- o Participated in the selection, hiring, and orientation process for residential staff.
- o Maintained the physical condition of facilities in areas of responsibility.
- o Ensure the care, welfare, safety and security of all clients assigned to your department.
- o Provided leadership and direction to staff through daily supervision, individual supervisory sessions, annual performance appraisals, on-going training, and regularly scheduled meetings.
- o Directly supervised Residential Services Supervisors
- o Ensured the department's compliance with regulatory and accrediting bodies.
- o Prepared annual departmental budgets and purchase items within the limits of the approved budget.

April 1998 - June 2003

Residential Services Supervisor

- o Directly supervise Lead Youth Treatment Specialists, Youth Treatment Specialists, and Youth Treatment Workers.
- o Participated in the selection, hiring, and orientation process for residential staff.
- o Ensured the department's compliance with regulatory and accrediting bodies.

February 1997 - March 1998

Teacher's Assistant
Recreation Coach

EDUCATION

2006

Indiana State University
M.S. - Special Education

1997

Indiana State University
B.S. - Physical Education

JD#170 -Director of Residential Operations Job Description (Revised – August, 2006)

Position Summary: The Director of Residential Operations is responsible for all residential programs assigned.

Reports To: The Executive Director or Terre Haute Campus or designee.

FLSA Status: Exempt

Expected Notice of Separation: Professional/Exempt Staff: 30 Days Notice

Requirements

- **Knowledge** –Specified Masters Degree in social work, counseling, social work administration, or related field required and 3 or more years of experience in a related field preferred.
- **Written Communication Skills** - Writing skills must be well developed to handle a wide range of business writing assignments, such as drafting and finalizing correspondence, proposals, reports, and position papers. Incumbents must be able to devise effective approaches to the organization, formatting and style of the written material.
- **Research, Processing and Handling of Information** - Information requested, compiled or received is highly complex. Data and information must be combined, synthesized, or integrated from several sources to establish new facts, systems, hypotheses, theories, or a more complete body of knowledge or information.
- **Communication Skills** - Job duties and responsibilities periodically require exceptionally well-developed communication and interpersonal skills in order to successfully handle problems or situations which are critical to the success of services, operations, and/or projects.
- **Judgment and Independence of Action** - effects Multiple Departments
- **Job Complexity** - Substantial time and effort must be devoted to researching, obtaining, and organizing needed data and information. The data and information regularly include significant variables, uncertainties, or ambiguities to consider. Analytical ability, conceptual ability, logic, and intuitive judgment must be applied to a very high extent. The incumbent may also be required to develop new or original procedure methods or processes.
- **Impact on Clients, Community and Staff Relations** - The job's responsibilities are expected to have a significant impact on the image of the organization, client, community and/or staff relations can be affected to the extent that issues or problems are considered significant. Positive or negative consequences are likely to become widely known (internally and externally) and materially affect the reputation of the organization.
- **Impact on Programs, Operations and Services** - Impact on the effectiveness and efficiency of the organization's programs, operations and services either positive or negative, are considered to be major. Attention to such increases or decreases would be given by the Board and would typically require formal actions or decisions. Improvements to the quality, quantity, or timeliness of services and operations are measurable and considered to be substantial.
- **Supervisory or Managerial Responsibility** – 2nd Level Manager: The second-level manager has responsibilities similar to that of a first-level manager in terms of planning, directing, staffing, and controlling. The level or depth of responsibility, however, is greater because it requires the incumbent to work through one or more subordinate first-level managers and has 3 to 5 employees reporting.
- **Demand for Mental and/or Visual Concentration** - Level of Visual Concentration: The amount and extent of task detail with which the person must work, e.g., figures, paperwork, data, etc are periodic. Interruptions and Distracting Influences: For example people, phone calls, noise, and so forth are periodic. Pressures related to establishing priorities, meeting deadlines, or fulfilling scheduling requirements are continuous.
- **Working Environment** - Very little physical effort, individuals work in comfortable positions. The tasks performed on the job, and the location of the work is such that the incumbent's exposure to accident and health hazards is unlikely.
- Possession of valid driver's license and approved insurability status by Gibault's insurance carrier preferred.

ATTACHMENT 4
GOVERNANCE DOCUMENTS

**INDIANA SECRETARY OF STATE
BUSINESS SERVICES DIVISION
CORPORATIONS CERTIFIED COPIES**

INDIANA SECRETARY OF STATE
BUSINESS SERVICES DIVISION
302 West Washington Street, Room E018
Indianapolis, IN 46204

<http://www.sos.in.gov>

April 12, 2012

Company Requested: SUMMIT ACADEMY OF VIGO COUNTY, INC.
Control Number: 2009011400592

Date	Transaction	# Pages
01/14/2009	Articles of Incorporation	6



**State of Indiana
Office of the Secretary of State**

**I hereby certify that this is a true and
complete copy of this 6 page
document filed in this office.**

**Dated: April 12, 2012
Certification Number: 2012041293123**

Connie Lawson

**Connie Lawson
Secretary of State**

Indiana Secretary of State
Packet: 2009011400592
Filing Date: 01/14/2009
Effective Date: 01/14/2009

SUMMIT ACADEMY OF VIGO COUNTY, INC.

ARTICLES OF INCORPORATION

RECEIVED
09 JAN 14 PM 2:59

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

The name of the Corporation is: Summit Academy of Vigo County, Inc.

APPROVED
AND
FILED
JAN 14 2009
INDIANA SECRETARY OF STATE

ARTICLE II

Purposes

This is a *Public Benefit Corporation* organized exclusively for the following purposes:

- A. To establish and operate a fully accredited, charter school under the laws of the State of Indiana.
- B. The Corporation is irrevocably dedicated to and operated exclusively for, nonprofit purposes and no part of the income or assets of the Corporation shall be distributed to, nor inure to the benefit of, any individual.
- C. To receive grants, borrow or otherwise raise money to carry out the above and foregoing purposes from private sources otherwise under such terms and conditions as may be from time to time required.
- D. To buy, own, sell, assign, mortgage or lease any interest in real estate and personal property and to construct, maintain and operate improvements thereon necessary and incident to the accomplishment of the purposes heretofore set forth herein.
- E. To borrow money and issue evidence of indebtedness in furtherance of any or all of the objects of its business, and to secure the same by mortgage, pledge or other lien on the Corporation's property.

F. The purposes for which the Corporation is formed are exclusively for scientific, educational and charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code, and to that end to take and hold by bequest, devise, gift, grant, purchase, lease or otherwise any property, real, personal, tangible or intangible, or any undivided interest therein, without limitations to amount or value; to sell, convey, or otherwise dispose of any such property and to invest, reinvest, or deal with the principal or the income thereof in such manner as, in the judgment of the Directors, will best promote the purposes of the Corporation without limitation, except such limitations, if any, as may be contained in the instrument under which such property is received, these Articles of Incorporation, the By-Laws, or any laws applicable thereto. To do any other act or thing incidental to or connected with the foregoing purposes or in advancement thereof, but not for the pecuniary benefit or financial gain of its Directors or Officers except as permitted under the Indiana Nonprofit Corporation Law.

G. No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to its members, trustees, 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 Article III hereof. No substantial part of the activities of the Corporation shall be the carrying on of 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 these articles, the Corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, or (b) by a corporation, contributions to which are deductible under section 170(c)(2) of the Internal Revenue Code, or the corresponding section of any future federal tax code.

H. Upon the dissolution of the Corporation, its assets shall be distributed to Gibault, Inc., provided that it then qualifies as an exempt organization under 501(c)(3) of the Internal Revenue Code and, if not, the assets shall be distributed for one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a 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 Corporation is then located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

Indiana Secretary of State
Packet: 2009011400592
Filing Date: 01/14/2009
Effective Date: 01/14/2009

I. The Corporation shall be authorized to exercise and enjoy all other powers, rights and privileges granted by the provisions of the Indiana Nonprofit Corporation Act of 1991, to corporations organized thereunder, and all the powers conferred by the acts heretofore or hereunder amendatory of or supplemental to the said Act or the said laws; and the enumeration of certain powers as herein specified is not intended as exclusive of, or as a waiver conferred by the said Act or the said laws now or hereafter in force.

ARTICLE III

Period of Existence

The period during which the Corporation shall continue is perpetual.

ARTICLE IV

Resident Agent and Principal Office

Section 1. Resident Agent. The name and address of the Corporation's Resident Agent for service of process is:

Louis F. Britton
COX, ZWERNER, GAMBILL & SULLIVAN, LLP
511 Wabash Avenue
Terre Haute, IN 47807

Section 2. Principal Office. The post office address of the principal office of the Corporation is:

Summit Academy of Vigo County, Inc.
6301 South U.S. Hwy. 41
Terre Haute, IN 47802

ARTICLE V

Membership

The Corporation will not have members.

ARTICLE VI

Directors

Section 1. Number of Directors: The initial Board of Directors is composed of three (3) Directors. The minimum number of directors shall be three (3) and the maximum shall be twenty (20) provided, however, that the exact number of Directors shall be prescribed from time to time in the By-Laws of the Corporation. The initial Board of Directors are:

James M. Sinclair, MSSW, JD
c/o Gibault, Inc.
6301 South U.S. Hwy. 41
Terre Haute, IN 47802

Pam Bowman
c/o Gibault, Inc.
6301 South U.S. Hwy. 41
Terre Haute, IN 47802

Michele Madley
c/o Gibault, Inc.
6301 South U.S. Hwy. 41
Terre Haute, IN 47802

ARTICLE VII

Incorporator(s)

Section 1. Names and Post Office Address(es) of the Incorporator(s) of the Corporation is (are) as follows:

Louis F. Britton
COX, ZWERNER, GAMBILL & SULLIVAN, LLP
511 Wabash Avenue
Terre Haute, IN 47807

ARTICLE VIII

Statement of Property

A statement of the property, and an estimate of the value thereof, to be taken over by the Corporation at or upon its incorporation are as follows: None.

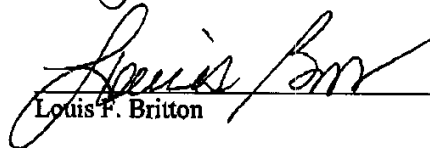
ARTICLE IX

Provisions for Regulation and Conduct
Of the Affairs of Corporation

Other provisions, consistent with the laws of this state, for the regulations and conduct of the affairs of the Corporation, and creating, defining, limiting or regulating the powers of the Corporation or Directors are as follows:

- A. The business and conduct of affairs of the Corporation shall be regulated by By-Laws approved by the Directors, which shall not be inconsistent with the Articles of Incorporation.
- B. Only the Directors shall have the power to make changes in and/or additions to the Articles of Incorporation and the By-Laws of the Corporation by the affirmative vote of a majority of the Directors or by written consent to such action signed by all of the Directors.
- C. The By-Laws and Articles of Incorporation may be altered, amended, or repealed at any meeting of the Board of Directors of the Corporation by majority vote of all of the Directors represented in person or by proxy, provided that all the proposed action is inserted in the Notice of such meeting, or by written consent to such action signed by all of the Directors.

DATED this 9th day of January 2009.



Louis F. Britton

ACKNOWLEDGMENT

STATE OF INDIANA)
) SS:
COUNTY OF VIGO)

Before me, a Notary Public in and for said county and state, personally appeared Louis F. Britton, this 9th day of January, 2009, and after having been first duly sworn, stated that the

**State of Indiana
Office of the Secretary of State**

CERTIFICATE OF INCORPORATION

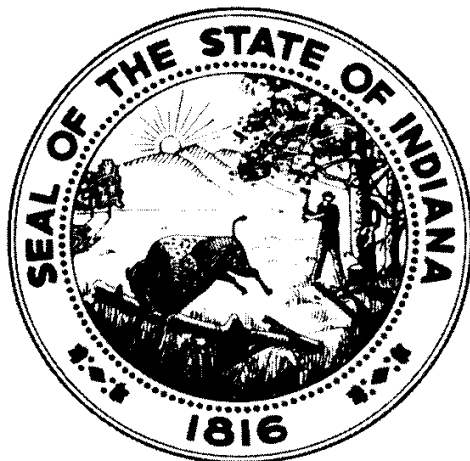
of

SUMMIT ACADEMY OF VIGO COUNTY, INC.

I, TODD ROKITA, Secretary of State of Indiana, hereby certify that Articles of Incorporation of the above Non-Profit Domestic Corporation have been presented to me at my office, accompanied by the fees prescribed by law and that the documentation presented conforms to law as prescribed by the provisions of the Indiana Nonprofit Corporation Act of 1991.

Indiana Secretary of State
Packet: 2009011400592
Filing Date: 01/14/2009
Effective Date: 01/14/2009

NOW, THEREFORE, with this document I certify that said transaction will become effective Wednesday, January 14, 2009.



In Witness Whereof, I have caused to be affixed my signature and the seal of the State of Indiana, at the City of Indianapolis, January 14, 2009.

A handwritten signature in black ink that reads "Todd Rokita".

TODD ROKITA,
SECRETARY OF STATE

2009011400592 / 2009011481462

BYLAWS

SUMMIT ACADEMY OF VIGO COUNTY, INC.

ARTICLE I

General

Section 1. Name. The name of the corporation is Summit Academy of Vigo County, Inc. (the "Corporation").

Section 2. Initial Registered Office and initial Registered Agent. The post office address of the Corporation's initial registered office is 6401 S. US Highway 41, Terre Haute, IN 47802. The initial registered agent in charge of the initial registered office is Cary Molinder.

Section 3. Fiscal Year. The fiscal year of the Corporation shall begin on the first day of July and end of the last day of June next succeeding.

ARTICLE II

Board of Directors

Section 1. Directors. The affairs of the Corporation shall be managed, controlled, and conducted by, and under the supervision of, the Board of Directors, subject to the provisions of the Articles of Incorporation (the "articles") and these Bylaws. The Board of Directors shall have the number of members, not less than 7 or more than 15, as designated by resolution of the Board of Directors from time to time. ***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.***

At the regular meeting of the Board of Directors immediately preceding the expiration of the term of any director, or at a special meeting, the Board of Directors may elect a new director to replace a director whose term will expire, or has expired, and each such new director shall serve for a term of (3) years, or such other period as prescribed by the directors at the time of such election, and until his or her successor is elected and qualified. Following the expiration of a director's term, at least one (1) year must elapse before he or she again may be elected to the Board of Directors.

In order to ensure continuity among the directors of the Corporation, the terms of the members of the Board of Directors may be staggered as deemed necessary.

Section 2. Quorum and Approval of Actions. A majority of the directors in office immediately before a meeting begins shall constitute a quorum for the transaction of any business properly to come before the Board of Directors. Unless otherwise provided in the Articles or these Bylaws, the approval 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.

Section 3. Regular Meetings. The Board of Directors may hold regular meetings, as fixed by these Bylaws or by resolution of the Board of Directors, for the purpose of transacting such business as properly may come before the Board of Directors.

Section 4. Special Meetings. Notwithstanding the preceding Section 3 of this Article II, the Board of Directors may hold special meetings for any lawful purpose upon not less than two (2) days' 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. Compliance with Indiana Open Door Law. Notwithstanding any other provision of these Bylaws, the Corporation shall comply in all respects with the Indiana Open Door Law (currently codified at Indiana Code (IC[™]) section 5-14-1.5-1, et seq.), and any corresponding provision of the subsequent Indiana law, in connection with all regular or special meetings of the Board of Directors.

Section 6. Notice of Special Meetings. Oral or written notice of the date, time, and place of each special meeting of the Board of Directors shall be communicated, delivered, or mailed by the Secretary of the Corporation, or by the person or persons calling the meeting, to each member of the Board of Directors so that such notice is effective at least two (2) days before the date of the meeting and complies with the Indiana Open Door Law. The notice need not describe the purpose of the special meeting.

Oral notice shall be effective when communicated. Written, electronic, or telefaxed 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 evidence 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 evidence by the postmark, if mailed corrected addressed to the address listed in the most current records of the Corporation.

Section 7. 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 corporation 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 8. 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 document.

Section 9. 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 law (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 (but not limited to) the Articles, these Bylaws, and the Charter Agreement.
- (d) Inadequate attendance at meetings of the Board of Directors, defined as absence from two (2) or more meetings in any calendar year.

Any vacancy on the Board of Directors created by the resignation or removal of a director shall be filled by a majority of the directors then in office.

Section 10. Educational Management Organizations. Should the Board of Directors elect to engage an educational management organization ("EMO") to manage the operations of the 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.

ARTICLE III

Officers

Section 1. General. The officers of the Corporation shall consist of a Chair, a Secretary, a Treasurer, and such other officers as the Board of Directors may otherwise elect. An officer may not simultaneously hold more than one (1) office. Each officer shall be elected by the board of Directors and shall service for one (1) year, or such other period as prescribed by the directors at the time of such election, and until the officer's successor is elected and qualified.

An officer shall be a member of the board of Directors. Any officer may be removed by the Board of Directors at any time for cause as that term is defined herein in Article-II, Section 9. Any vacancy in any office shall be filled by the Board of Directors, and any person elected to fill such vacancy shall serve until the expiration of the term vacated and until his or her successor is elected and qualified.

Section 2. Chair. The Chair shall preside at all meetings of the Board of Directors of the Corporation and shall be responsible for implementing policies established by the Board of Directors. The Chair shall perform such other duties as the Board of Directors may prescribe.

Section 3. Secretary. The Secretary shall be the custodian of all papers, books, and records of the Corporation other than books of account and financial records. The Secretary shall prepare and enter in the minute book the minutes of all meetings of the Board of Directors. The Secretary shall authenticate records of the Corporation as necessary. The Secretary shall perform the duties usual to such position and such other duties as the Board of Directors or the Chair may prescribe.

Section 4. Treasurer. The Treasurer shall prepare and maintain correct and complete records of account showing accurately the financial condition of the Corporation. All notes, securities, and other assets coming into the possession of the Corporation shall be received, accounted for, and placed in safekeeping as the Treasurer may from time to time prescribe. The Treasurer shall furnish, whenever requested by the Board of Directors or the Chair, a statement of the financial condition of the Corporation and shall perform the duties usual to such position and such other duties as the Board of Directors or the Chair may prescribe.

Section 5. Other Officers. Each other officer of the Corporation shall perform such duties as the Board of Directors or the Chair may prescribe.

ARTICLE IV

Committees

Section 1. Executive Committee. The Board of Directors may, by resolution adopted by a majority of the directors then in office, designate two (2) or more directors of the Corporation to constitute an Executive Committee which, to the extent provided in such resolution and consistent with applicable law, shall have an exercise all of the authority of the Board of Directors. The Executive Committee shall be subject to the authority and supervision of the Board of Directors.

Section 2. Other Committees. The Board of Directors may establish other committees, in addition to the Executive committee, to accomplish the goals and execute the programs of the Corporation. Such committees shall have such responsibilities and powers as the Board of Directors shall specify. Members of such committees may, but need not, be members of the Board of Directors. A committee member appointed by the Board of Directors may be removed by the Board of Directors with or without cause.

ARTICLE V

Conflicts of Interest

Section 1. General Policy. It is the policy of the Corporation and its Board of Directors that the Corporation's directors, officers, and employees 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 of 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 the consideration other than the best interests of the Corporation.

(b) Directors, officers, and employees of the Corporation shall not see 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.

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 VI

Indemnification

Section 1. Indemnification by the Corporation. To the extent not inconsistent with applicable law, every person (and the heirs and personal representatives of such person) who is or was a director, officer, employee, or agent of the Corporation shall be indemnified by the Corporation against all liability and reasonable expense that may be incurred by him or her in connection with or resulting from any claim, action, suit, or proceeding (a) if such person is wholly successful with respect thereto or (b) if not wholly successful, then if such person is determined (as provided in Section 3 of this Article VI) to have acted in good faith, in what he or she reasonably believed to be the best interests of the Corporation (or, in any case not involving the person's official capacity with the Corporation, in what he or she reasonably believed to be not opposed to the beset interests of the Corporation), and, with respect to any criminal action or proceeding, is determined to have had reasonable cause to believe that his or her conduct was lawful (or no reasonable cause to believe that the conduct was unlawful). The termination of any claim, action, suit, or proceeding by judgment, settlement (whether with or without court approval), or conviction, or upon a plea of guilty nolo contendere or its equivalent, shall not create a presumption that a person did not meet the standards of conduct set forth in this Article VI.

Section 2. Definitions.

(a) As used in this Article VI, the phrase "claim, action, suit, or proceeding" shall include any threatened, pending, or completed claim; civil, criminal, administrative, or investigative action, suit, or proceeding and all appeals thereof (whether brought by or on behalf of the Corporation, any other corporation, or otherwise), whether formal or informal, in which a person (or his or her heirs or personal representatives) may become involved, as a party or otherwise:

(i) By reason of his or her being or having been a director, officer, employee, or agent of the corporation or of any corporation where he or she served as such at the request of the Corporation, or

(ii) By reason of his or her acting or having acted in any capacity in a corporation, partnership, joint venture, association, trust, or other organization or entity where he or she served as such at the request of the Corporation, or

(iii) By reason of any action taken or not taken by him or her in any such capacity, whether or not he or she continues in such capacity at the time such liability or expense shall have been incurred.

(b) As used in this Article VI, the terms "liability" and "expense" shall included, but shall not be limited to, counsel fees and disbursements and amounts of judgments, fines or penalties against, and amounts paid in settlement by or on behalf of, a person.

(c) As used in this Article VI, the term "wholly successful" shall mean (i) termination of any action, suit, or proceeding against the person in question without any finding of liability or guilt against him or her, (ii) approval by a court, with knowledge of the indemnity provided in this Article VI, of a settlement of any actions, suit, or proceeding, or (iii) the expiration of a reasonable period of time after the making of any claim or threat of any actions, suit, or proceeding without the institution of the same, without any payment or promise made to induce a settlement.

Section 3. Entitlement to Indemnification. Every person claiming indemnification under this Article VI (other than one who has been wholly successful with respect to any claim, action, suit, or proceeding) shall be entitled to indemnification if (a) special independent legal counsel, which may be regular counsel of the Corporation or any other disinterested person or persons, in either case selected by the Board of Directors, whether or not a disinterested quorum exists (such counsel or person or persons being hereinafter called the "referee"), shall deliver to the Corporation a written finding that such person has met the standards of conduct set for the in Section 1 of this Article VI and (b) the Board of Directors, acting upon such written finding, so determines. The person claiming indemnification shall, if requested, appear before the referee and answer questions that the referee deems relevant and shall be given ample opportunity to present to the referee evidence upon which he or she relies for indemnification. The Corporation shall, at the request of the referee, make available facts, opinions, or other evidence in any way relevant to the referee's findings that are within the possession or control of the Corporation.

Section 4. Relationship to Other Rights. The right of indemnification provided in this Article VI shall be in addition to any rights to which any person may otherwise be entitled.

Section 5. Extent of Indemnification. Irrespective of the provisions of this Article VI, the Board of Directors may, at any time and from time to time, approve indemnification of directors, officers, employees, agents, or other persons to the fullest extent permitted by applicable law, or, if not permitted, then to any extent not prohibited by such law, whether on account of past or future transactions.

Section 6. Advancement of Expenses. Expenses incurred with respect to any claim, action, suit, or proceeding may be advanced by the Corporation (by action of the Board of Directors, whether or not a disinterested quorum exists) prior to the final disposition thereof upon receipt of an undertaking by or on behalf of the recipient to repay such amount unless he or she is entitled to indemnification.

Section 7. Purchase of Insurance. The Board of Directors is authorized and empowered to purchase insurance covering the Corporation's liabilities and obligations under this Article VI and insurance protecting the Corporation's directors, officers, employees, agents, or other persons.

ARTICLE VII

Contracts, Checks, Loans, Deposits, and Gifts

Section 1. Contracts. The Board of Directors may authorize one (1) or more officers, agents, or employees of the Corporation to enter into any contract or execute any instrument on its behalf. Such authorization may be general or confined to specific instances. Unless so authorized by the Board of Directors, no officer, agent, or employee shall have any power to bind the Corporation or to render it liable for any purpose or amount.

Section 2. Checks. All checks, drafts, or other orders for payment of money by the Corporation shall be signed by such person or persons as the Board of Directors may from time to time designate by resolution. Such designation may be general or confined to specific instances.

Section 3. Loans. Unless authorized by the Board of Directors, no loan shall be made by or contracted for on behalf of the Corporation and no evidence of indebtedness shall be issued in its name. Such authorization may be general or confined to specific instances.

Section 4. Deposits. All funds of the Corporation shall be deposited to its credit in such bank, banks, or depositories as the Board of Directors may designate. Such designation may be general or confined to specific instances.

Section 5. Gifts. The Board of Directors may accept on behalf of the Corporation any gift, grant, bequest, devise, or other contribution for the purposes of the Corporation on such terms and conditions as the Board of Directors shall determine.

ARTICLE VIII

Dissolution

Section 1. Dissolution. In the event the Corporation ceases, terminates or discontinues doing business or abandons its principal functions for any reason whatsoever, then, after paying (or making provisions for the payment of) all liabilities of the Corporation: all remaining assets, except funds specified in subdivision shall be used for nonprofit educational purposes; and remaining funds received from the [Indiana Department of Education] shall be returned to the department not more than thirty (30) days after dissolution and in compliance with Indiana law (see IC § 20-24-3-3).

ARTICLE IX

Amendments

The power to make, alter, amend, or repeal the Bylaws is vested in the Board of Directors of the Corporation; provided, however, that any proposed substantive alternation, amendment, or repeal of these Bylaws must be approved in writing by the sponsor of the School (as the term "sponsor" is defined in IC 20-24-1-9) prior to the Board of Directors of the Corporation taking any action thereon.

Kathy K Bradbury
SECRETARY Kathy K Bradbury
3 April 2012
DATE

Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code

OMB No. 1545-0056
Note: If exempt status is approved, this application will be open for public inspection.

Use the instructions to complete this application and for a definition of all **bold** items. For additional help, call IRS Exempt Organizations Customer Account Services toll-free at 1-877-829-5500. Visit our website at **www.irs.gov** for forms and publications. If the required information and documents are not submitted with payment of the appropriate user fee, the application may be returned to you.

Attach additional sheets to this application if you need more space to answer fully. Put your name and EIN on each sheet and identify each answer by Part and line number. Complete Parts I - XI of Form 1023 and submit only those Schedules (A through H) that apply to you.

Part I Identification of Applicant

1 Full name of organization (exactly as it appears in your organizing document) Summit Academy of Vigo County, Inc.		2 c/o Name (if applicable)
3 Mailing address (Number and street) (see instructions) 6301 South U.S. Hwy. 41	Room/Suite	4 Employer Identification Number (EIN) 26-4168056
City or town, state or country, and ZIP + 4 Terre Haute, IN 47802		5 Month the annual accounting period ends (01 - 12)
6 Primary contact (officer, director, trustee, or authorized representative) a Name: James M. Sinclair		b Phone: 812-299-1156
		c Fax: (optional)
7 Are you represented by an authorized representative, such as an attorney or accountant? If "Yes," provide the authorized representative's name, and the name and address of the authorized representative's firm. Include a completed Form 2848, <i>Power of Attorney and Declaration of Representative</i> , with your application if you would like us to communicate with your representative.		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
8 Was a person who is not one of your officers, directors, trustees, employees, or an authorized representative listed in line 7, paid, or promised payment, to help plan, manage, or advise you about the structure or activities of your organization, or about your financial or tax matters? If "Yes," provide the person's name, the name and address of the person's firm, the amounts paid or promised to be paid, and describe that person's role.		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
9a Organization's website: www.Gibault.org		
b Organization's email: (optional)		
10 Certain organizations are not required to file an information return (Form 990 or Form 990-EZ). If you are granted tax-exemption, are you claiming to be excused from filing Form 990 or Form 990-EZ? If "Yes," explain. See the instructions for a description of organizations not required to file Form 990 or Form 990-EZ.		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
11 Date incorporated if a corporation, or formed, if other than a corporation. (MM/DD/YYYY)		01 / 14 / 2009
12 Were you formed under the laws of a foreign country? If "Yes," state the country.		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Part II Organizational Structure

You must be a corporation (including a limited liability company), an unincorporated association, or a trust to be tax exempt. (See instructions.) **DO NOT file this form unless you can check "Yes" on lines 1, 2, 3, or 4.**

- 1 Are you a **corporation**? If "Yes," attach a copy of your articles of incorporation showing **certification of filing** with the appropriate state agency. Include copies of any amendments to your articles and be sure they also show state filing certification. **Yes** **No**
- 2 Are you a **limited liability company (LLC)**? If "Yes," attach a copy of your articles of organization showing certification of filing with the appropriate state agency. Also, if you adopted an operating agreement, attach a copy. Include copies of any amendments to your articles and be sure they show state filing certification. Refer to the instructions for circumstances when an LLC should not file its own exemption application. **Yes** **No**
- 3 Are you an **unincorporated association**? If "Yes," attach a copy of your articles of association, constitution, or other similar organizing document that is dated and includes at least two signatures. Include signed and dated copies of any amendments. **Yes** **No**
- 4a Are you a **trust**? If "Yes," attach a signed and dated copy of your trust agreement. Include signed and dated copies of any amendments. **Yes** **No**
- b Have you been funded? If "No," explain how you are formed without anything of value placed in trust. *N/A* **Yes** **No**
- 5 Have you adopted **bylaws**? If "Yes," attach a current copy showing date of adoption. If "No," explain how your officers, directors, or trustees are selected. **Yes** **No**

Part III Required Provisions in Your Organizing Document

The following questions are designed to ensure that when you file this application, your organizing document contains the required provisions to meet the organizational test under section 501(c)(3). Unless you can check the boxes in both lines 1 and 2, your organizing document does not meet the organizational test. **DO NOT file this application until you have amended your organizing document.** Submit your original and amended organizing documents (showing state filing certification if you are a corporation or an LLC) with your application.

- 1 Section 501(c)(3) requires that your organizing document state your exempt purpose(s), such as charitable, religious, educational, and/or scientific purposes. Check the box to confirm that your organizing document meets this requirement. Describe specifically where your organizing document meets this requirement, such as a reference to a particular article or section in your organizing document. Refer to the instructions for exempt purpose language. Location of Purpose Clause (Page, Article, and Paragraph): Articles p. 1&2 - Article II
- 2a Section 501(c)(3) requires that upon dissolution of your organization, your remaining assets must be used exclusively for exempt purposes, such as charitable, religious, educational, and/or scientific purposes. Check the box on line 2a to confirm that your organizing document meets this requirement by express provision for the distribution of assets upon dissolution. If you rely on state law for your dissolution provision, do not check the box on line 2a and go to line 2c.
- 2b If you checked the box on line 2a, specify the location of your dissolution clause (Page, Article, and Paragraph). Do not complete line 2c if you checked box 2a. Articles p. 2 - Article II H
- 2c See the instructions for information about the operation of state law in your particular state. Check this box if you rely on operation of state law for your dissolution provision and indicate the state:

Part IV Narrative Description of Your Activities

Using an attachment, describe your *past, present, and planned* activities in a narrative. If you believe that you have already provided some of this information in response to other parts of this application, you may summarize that information here and refer to the specific parts of the application for supporting details. You may also attach representative copies of newsletters, brochures, or similar documents for supporting details to this narrative. Remember that if this application is approved, it will be open for public inspection. Therefore, your narrative description of activities should be thorough and accurate. Refer to the instructions for information that must be included in your description.

Part V Compensation and Other Financial Arrangements With Your Officers, Directors, Trustees, Employees, and Independent Contractors

- 1a List the names, titles, and mailing addresses of all of your officers, directors, and trustees. For each person listed, state their total annual **compensation**, or proposed compensation, for all services to the organization, whether as an officer, employee, or other position. Use actual figures, if available. Enter "none" if no compensation is or will be paid. If additional space is needed, attach a separate sheet. Refer to the instructions for information on what to include as compensation.

Name	Title	Mailing address	Compensation amount (annual actual or estimated)
James M. Sinclair	Director / President	6301 South U.S. Hwy. 41 Terre Haute, IN 47802	\$0
Pam Bowman	Director / Secretary	6301 South U.S. Hwy. 41 Terre Haute, IN 47802	\$0
Michele Madley	Director / Treasurer	6301 South U.S. Hwy. 41 Terre Haute, IN 47802	\$0

Part V Compensation and Other Financial Arrangements With Your Officers, Directors, Trustees, Employees, and Independent Contractors (Continued)

b List the names, titles, and mailing addresses of each of your five highest compensated employees who receive or will receive compensation of more than \$50,000 per year. Use the actual figure, if available. Refer to the instructions for information on what to include as compensation. Do not include officers, directors, or trustees listed in line 1a.

Name	Title	Mailing address	Compensation amount (annual actual or estimated)
Cary Molinder	Principal	c/o Gibault, 6301 S. U.S. Hwy 41 Terre Haute, IN 47802	\$53,600.00
Karen Olson	Teacher	c/o Gibault, 6301S. U.S. Hwy 41 Terre Haute, IN 47802	\$51,878.00

c List the names, names of businesses, and mailing addresses of your five highest compensated independent contractors that receive or will receive compensation of more than \$50,000 per year. Use the actual figure, if available. Refer to the instructions for information on what to include as compensation.

Name	Title	Mailing address	Compensation amount (annual actual or estimated)

The following "Yes" or "No" questions relate to *past, present, or planned* relationships, transactions, or agreements with your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed in lines 1a, 1b, and 1c.

- 2a** Are any of your officers, directors, or trustees **related to each other through family or business relationships?** If "Yes," identify the individuals and explain the relationship. **Yes** **No**
- b** Do you have a business relationship with any of your officers, directors, or trustees other than through their position as an officer, director, or trustee? If "Yes," identify the individuals and describe the business relationship with each of your officers, directors, or trustees. **Yes** **No**
- c** Are any of your officers, directors, or trustees related to your highest compensated employees or highest compensated independent contractors listed on lines 1b or 1c through family or business relationships? If "Yes," identify the individuals and explain the relationship. **Yes** **No**

- 3a** For each of your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed on lines 1a, 1b, or 1c, attach a list showing their name, qualifications, average hours worked, and duties.
- b** Do any of your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed on lines 1a, 1b, or 1c receive compensation from any other organizations, whether tax exempt or taxable, that are related to you through **common control**? If "Yes," identify the individuals, explain the relationship between you and the other organization, and describe the compensation arrangement. **Yes** **No**

- 4** In establishing the compensation for your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed on lines 1a, 1b, and 1c, the following practices are recommended, although they are not required to obtain exemption. Answer "Yes" to all the practices you use.
 - a** Do you or will the individuals that approve compensation arrangements follow a conflict of interest policy? **Yes** **No**
 - b** Do you or will you approve compensation arrangements in advance of paying compensation? **Yes** **No**
 - c** Do you or will you document in writing the date and terms of approved compensation arrangements? **Yes** **No**

Part V Compensation and Other Financial Arrangements With Your Officers, Directors, Trustees, Employees, and Independent Contractors (Continued)

- d** Do you or will you record in writing the decision made by each individual who decided or voted on compensation arrangements? Yes No
- e** Do you or will you approve compensation arrangements based on information about compensation paid by **similarly situated** taxable or tax-exempt organizations for similar services, current compensation surveys compiled by independent firms, or actual written offers from similarly situated organizations? Refer to the instructions for Part V, lines 1a, 1b, and 1c, for information on what to include as compensation. Yes No
- f** Do you or will you record in writing both the information on which you relied to base your decision and its source? Yes No
- g** If you answered "No" to any item on lines 4a through 4f, describe how you set compensation that is **reasonable** for your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed in Part V, lines 1a, 1b, and 1c.

5a Have you adopted a **conflict of interest policy** consistent with the sample conflict of interest policy in Appendix A to the instructions? If "Yes," provide a copy of the policy and explain how the policy has been adopted, such as by resolution of your governing board. If "No," answer lines 5b and 5c. Yes No

- b** What procedures will you follow to assure that persons who have a conflict of interest will not have influence over you for setting their own compensation?
- c** What procedures will you follow to assure that persons who have a conflict of interest will not have influence over you regarding business deals with themselves?

Note: A conflict of interest policy is recommended though it is not required to obtain exemption. Hospitals, see Schedule C, Section I, line 14.

6a Do you or will you compensate any of your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed in lines 1a, 1b, or 1c through **non-fixed payments**, such as discretionary bonuses or revenue-based payments? If "Yes," describe all non-fixed compensation arrangements, including how the amounts are determined, who is eligible for such arrangements, whether you place a limitation on total compensation, and how you determine or will determine that you pay no more than reasonable compensation for services. Refer to the instructions for Part V, lines 1a, 1b, and 1c, for information on what to include as compensation. Yes No

b Do you or will you compensate any of your employees, other than your officers, directors, trustees, or your five highest compensated employees who receive or will receive compensation of more than \$50,000 per year, through non-fixed payments, such as discretionary bonuses or revenue-based payments? If "Yes," describe all non-fixed compensation arrangements, including how the amounts are or will be determined, who is or will be eligible for such arrangements, whether you place or will place a limitation on total compensation, and how you determine or will determine that you pay no more than reasonable compensation for services. Refer to the instructions for Part V, lines 1a, 1b, and 1c, for information on what to include as compensation. Yes No

7a Do you or will you purchase any goods, services, or assets from any of your officers, directors, trustees, highest compensated employees, or highest compensated independent contractors listed in lines 1a, 1b, or 1c? If "Yes," describe any such purchase that you made or intend to make, from whom you make or will make such purchases, how the terms are or will be negotiated at **arm's length**, and explain how you determine or will determine that you pay no more than **fair market value**. Attach copies of any written contracts or other agreements relating to such purchases. Yes No

b Do you or will you sell any goods, services, or assets to any of your officers, directors, trustees, highest compensated employees, or highest compensated independent contractors listed in lines 1a, 1b, or 1c? If "Yes," describe any such sales that you made or intend to make, to whom you make or will make such sales, how the terms are or will be negotiated at arm's length, and explain how you determine or will determine you are or will be paid at least fair market value. Attach copies of any written contracts or other agreements relating to such sales. Yes No

8a Do you or will you have any leases, contracts, loans, or other agreements with your officers, directors, trustees, highest compensated employees, or highest compensated independent contractors listed in lines 1a, 1b, or 1c? If "Yes," provide the information requested in lines 8b through 8f. Yes No

- b** Describe any written or oral arrangements that you made or intend to make.
- c** Identify with whom you have or will have such arrangements.
- d** Explain how the terms are or will be negotiated at arm's length.
- e** Explain how you determine you pay no more than fair market value or you are paid at least fair market value.
- f** Attach copies of any signed leases, contracts, loans, or other agreements relating to such arrangements.

9a Do you or will you have any leases, contracts, loans, or other agreements with any organization in which any of your officers, directors, or trustees are also officers, directors, or trustees, or in which any individual officer, director, or trustee owns more than a 35% interest? If "Yes," provide the information requested in lines 9b through 9f. Yes No

Part V Compensation and Other Financial Arrangements With Your Officers, Directors, Trustees, Employees, and Independent Contractors (Continued)

- b Describe any written or oral arrangements you made or intend to make.
- c Identify with whom you have or will have such arrangements.
- d Explain how the terms are or will be negotiated at arm's length.
- e Explain how you determine or will determine you pay no more than fair market value or that you are paid at least fair market value.
- f Attach a copy of any signed leases, contracts, loans, or other agreements relating to such arrangements.

Part VI Your Members and Other Individuals and Organizations That Receive Benefits From You

The following "Yes" or "No" questions relate to goods, services, and funds you provide to individuals and organizations as part of your activities. Your answers should pertain to *past*, *present*, and *planned* activities. (See instructions.)

- 1a In carrying out your exempt purposes, do you provide goods, services, or funds to individuals? If "Yes," describe each program that provides goods, services, or funds to individuals. Yes No
- b In carrying out your exempt purposes, do you provide goods, services, or funds to organizations? If "Yes," describe each program that provides goods, services, or funds to organizations. Yes No
- 2 Do any of your programs limit the provision of goods, services, or funds to a specific individual or group of specific individuals? For example, answer "Yes," if goods, services, or funds are provided only for a particular individual, your members, individuals who work for a particular employer, or graduates of a particular school. If "Yes," explain the limitation and how recipients are selected for each program. Yes No
- 3 Do any individuals who receive goods, services, or funds through your programs have a family or business relationship with any officer, director, trustee, or with any of your highest compensated employees or highest compensated independent contractors listed in Part V, lines 1a, 1b, and 1c? If "Yes," explain how these related individuals are eligible for goods, services, or funds. Yes No

Part VII Your History

The following "Yes" or "No" questions relate to your history. (See instructions.)

- 1 Are you a **successor** to another organization? Answer "Yes," if you have taken or will take over the activities of another organization; you took over 25% or more of the fair market value of the net assets of another organization; or you were established upon the conversion of an organization from for-profit to non-profit status. If "Yes," complete Schedule G. Yes No
- 2 Are you submitting this application more than 27 months after the end of the month in which you were legally formed? If "Yes," complete Schedule E. Yes No

Part VIII Your Specific Activities

The following "Yes" or "No" questions relate to specific activities that you may conduct. Check the appropriate box. Your answers should pertain to *past*, *present*, and *planned* activities. (See instructions.)

- 1 Do you support or oppose candidates in **political campaigns** in any way? If "Yes," explain. Yes No
- 2a Do you attempt to **influence legislation**? If "Yes," explain how you attempt to influence legislation and complete line 2b. If "No," go to line 3a. Yes No
- b Have you made or are you making an **election** to have your legislative activities measured by expenditures by filing Form 5768? If "Yes," attach a copy of the Form 5768 that was already filed or attach a completed Form 5768 that you are filing with this application. If "No," describe whether your attempts to influence legislation are a substantial part of your activities. Include the time and money spent on your attempts to influence legislation as compared to your total activities. Yes No
- 3a Do you or will you operate bingo or **gaming** activities? If "Yes," describe who conducts them, and list all revenue received or expected to be received and expenses paid or expected to be paid in operating these activities. **Revenue and expenses** should be provided for the time periods specified in Part IX, Financial Data. Yes No
- b Do you or will you enter into contracts or other agreements with individuals or organizations to conduct bingo or gaming for you? If "Yes," describe any written or oral arrangements that you made or intend to make, identify with whom you have or will have such arrangements, explain how the terms are or will be negotiated at arm's length, and explain how you determine or will determine you pay no more than fair market value or you will be paid at least fair market value. Attach copies or any written contracts or other agreements relating to such arrangements. Yes No
- c List the states and local jurisdictions, including Indian Reservations, in which you conduct or will conduct gaming or bingo.

Part VIII Your Specific Activities (Continued)

- 4a** Do you or will you undertake **fundraising**? If "Yes," check all the fundraising programs you do or will conduct. (See instructions.) **Yes** **No**
- | | |
|---|--|
| <input type="checkbox"/> mail solicitations | <input type="checkbox"/> phone solicitations |
| <input type="checkbox"/> email solicitations | <input type="checkbox"/> accept donations on your website |
| <input type="checkbox"/> personal solicitations | <input type="checkbox"/> receive donations from another organization's website |
| <input type="checkbox"/> vehicle, boat, plane, or similar donations | <input checked="" type="checkbox"/> government grant solicitations |
| <input type="checkbox"/> foundation grant solicitations | <input type="checkbox"/> Other |

Attach a description of each fundraising program.

- b** Do you or will you have written or oral contracts with any individuals or organizations to raise funds for you? If "Yes," describe these activities. Include all revenue and expenses from these activities and state who conducts them. Revenue and expenses should be provided for the time periods specified in Part IX, Financial Data. Also, attach a copy of any contracts or agreements. **Yes** **No**
- c** Do you or will you engage in fundraising activities for other organizations? If "Yes," describe these arrangements. Include a description of the organizations for which you raise funds and attach copies of all contracts or agreements. **Yes** **No**
- d** List all states and local jurisdictions in which you conduct fundraising. For each state or local jurisdiction listed, specify whether you fundraise for your own organization, you fundraise for another organization, or another organization fundraises for you.
- e** Do you or will you maintain separate accounts for any contributor under which the contributor has the right to advise on the use or distribution of funds? Answer "Yes" if the donor may provide advice on the types of investments, distributions from the types of investments, or the distribution from the donor's contribution account. If "Yes," describe this program, including the type of advice that may be provided and submit copies of any written materials provided to donors. **Yes** **No**

5 Are you **affiliated** with a governmental unit? If "Yes," explain. **Yes** **No**

6a Do you or will you engage in **economic development**? If "Yes," describe your program. **Yes** **No**

b Describe in full who benefits from your economic development activities and how the activities promote exempt purposes.

7a Do or will persons other than your employees or volunteers **develop** your facilities? If "Yes," describe each facility, the role of the developer, and any business or family relationship(s) between the developer and your officers, directors, or trustees. **Yes** **No**

b Do or will persons other than your employees or volunteers **manage** your activities or facilities? If "Yes," describe each activity and facility, the role of the manager, and any business or family relationship(s) between the manager and your officers, directors, or trustees. **Yes** **No**

c If there is a business or family relationship between any manager or developer and your officers, directors, or trustees, identify the individuals, explain the relationship, describe how contracts are negotiated at arm's length so that you pay no more than fair market value, and submit a copy of any contracts or other agreements.

8 Do you or will you enter into **joint ventures**, including partnerships or **limited liability companies** treated as partnerships, in which you share profits and losses with partners other than section 501(c)(3) organizations? If "Yes," describe the activities of these joint ventures in which you participate. **Yes** **No**

9a Are you applying for exemption as a childcare organization under section 501(k)? If "Yes," answer lines 9b through 9d. If "No," go to line 10. **Yes** **No**

b Do you provide child care so that parents or caretakers of children you care for can be **gainfully employed** (see instructions)? If "No," explain how you qualify as a childcare organization described in section 501(k). **Yes** **No**

c Of the children for whom you provide child care, are 85% or more of them cared for by you to enable their parents or caretakers to be gainfully employed (see instructions)? If "No," explain how you qualify as a childcare organization described in section 501(k). **Yes** **No**

d Are your services available to the general public? If "No," describe the specific group of people for whom your activities are available. Also, see the instructions and explain how you qualify as a childcare organization described in section 501(k). **Yes** **No**

10 Do you or will you publish, own, or have rights in music, literature, tapes, artworks, choreography, scientific discoveries, or other **intellectual property**? If "Yes," explain. Describe who owns or will own any copyrights, patents, or trademarks, whether fees are or will be charged, how the fees are determined, and how any items are or will be produced, distributed, and marketed. **Yes** **No**

Part VIII Your Specific Activities (Continued)

- 11** Do you or will you accept contributions of: real property; conservation easements; closely held securities; intellectual property such as patents, trademarks, and copyrights; works of music or art; licenses; royalties; automobiles, boats, planes, or other vehicles; or collectibles of any type? If "Yes," describe each type of contribution, any conditions imposed by the donor on the contribution, and any agreements with the donor regarding the contribution. **Yes** **No**
-
- 12a** Do you or will you operate in a **foreign country or countries?** If "Yes," answer lines 12b through 12d. If "No," go to line 13a. **Yes** **No**
- b** Name the foreign countries and regions within the countries in which you operate.
- c** Describe your operations in each country and region in which you operate.
- d** Describe how your operations in each country and region further your exempt purposes.
-
- 13a** Do you or will you make grants, loans, or other distributions to organization(s)? If "Yes," answer lines 13b through 13g. If "No," go to line 14a. **Yes** **No**
- b** Describe how your grants, loans, or other distributions to organizations further your exempt purposes.
- c** Do you have written contracts with each of these organizations? If "Yes," attach a copy of each contract. **Yes** **No**
- d** Identify each recipient organization and any **relationship** between you and the recipient organization.
- e** Describe the records you keep with respect to the grants, loans, or other distributions you make.
- f** Describe your selection process, including whether you do any of the following:
- (i)** Do you require an application form? If "Yes," attach a copy of the form. **Yes** **No**
- (ii)** Do you require a grant proposal? If "Yes," describe whether the grant proposal specifies your responsibilities and those of the grantee, obligates the grantee to use the grant funds only for the purposes for which the grant was made, provides for periodic written reports concerning the use of grant funds, requires a final written report and an accounting of how grant funds were used, and acknowledges your authority to withhold and/or recover grant funds in case such funds are, or appear to be, misused. **Yes** **No**
- g** Describe your procedures for oversight of distributions that assure you the resources are used to further your exempt purposes, including whether you require periodic and final reports on the use of resources.
-
- 14a** Do you or will you make grants, loans, or other distributions to foreign organizations? If "Yes," answer lines 14b through 14f. If "No," go to line 15. **Yes** **No**
- b** Provide the name of each foreign organization, the country and regions within a country in which each foreign organization operates, and describe any relationship you have with each foreign organization.
- c** Does any foreign organization listed in line 14b accept contributions earmarked for a specific country or specific organization? If "Yes," list all earmarked organizations or countries. **Yes** **No**
- d** Do your contributors know that you have ultimate authority to use contributions made to you at your discretion for purposes consistent with your exempt purposes? If "Yes," describe how you relay this information to contributors. **Yes** **No**
- e** Do you or will you make pre-grant inquiries about the recipient organization? If "Yes," describe these inquiries, including whether you inquire about the recipient's financial status, its tax-exempt status under the Internal Revenue Code, its ability to accomplish the purpose for which the resources are provided, and other relevant information. **Yes** **No**
- f** Do you or will you use any additional procedures to ensure that your distributions to foreign organizations are used in furtherance of your exempt purposes? If "Yes," describe these procedures, including site visits by your employees or compliance checks by impartial experts, to verify that grant funds are being used appropriately. **Yes** **No**

Part VIII Your Specific Activities (Continued)

- 15 Do you have a **close connection** with any organizations? If "Yes," explain. **Yes** **No**
- 16 Are you applying for exemption as a **cooperative hospital service organization** under section 501(e)? If "Yes," explain. **Yes** **No**
- 17 Are you applying for exemption as a **cooperative service organization of operating educational organizations** under section 501(f)? If "Yes," explain. **Yes** **No**
- 18 Are you applying for exemption as a **charitable risk pool** under section 501(n)? If "Yes," explain. **Yes** **No**
- 19 Do you or will you operate a **school**? If "Yes," complete Schedule B. Answer "Yes," whether you operate a school as your main function or as a secondary activity. **Yes** **No**
- 20 Is your main function to provide **hospital or medical care**? If "Yes," complete Schedule C. **Yes** **No**
- 21 Do you or will you provide **low-income housing** or housing for the **elderly** or **handicapped**? If "Yes," complete Schedule F. **Yes** **No**
- 22 Do you or will you provide scholarships, fellowships, educational loans, or other educational grants to individuals, including grants for travel, study, or other similar purposes? If "Yes," complete Schedule H. **Yes** **No**

Note: Private foundations may use Schedule H to request advance approval of individual grant procedures.

Part IX Financial Data

For purposes of this schedule, years in existence refer to completed tax years. If in existence 4 or more years, complete the schedule for the most recent 4 tax years. If in existence more than 1 year but less than 4 years, complete the statements for each year in existence and provide projections of your likely revenues and expenses based on a reasonable and good faith estimate of your future finances for a total of 3 years of financial information. If in existence less than 1 year, provide projections of your likely revenues and expenses for the current year and the 2 following years, based on a reasonable and good faith estimate of your future finances for a total of 3 years of financial information. (See instructions.)

A. Statement of Revenues and Expenses

	Type of revenue or expense	3 prior tax years or 2 succeeding tax years				(e) Provide Total for (a) through (d)
		Current tax year	(a) From 1/1/09 To 12/31/09	(b) From 1/1/10 To 12/31/10	(c) From 1/1/11 To 12/31/11	
Revenues	1 Gifts, grants, and contributions received (do not include unusual grants)	0	700,000	800,000	800,000	2,300,000
	2 Membership fees received					
	3 Gross investment income					
	4 Net unrelated business income					
	5 Taxes levied for your benefit					
	6 Value of services or facilities furnished by a governmental unit without charge (not including the value of services generally furnished to the public without charge)					
	7 Any revenue not otherwise listed above or in lines 9-12 below (attach an itemized list)	0	723,400	933,408	1,256,772	2,913,580
	8 Total of lines 1 through 7	0	1,423,400	1,733,408	2,056,772	5,213,580
	9 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to your exempt purposes (attach itemized list)					
	10 Total of lines 8 and 9	0	1,423,400	1,733,408	2,056,772	5,213,580
11 Net gain or loss on sale of capital assets (attach schedule and see instructions)						
12 Unusual grants						
13 Total Revenue Add lines 10 through 12	0	1,423,400	1,733,408	2,056,772	5,213,580	
Expenses	14 Fundraising expenses					
	15 Contributions, gifts, grants, and similar amounts paid out (attach an itemized list)					
	16 Disbursements to or for the benefit of members (attach an itemized list)					
	17 Compensation of officers, directors, and trustees					
	18 Other salaries and wages	0	820,134	963,650	1,216,870	
	19 Interest expense					
	20 Occupancy (rent, utilities, etc.)	0	198,000	198,000	198,000	
	21 Depreciation and depletion					
	22 Professional fees	0	35,000	35,000	35,000	
	23 Any expense not otherwise classified, such as program services (attach itemized list)	0	418,750	507,500	515,000	
	24 Total Expenses Add lines 14 through 23	0	1,471,884	1,704,150	1,964,870	

Part IX Financial Data (Continued)

B. Balance Sheet (for your most recently completed tax year)

Year End:

(Whole dollars)

Assets			
1	Cash	1	0
2	Accounts receivable, net	2	0
3	Inventories	3	0
4	Bonds and notes receivable (attach an itemized list)	4	0
5	Corporate stocks (attach an itemized list)	5	0
6	Loans receivable (attach an itemized list)	6	0
7	Other investments (attach an itemized list)	7	0
8	Depreciable and depletable assets (attach an itemized list)	8	0
9	Land	9	0
10	Other assets (attach an itemized list)	10	0
11	Total Assets (add lines 1 through 10)	11	0
Liabilities			
12	Accounts payable	12	0
13	Contributions, gifts, grants, etc. payable	13	0
14	Mortgages and notes payable (attach an itemized list)	14	0
15	Other liabilities (attach an itemized list)	15	0
16	Total Liabilities (add lines 12 through 15)	16	0
Fund Balances or Net Assets			
17	Total fund balances or net assets	17	0
18	Total Liabilities and Fund Balances or Net Assets (add lines 16 and 17)	18	0

19 Have there been any substantial changes in your assets or liabilities since the end of the period shown above? If "Yes," explain. Yes No

Part X Public Charity Status

Part X is designed to classify you as an organization that is either a **private foundation** or a **public charity**. Public charity status is a more favorable tax status than private foundation status. If you are a private foundation, Part X is designed to further determine whether you are a **private operating foundation**. (See instructions.)

1a Are you a private foundation? If "Yes," go to line 1b. If "No," go to line 5 and proceed as instructed. If you are unsure, see the instructions. Yes No

b As a private foundation, section 508(e) requires special provisions in your organizing document in addition to those that apply to all organizations described in section 501(c)(3). Check the box to confirm that your organizing document meets this requirement, whether by express provision or by reliance on operation of state law. Attach a statement that describes specifically where your organizing document meets this requirement, such as a reference to a particular article or section in your organizing document or by operation of state law. See the instructions, including Appendix B, for information about the special provisions that need to be contained in your organizing document. Go to line 2.

2 Are you a private operating foundation? To be a private operating foundation you must engage directly in the active conduct of charitable, religious, educational, and similar activities, as opposed to indirectly carrying out these activities by providing grants to individuals or other organizations. If "Yes," go to line 3. If "No," go to the signature section of Part XI. Yes No

3 Have you existed for one or more years? If "Yes," attach financial information showing that you are a private operating foundation; go to the signature section of Part XI. If "No," continue to line 4. Yes No

4 Have you attached either (1) an affidavit or opinion of counsel, (including a written affidavit or opinion from a certified public accountant or accounting firm with expertise regarding this tax law matter), that sets forth facts concerning your operations and support to demonstrate that you are likely to satisfy the requirements to be classified as a private operating foundation; or (2) a statement describing your proposed operations as a private operating foundation? Yes No

5 If you answered "No" to line 1a, indicate the type of public charity status you are requesting by checking one of the choices below. You may check only one box.

The organization is not a private foundation because it is:

- a** 509(a)(1) and 170(b)(1)(A)(i)—a church or a convention or association of churches. Complete and attach Schedule A.
- b** 509(a)(1) and 170(b)(1)(A)(ii)—a **school**. Complete and attach Schedule B.
- c** 509(a)(1) and 170(b)(1)(A)(iii)—a **hospital**, a cooperative hospital service organization, or a medical research organization operated in conjunction with a hospital. Complete and attach Schedule C.
- d** 509(a)(3)—an organization supporting either one or more organizations described in line 5a through c, f, g, or h or a publicly supported section 501(c)(4), (5), or (6) organization. Complete and attach Schedule D.

Part X Public Charity Status (Continued)

- e 509(a)(4)—an organization organized and operated exclusively for testing for public safety.
- f 509(a)(1) and 170(b)(1)(A)(iv)—an organization operated for the benefit of a college or university that is owned or operated by a governmental unit.
- g 509(a)(1) and 170(b)(1)(A)(vi)—an organization that receives a substantial part of its financial support in the form of contributions from publicly supported organizations, from a governmental unit, or from the general public.
- h 509(a)(2)—an organization that normally receives not more than one-third of its financial support from gross investment income and receives more than one-third of its financial support from contributions, membership fees, and gross receipts from activities related to its exempt functions (subject to certain exceptions).
- i A publicly supported organization, but unsure if it is described in 5g or 5h. The organization would like the IRS to decide the correct status.

6 If you checked box g, h, or i in question 5 above, you must request either an **advance** or a **definitive ruling** by selecting one of the boxes below. Refer to the instructions to determine which type of ruling you are eligible to receive.

- a Request for Advance Ruling:** By checking this box and signing the consent, pursuant to section 6501(c)(4) of the Code you request an advance ruling and agree to extend the statute of limitations on the assessment of excise tax under section 4940 of the Code. The tax will apply only if you do not establish public support status at the end of the 5-year advance ruling period. The assessment period will be extended for the 5 advance ruling years to 8 years, 4 months, and 15 days beyond the end of the first year. You have the right to refuse or limit the extension to a mutually agreed-upon period of time or issue(s). Publication 1035, *Extending the Tax Assessment Period*, provides a more detailed explanation of your rights and the consequences of the choices you make. You may obtain Publication 1035 free of charge from the IRS web site at www.irs.gov or by calling toll-free 1-800-829-3676. Signing this consent will not deprive you of any appeal rights to which you would otherwise be entitled. If you decide not to extend the statute of limitations, you are not eligible for an advance ruling.

Consent Fixing Period of Limitations Upon Assessment of Tax Under Section 4940 of the Internal Revenue Code

For Organization

.....
(Signature of Officer, Director, Trustee, or other authorized official)

.....
(Type or print name of signer)

.....
(Date)

.....
(Type or print title or authority of signer)

For IRS Use Only

.....
IRS Director, Exempt Organizations

.....
(Date)

- b Request for Definitive Ruling:** Check this box if you have completed one tax year of at least 8 full months and you are requesting a definitive ruling. To confirm your public support status, answer line 6b(i) if you checked box g in line 5 above. Answer line 6b(ii) if you checked box h in line 5 above. If you checked box i in line 5 above, answer both lines 6b(i) and (ii).

- (i) (a) Enter 2% of line 8, column (e) on Part IX-A. Statement of Revenues and Expenses. _____
- (b) Attach a list showing the name and amount contributed by each person, company, or organization whose gifts totaled more than the 2% amount. If the answer is "None," check this box.
- (ii) (a) For each year amounts are included on lines 1, 2, and 9 of Part IX-A. Statement of Revenues and Expenses, attach a list showing the name of and amount received from each **disqualified person**. If the answer is "None," check this box.
- (b) For each year amounts are included on line 9 of Part IX-A. Statement of Revenues and Expenses, attach a list showing the name of and amount received from each payer, other than a disqualified person, whose payments were more than the larger of (1) 1% of line 10, Part IX-A. Statement of Revenues and Expenses, or (2) \$5,000. If the answer is "None," check this box.

- 7** Did you receive any unusual grants during any of the years shown on Part IX-A. Statement of Revenues and Expenses? If "Yes," attach a list including the name of the contributor, the date and amount of the grant, a brief description of the grant, and explain why it is unusual. **Yes** **No**

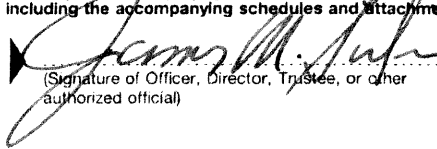
Part XI User Fee Information

You must include a user fee payment with this application. It will not be processed without your paid user fee. If your average annual gross receipts have exceeded or will exceed \$10,000 annually over a 4-year period, you must submit payment of \$750. If your gross receipts have not exceeded or will not exceed \$10,000 annually over a 4-year period, the required user fee payment is \$300. See instructions for Part XI, for a definition of **gross receipts** over a 4-year period. Your check or money order must be made payable to the United States Treasury. *User fees are subject to change. Check our website at www.irs.gov and type "User Fee" in the keyword box, or call Customer Account Services at 1-877-829-5500 for current information.*

- 1 Have your annual gross receipts averaged or are they expected to average not more than \$10,000? **Yes** **No**
 If "Yes," check the box on line 2 and enclose a user fee payment of \$300 (Subject to change—see above).
 If "No," check the box on line 3 and enclose a user fee payment of \$750 (Subject to change—see above).
- 2 Check the box if you have enclosed the reduced user fee payment of \$300 (Subject to change).
- 3 Check the box if you have enclosed the user fee payment of \$750 (Subject to change).

I declare under the penalties of perjury that I am authorized to sign this application on behalf of the above organization and that I have examined this application, including the accompanying schedules and attachments, and to the best of my knowledge it is true, correct, and complete.

Please Sign Here


(Signature of Officer, Director, Trustee, or other authorized official)

James M. Sinclair
(Type or print name of signer)
Director / President
(Type or print title or authority of signer)

2-3-07
(Date)

Reminder: Send the completed Form 1023 Checklist with your filled-in-application.

Schedule B. Schools, Colleges, and Universities

If you operate a school as an activity, complete Schedule B

Section I Operational Information

- 1a Do you normally have a regularly scheduled curriculum, a regular faculty of qualified teachers, a regularly enrolled student body, and facilities where your educational activities are regularly carried on? If "No," do not complete the remainder of Schedule B. Yes No
- b Is the primary function of your school the presentation of formal instruction? If "Yes," describe your school in terms of whether it is an elementary, secondary, college, technical, or other type of school. If "No," do not complete the remainder of Schedule B. Yes No
- 2a Are you a public school because you are operated by a state or subdivision of a state? If "Yes," explain how you are operated by a state or subdivision of a state. Do not complete the remainder of Schedule B. Yes No
- b Are you a public school because you are operated wholly or predominantly from government funds or property? If "Yes," explain how you are operated wholly or predominantly from government funds or property. Submit a copy of your funding agreement regarding government funding. Do not complete the remainder of Schedule B. Yes No

3 In what public school district, county, and state are you located?

- 4 Were you formed or substantially expanded at the time of public school desegregation in the above school district or county? Yes No
- 5 Has a state or federal administrative agency or judicial body ever determined that you are racially discriminatory? If "Yes," explain. Yes No
- 6 Has your right to receive financial aid or assistance from a governmental agency ever been revoked or suspended? If "Yes," explain. Yes No
- 7 Do you or will you contract with another organization to develop, build, market, or finance your facilities? If "Yes," explain how that entity is selected, explain how the terms of any contracts or other agreements are negotiated at arm's length, and explain how you determine that you will pay no more than fair market value for services. Yes No

Note. Make sure your answer is consistent with the information provided in Part VIII, line 7a.

- 8 Do you or will you manage your activities or facilities through your own employees or volunteers? If "No," attach a statement describing the activities that will be managed by others, the names of the persons or organizations that manage or will manage your activities or facilities, and how these managers were or will be selected. Also, submit copies of any contracts, proposed contracts, or other agreements regarding the provision of management services for your activities or facilities. Explain how the terms of any contracts or other agreements were or will be negotiated, and explain how you determine you will pay no more than fair market value for services. Yes No

Note. Answer "Yes" if you manage or intend to manage your programs through your own employees or by using volunteers. Answer "No" if you engage or intend to engage a separate organization or independent contractor. Make sure your answer is consistent with the information provided in Part VIII, line 7b.

Section II Establishment of Racially Nondiscriminatory Policy

Information required by Revenue Procedure 75-50.

- 1 Have you adopted a racially nondiscriminatory policy as to students in your organizing document, bylaws, or by resolution of your governing body? If "Yes," state where the policy can be found or supply a copy of the policy. If "No," you must adopt a nondiscriminatory policy as to students before submitting this application. See Publication 557. Yes No
- 2 Do your brochures, application forms, advertisements, and catalogues dealing with student admissions, programs, and scholarships contain a statement of your racially nondiscriminatory policy? Yes No
 - a If "Yes," attach a representative sample of each document.
 - b If "No," by checking the box to the right you agree that all future printed materials, including website content, will contain the required nondiscriminatory policy statement.
- 3 Have you published a notice of your nondiscriminatory policy in a newspaper of general circulation that serves all racial segments of the community? (See the instructions for specific requirements.) If "No," explain. Yes No
- 4 Does or will the organization (or any department or division within it) discriminate in any way on the basis of race with respect to admissions; use of facilities or exercise of student privileges; faculty or administrative staff; or scholarship or loan programs? If "Yes," for any of the above, explain fully. Yes No

Schedule B. Schools, Colleges, and Universities (Continued)

5 Complete the table below to show the racial composition for the current academic year and projected for the next academic year, of: (a) the student body, (b) the faculty, and (c) the administrative staff. Provide actual numbers rather than percentages for each racial category.

If you are not operational, submit an estimate based on the best information available (such as the racial composition of the community served).

2010 estimate

African American

Racial Category	(a) Student Body		(b) Faculty		(c) Administrative Staff	
	Current Year	Next Year	Current Year	Next Year	Current Year	Next Year
Caucasian		75%	16			3
African American		20%	3			
Other		5%	1			
Total			20			

6 In the table below, provide the number and amount of loans and scholarships awarded to students enrolled by racial categories.

Racial Category	Number of Loans		Amount of Loans		Number of Scholarships		Amount of Scholarships	
	Current Year	Next Year	Current Year	Next Year	Current Year	Next Year	Current Year	Next Year
Total								

7a Attach a list of your incorporators, founders, board members, and donors of land or buildings, whether individuals or organizations.

b Do any of these individuals or organizations have an objective to maintain segregated public or private school education? If "Yes," explain. Yes No

8 Will you maintain records according to the non-discrimination provisions contained in Revenue Procedure 75-50? If "No," explain. (See instructions.) Yes No

ATTACHMENT 5
STATEMENT OF ASSURANCES

INDIANA CHARTER SCHOOL BOARD: CHARTER SCHOOL APPLICANT
Statement of Assurances

The charter school agrees to comply with all of the following provisions: (*Read and check*)

- 1. A resolution or motion has been adopted by the charter school applicant's governing body that authorizes the submission of this application, including all understanding and assurances contained herein, directing and authorizing the applicant's designated representative to act in connection with the application and to provide such additional information as required.
- 2. Recipients operate (or will operate if not yet open) a charter school in compliance with all federal and state laws, including Indiana Charter Schools Law as described in all relevant sections of IC § 20-24.
- 3. Recipients will, for the life of the charter, participate in all data reporting and evaluation activities as required by the Indiana Charter School Board (ICSB) and the Indiana Department of Education. See in particular IC § 20-20-8-3 and relevant sections of IC § 20-24.
- 4. Recipients will comply with all relevant federal laws including, but not limited to, the *Age Discrimination in Employment Act* of 1975, Title VI of the *Civil Rights Act* of 1964, Title IX of the *Education Amendments of 1972*, section 504 of the *Rehabilitation Act* of 1973, Part B of the *Individuals with Disabilities Education Act*, and section 427 of the *General Education Provision Act*.
- 5. Recipients will comply with all provisions of the Non regulatory Guidance—Public Charter Schools Program of the U.S. Department of Education, which includes the use of a lottery for enrollment if the charter school is oversubscribed, as well as with applicable Indiana law. See also relevant sections of IC § 20-24.
- 6. Recipients shall ensure that a student's records, and, if applicable, a student's individualized education program as defined at 20 U.S.C. § 1401(14) of the *Individuals with Disabilities Education Act*, will follow the student, in accordance with applicable federal and state law.
- 7. Recipients will comply with all provisions of the *No Child Left Behind Act*, including but not limited to, provisions on school prayer, the Boy Scouts of America Equal Access Act, the Armed Forces Recruiter Access to Students and Student Recruiting Information, the Unsafe School Choice Option, the Family Educational Rights and Privacy Act (FERPA) and assessments.
- 8. Recipients will operate with the organizer serving in the capacity of fiscal agent for the charter school and in compliance with generally accepted accounting principles.
- 9. Recipients will at all times maintain all necessary and appropriate insurance coverage.
- 10. Recipients will indemnify and hold harmless the ICSB, the Indiana Department of Education, the State of Indiana, all school corporations providing funds to the charter school (if applicable), and their officers, directors, agents and employees, and any successors and assigns from any and all liability, cause of action, or other injury or damage in any way relating to the charter school or its operation.

11. Recipients understand that the ICSB may revoke the charter if the ICSB deems that the recipient is not fulfilling the academic goals and/or fiscal management responsibilities outlined in the charter.

Signature from Authorized Representative of the Charter School Applicant

I, the undersigned, am an authorized representative of the charter school applicant and do hereby certify that the information submitted in this application is accurate and true to the best of my knowledge and belief. In addition, I do hereby certify to the assurances contained above.

PRINT NAME & TITLE

Michelle Madley Vice President

DATE

3/19/12

SIGN NAME

Michelle Madley

ATTACHMENT 6
BOARD MEMBER
INFORMATION

RITA KAPERAK

PROPOSED SUMMIT ACADEMY BOARD MEMBER

CHARTER SCHOOL BOARD MEMBER INFORMATION
(To be completed individually by each proposed charter school board member)

Serving on a public charter school board is a position of public trust and fiduciary responsibility. As a board member of a public school, you are responsible for ensuring the quality of the school program, competent stewardship of public funds, and the school's fulfillment of its public obligations and all terms of its charter.

As part of the application for a new charter school, the Indiana Charter School Board requests that each prospective board member respond individually to this questionnaire. Where narrative responses are required, brief responses are sufficient.

The purpose of this questionnaire is twofold: 1) to give application reviewers a clearer introduction to the founding group behind each school proposal in advance of the applicant interview, in order to be better prepared for the interview; and 2) to encourage board members to reflect individually as well as collectively on their common mission, purposes, and obligations at the earliest stage of school development.

Background

1. Name of charter school on whose Board of Directors you intend to serve:

2. Full name: *Rita Kathryn Mace Kaperak*

Business Name and Address: *Please See attachment*

Telephone No.:

E-mail address:

3. Brief educational and employment history. (No narrative response is required if resume and professional bio are attached.)

Resume and professional bio are attached.

4. Indicate whether you currently or have previously served on a board of a school district, another charter school, a non-public school or any not-for-profit corporation (to the extent not otherwise indicated in your response to Item 3, above).

Does not apply to me. Yes

5. Why do you wish to serve on the board of the proposed charter school?

6. What is your understanding of the appropriate role of a public charter school board member?

7. Describe any of your previous experiences that is relevant to serving on the charter school's board (e.g., other board service). If you have not had previous experience of this nature, explain why you have the capability to be an effective board member.

8. Describe the specific knowledge and experience that you would bring to the board.

School Mission and Program

1. What is your understanding of the school's mission and guiding beliefs?
2. What is your understanding of the school's proposed educational program?
3. What do you believe to be the characteristics of a successful school?
4. How will you know that the school is succeeding (or not) in its mission?

Governance

1. Describe the role that the board will play in the school's operation.
2. Provide a forecast of where you see the school after its first year of operation and then again in four years.
3. What specific steps do you think the charter school board will need to take to ensure that the school is successful?
4. How would you handle a situation in which you believe one or more members of the school's board were acting unethically or not in the best interests of the school?

Disclosures

1. Indicate whether you or your spouse knows the other prospective board members for the proposed school. If so, please indicate the precise nature of your relationship.
 I / we do not know any such trustees. Yes
2. Indicate whether you or your spouse knows any person who is, or has been in the last two years, a school employee. If so, indicate the precise nature of your relationship.
 I / we do not know any such employees. Yes
3. Indicate whether you or your spouse knows anyone who is doing, or plans to do, business with the charter school (whether as an individual or as a director, officer, employee or agent of an entity). If so, indicate and describe the precise nature of your relationship and the nature of the business that such person or entity is transacting or will be transacting with the school.
 I / we do not know any such persons. Yes

4. Indicate if you, your spouse or other immediate family members anticipate conducting, or are conducting, any business with the school. If so, indicate the precise nature of the business that is being or will be conducted.
 I / we do not anticipate conducting any such business. Yes

5. If the school intends to contract with an Education Service Provider or management organization, indicate whether you or your spouse knows any employees, officers, owners, directors or agents of that provider. If the answer is in the affirmative, please describe any such relationship.
 Not applicable because the school does not intend to contact with an education service provider or school management organization.
 I / we do not know any such persons. Yes

6. If the school contracts with an education service provider, please indicate whether you, your spouse or other immediate family members have a direct or indirect ownership, employment, contractual or management interest in the provider. For any interest indicated, provide a detailed description.
 N/A. I / we have no such interest. Yes

7. If the school plans to contract with an Education Service Provider, indicate if you, your spouse or other immediate family member anticipate conducting, or are conducting, any business with the provider. If so, indicate the precise nature of the business that is being or will be conducted.
 N/A. I / we or my family do not anticipate conducting any such business. Yes

8. Indicate whether you, your spouse or other immediate family members are a director, officer, employee, partner or member of, or are otherwise associated with, any organization that is partnering with the charter school. To the extent you have provided this information in response to prior items, you may so indicate.
 Does not apply to me, my spouse or family. Yes

9. Indicate any potential ethical or legal conflicts of interests that would, or are likely to, exist should you serve on the school's board. None. Yes

Certification

I, *Dr. Kathleen Marie Keady*, certify to the best of my knowledge and ability that the information I am providing to the Indiana Charter School Board as a prospective board member for Charter School is true and correct in every respect.

Dr. Kathleen Marie Keady
Signature

10-26-2011
Date

Rita Kathryn Mace Kaperak

5306 N Clinton Street

Terre Haute, IN 47805

(812) 236-7602

Background

1. Summit Academy
2. Rita Kathryn Mace Kaperak
Mace Ford, 4501 S US 41, Terre Haute, IN,47802
(812) 236-7602
craftykap@aol.com
3. Paul Schulte High School 1977
Master Certified Parts Management through Ford Motor Company

Mace Service, INC - 1977 – current

I am part owner of Mace Service, INC, Mace Family Properties, and Mace Ford. I currently am only holding positions on the boards due to being a stay home mother.

4. Yes
5. I feel I have a lot of experience that will be of great benefit to the board and hope to help make Summit Academy a very successful asset to the community.
6. To ensure that there is appropriate and beneficial programming for all the students that attend the school; To make sure all the programs and curriculums are in keeping with state standards ; And tat the buildings and grounds are kept up dated and safe.
7. I currently serve on the following boards:
Mace Service, INC, Mace Family Properties, and Mace Ford boards
Gibault Charter School Division board
Vigo County parent representative on the SOC board
Parent representative on the Wrap Around board at Hamilton Center in Terre Haute, IN
Have served in the past:
School board at Sacred Heart of Jesus School in Terre Haute, IN
Parish Council Board for Sacred Heart of Jesus Church
Parent representative on the Head Start policy board
I have held many different positions of leadership for the Boy Scouts of America over the past 22 years and I am currently serving on Troop 434's Troop Committee
I have been a Girl Scout leader for the past 10 years
8. With my current and previous positions I have confidence that I would be helpful in researching new and different ideas and implementing new policies for those changes. I have experience in balancing budgets and making difficult choices of cuts if necessary. I have many years' experience of securing appropriate programming for special needs children. I have skills in negotiating and securing along with many local resources to be able to rely on for assistance in finding whatever would be on the table.

School Mission and Program

1. To provide a safe and stable environment for the purpose of educating all children that attend there. To meet the individual needs of all students and work within the state standards to remain an accredited school.
2. To remain an accredited school and work within the state standards for all grades. To continuously be working with and finding new and better ways to educate all the different abilities of the students that attend.
3. A safe and stable environment where all students are treated equally and given a chance to succeed to the best of their abilities. A place where the students are educated in a way that they can move forward at a rate they can handle and never give up on.
4. By the number of goals that are set and met; report cards; standardized test scores; and surveys (interviews) with the students and parents.

Governance

1. To oversee the administration of the school. To look for upcoming repairs and replacements as needed. To find ways to meet the needs of the requests that are found to be appropriate.
2. I see the school being about the same or slightly higher enrollment after the first year. But after 4 years I see the enrollment as being much higher and possibly double where it is now after the public hears of the quality programming available at Summit Academy for their children.
3. They will need to keep the school accredited and hire and keep high quality teachers like they currently have. They will need to keep a good working relationship with the special education dept. of Vigo County. And they will need to spread the word they are there and open to the public.
4. I would approach the person(s) with my concerns and if they did not respond positively with their response to correct the matter at hand I would address it to the board as a whole. If that still did not bring resolution I would address it at a public board meeting.

Disclosures

1. Yes Only through working with them for my children at Gibault.
2. Yes Only through working with them for my children at Gibault.
3. No
4. No
5. N/A
6. N/A
7. N/A
8. Does not apply
9. None

MARY ANN MANCILLA

PROPOSED SUMMIT ACADEMY BOARD MEMBER

Oct 26 11 04:44p James W. Mancilla
Oct 24 2011 1:49PM GTBAULT INC

219-838-9212 p.2

CHARTER SCHOOL BOARD MEMBER INFORMATION

(To be completed individually by each proposed charter school board member)

Serving on a public charter school board is a position of public trust and fiduciary responsibility. As a board member of a public school, you are responsible for ensuring the quality of the school program, competent stewardship of public funds, and the school's fulfillment of its public obligations and all terms of its charter.

As part of the application for a new charter school, the Indiana Charter School Board requests that each prospective board member respond individually to this questionnaire. Where narrative responses are required, brief responses are sufficient.

The purpose of this questionnaire is twofold: 1) to give application reviewers a clearer introduction to the founding group behind each school proposal in advance of the applicant interview, in order to be better prepared for the interview; and 2) to encourage board members to reflect individually as well as collectively on their common mission, purposes, and obligations at the earliest stage of school development.

Background

1. Name of charter school on whose Board of Directors you intend to serve:

Summit Academy of Vigo County Inc.

2. Full name:

MaryAnn Mancilla

Business Name and Address:

3304 Strong Street, Highland, Indiana 46322-1448

Telephone No.: Unlisted 219-838-9212

E-mail address:

3. Brief educational and employment history. (No narrative response is required if resume and professional bio are attached.)

Resume and professional bio are attached.

4. Indicate whether you currently or have previously served on a board of a school district, another charter school, a non-public school or any not-for-profit corporation (to the extent not otherwise indicated in your response to Item 3, above).

Does not apply to me. Yes

5. Why do you wish to serve on the board of the proposed charter school?

6. What is your understanding of the appropriate role of a public charter school board member?

7. Describe any of your previous experiences that is relevant to serving on the charter school's board (e.g., other board service). If you have not had previous experience of this nature, explain why you have the capability to be an effective board member.

Oct 26 11 04:44p

James W. Mancilla

219-838-9212

p.3

P.1 Questions from Background:

5. I wish to serve on the board of the proposed charter school because, as an educator of approximately twenty-five years with the School City of Hammond, ^{Indiana} my ^{direct} ^{impact} encouraged ^{development of} long learning skills for ^{the} students.

6. My understanding of the appropriate role of a public charter school board member is to establish educational policies, approve teacher contracts, school budgets, and evaluate ^{with} principal, & teachers of the Charter school.

7. My previous experiences that would be relevant to serving on the charter school board is as both a classroom teacher & library school media specialist for the School City of Hammond, Indiana.

8. Specific knowledge and experiences that I would bring to the board consist of my years in teaching, Federal grants, peer-tutoring, team-teaching, & numerous educational projects, programs, and awards received by my students.

Oct 26 11 04:45p

James W. Mancilla

219-838-9212

p.4

-2- School Mission and Program

1. My understanding of the school's mission and guiding beliefs is to provide life-changing opportunities for children, adults, families & communities.

A place where social, physical, emotional, intellectual & educational, and spiritual growth is maintained in their lives.

Finally, important advantage of charter school is ^{that} they are created by the communities in which they will be working. They can provide exactly what the community needs & bring the community together.

2. My understanding of the school's proposed educational proposal, is to meet the educational needs of the students, according to their own special needs and educational levels.

3. My belief for the characteristics of a successful school are: students with different learning abilities require different style of teaching methods. Encouragement of students "to be the best they can be". Finally, offer programs to develop self confidence & dignity ^{in the process} to ^{successfully} contribute to our society.

Oct 26 11 04:45p

James W. Mancilla

219-838-9212

p.5

-3- School Mission & Program

4. you will know if the school is succeeding (or not) in its mission, when all students are encouraged according to their own intellectual abilities, to experience life long learning skills, in order to have confidence in themselves to make good choices in life.

Governance

1. The Role the school board will play in the school operation is essential and the training covering the basis for the vision & mission of the school. Board Training should be ongoing, each board member should take responsibility for their own learning by reading books related to the curriculum or educational design of the school.

Also, requirements of state/local, and open record laws, know if school is on course academically & how to make improvements, and lead through the use of strategic planning.

Oct 26 11 04:45p

James W. Manolla

219-838-9212

p.6

-4-

Governance

2) My forecast for the first year and beyond for this Charter School operation would be first to meet the goals, values and mission as set forth by the ^{Charter School and} NCLB Act. Charter Schools are subject to the No Child Left Behind act because they are funded under the Elementary & Secondary Act (ESEA), Title One.

The NCLB main objective is to have students' "proficient" in the basic and Charter schools must make improvement each year toward the goals of the NCLB. In order to have retention, through grants and sponsors.

3) The specific steps that the Charter School Board will need to take to ensure the success of the school will be:

- establishing and approving all major educational & operational policies.
- approving all major contracts, school budgets, and school fiscal affairs.
- Evaluating Principal, Teachers & Staff.
- Develop short and long term goals, to adhere to legal & ethical responsibilities & to monitor the schools performance as well as the Board.

Oct 26 11 04:46p

James W. Mancilla

219-838-9212

p.7

-5- Governance

(4) Board should participate in dispute resolution procedure and complaint procedure, when necessary. The Board has the authority to advise to legal and ethical responsibilities. Board should bring the problem to attention of Chairman of the School Board in order that for the matter to be properly resolved.

Oct 26 11 04:46p James W. Mancilla 219-838-9212 p.8

Oct. 24. 2011 1:44PM Gibault Inc No. 3522 P. 2/4

6. Describe the specific knowledge and experience that you would bring to the board.

School Mission and Program

1. What is your understanding of the school's mission and guiding beliefs?
2. What is your understanding of the school's proposed educational program?
3. What do you believe to be the characteristics of a successful school?
4. How will you know that the school is succeeding (or not) in its mission?

Governance

1. Describe the role that the board will play in the school's operation.
2. Provide a forecast of where you see the school after its first year of operation and then again in four years.
3. What specific steps do you think the charter school board will need to take to ensure that the school is successful?
4. How would you handle a situation in which you believe one or more members of the school's board were acting unethically or not in the best interests of the school?

Disclosures

1. Indicate whether you or your spouse knows the other prospective board members for the proposed school. If so, please indicate the precise nature of your relationship.
 I / we do not know any such trustees. Yes
2. Indicate whether you or your spouse knows any person who is, or has been in the last two years, a school employee. If so, indicate the precise nature of your relationship.
 I / we do not know any such employees. Yes
3. Indicate whether you or your spouse knows anyone who is doing, or plans to do, business with the charter school (whether as an individual or as a director, officer, employee or agent of an entity). If so, indicate and describe the precise nature of your relationship and the nature of the business that such person or entity is transacting or will be transacting with the school.
 I / we do not know any such persons. Yes

MaryAnn Matolin-Mancilla
3304 Strong Street
Hammond, Indiana 46322

OBJECTIVE: Board of Trustees: Gibault, Inc.

EDUCATION: Rosary College -- River Forest, IL (Dominican University)
Master of Arts In Library and Information Science, August 1987

St. Mary's College -- Notre Dame, IN
Master of Arts In Education, May 1989

St. Joseph College -- Rensselaer, IN
B.S. degree in Education, December 1968

AFFILIATIONS: Phi Lambda Theta National Honor and Professional Association

Lambda Chapter -- University of Chicago

Tri Kappa Alpha Upsilon Chapter of Tri Kappa Sorority (Inactive)
Corresponding Secretary, Scholarship Committee

**PROFESSIONAL EXPERIENCE
AND ACCOMPLISHMENTS:**

1992 -- 1996 Orchard Drive Elementary Education
Library Media Specialist

1987 -- 1992 Lee Caldwell School
Library Media Specialist

1989 -- 1996 Warren G. Harding Elementary School, Hammond, IN
&

1987 -- 1988 **Elementary/Resource Teacher**
Plan and instruct weekly elementary scholastic lessons. Coordinate class activities and motivate and monitor individual development. Organize student field trips and guest speakers.

Students have participated and won awards in numerous projects such as: Government Project of Self-help Curriculum Design, and were selected to have class video-taped as an example; "Ethnic Heritage" Child Art Contest sponsored by 8/50

winners WMAQ-TV; Science Fair Awards; Daughter
of American Revolution Awards.

Developed a program in library skills among fourth
and fifth grade classes.

REFERENCES: Available upon request.

10/24/11

My name is Marilyn Mancilla.
As an educator of ^{approximately} 27 years with the
School City of Hammond, my philosophy
had been extremely important in the
fulfillment of the needs of my
students. Encouraged high level
learning experiences with ^{students} others in
confidence to judge themselves to make
good choices in life.

My daily routine consisted of planning
instructions for weekly elementary
scholastic lessons.

Students participated in numerous
educational projects, and won many
awards such as: Gov. Project Self-
Help Curriculum Design, Art Contest,
Sponsored by NBC - Channel 5 - Chicago,
Science Fair Awards, Spelling Bee &
Daughters of American Revolution Award.

Federal grants, peer tutoring, team
teaching, organizing field trips, &
guest speakers, part of the Educational
Program. Noted guests were, Mayor of
Hammond, Meteorologist Harry Volkman,
Channel 2 - Chicago & Dr. Ronald Kroll,
Chiropractor of the Chicago Black Hawks.

My Degree in Education consist of
B.S. & M.A. in Education & M.A.S. in Learning
Science.

My role as a Library Media Specialist Teacher for two elementary schools, was develop programs in library & reference study skills, encourage love of reading & books, gather ^{electronic} materials for teachers. Also, coordinated class activities & motivated, & monitored individual development of students.

My financial expertise managed a budget for educational supplies & materials in classroom, and two libraries for children's programs & activities.

X

As a member of the Board, our mission is to provide children and ^{adults} families the opportunity for emotional, educational, spiritual, physical & social growth.

My fundraising commitment consisted of ^{separately} N.D. Football Raffle for the past four years. Raffle has seen a great success, and all proceeds benefit St. Hubert Childrens Services Programs.

May Ann Manilla
Hubert Board Member

Field Experience

This interview was with Mary Ann Mancilla, an educator with the Hammond School System. She graduated Bishop Noll in 1962. She attended St. Joseph College in Rensselaer with a BA in Science and Education in 1966. Mrs. Mancilla enrolled in St. Mary Notre Dame University in 1969 and graduated with an MA in Education. In 1988, Mancilla graduated from Rosary College, now called Dominican University, with an MA in Library Science. She belongs to the Professional Teaching Organization Pi Lambda Theta, and is a member of the Lambda Chapter of the University of Chicago.

Mrs. Mancilla's philosophy of education is termed C.D.S.I.I. This code stands for creativity, discipline, structure, imagination, and integrity. She states that if one has these tributes, along with innovation, you can retrieve what you desire from your students. Mrs. Mancilla attests each student has different needs, learning abilities, and one must incorporate this knowledge into your teaching style.

She also emphasizes your classroom should be decorated in a manner that emphasizes effective learning. Good classrooms consist of control, fine planning, and many interesting hands-on-activities for her students. By accomplishing this procedure you can ensure a fine learning atmosphere that will create enthusiasm, and creativity. You must build confidence with respect. Mrs. Mancilla ascertains that most children can learn the material if explained and presented correctly at their own maturity level. It's important to note that each year students with different learning abilities require different styles of teaching.

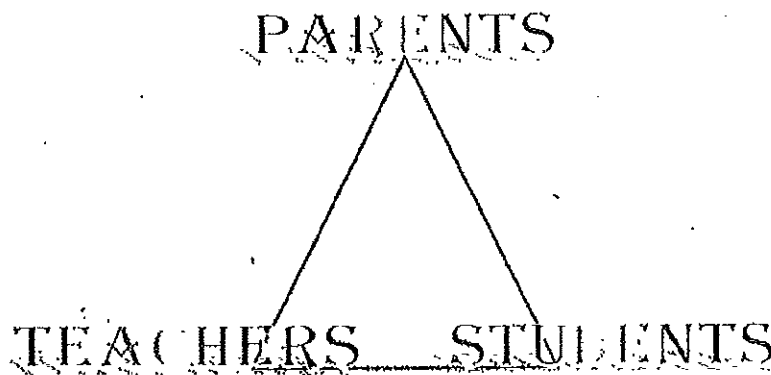
It is important students become responsible for good study habits and research skills. Involving them in the learning process Mrs. Mancilla encourages students to learn from

their failures and mistakes. This enables them to grow both as an individual and as a student.

The goal for Mrs. Mancilla is to encourage her students "to be the best they can be" not only while in school, but later as adults. She believes school is a place to continue to learning while developing educational skills for the future. Mrs. Mancilla involves students actively in the school curriculum by peer-tutoring, brain storming, motivating the children to read, creative writing and many hands-on-activities in the classroom.

She incorporates use of "whole language lessons." An example of this would be teaching students about the Electoral College. The purpose is to rehearse, review, and apply different arrays of learning the subject. This is why one needs to have a varied teaching style. Listening, speaking, reading, and writing activities help create student-centered environments.

Mancilla views that values in the educational system should stress high standards and flexible learning programs for children. Schools should try to build self-confidence by assuring success through various programs. The educational system is like a triangle.



If part of the triangle is missing, it will be difficult to accomplish your goals and values.

According to Mrs. Mancilla, the classroom atmosphere is one in which pupils are occupied and know what they are expected to learn. Good working habits are emphasized. Students learn to get along with each other and become responsible for their own actions.

Students learn best at an early age. They should learn at home first. As they come into school, states ^{Mrs.} Mancilla, they should be exposed to an interactive environment. Learning begins at home. Parents should read to their children when they are young, and when they are ready for school, states Mrs. Mancilla, they should be exposed to good learning environments. All children should be given proper encouragement and understanding. They should be able to express their own desires. Finally, parents of the students should get involved with their children's education.

Mrs. Mancilla's philosophy of education encompasses the thinking of four of education's philosophers: Plato, Aristotle, Dewey, and Fierre. She believes, as Plato, in

that human beings need to interact with each other. It is important to achieve wisdom with moral values and use it wisely in society.

Aristotle's point is seen in her belief that we have to put ourselves in touch with the world. Mrs. Mancilla agrees no one can experience happiness indefinitely. Students must learn to accept failure along with success. Happiness is the key, but to experience unhappiness at times makes us appreciate the better things in life. Never give up your dreams! Mrs. Mancilla stresses if you have good study habits and values most likely you will become a good citizen.

She concurs with Dewey in that humans are problem solvers. To achieve success we need to work out the problems we face. Finally, as the Philosopher Fierre believed, children must learn from each other and teach each other. We should question the world around us. This is evident in her challenging the students, along with peer tutoring, and hands-on-activities.

From this educator, my goal is to become a great teacher like Mrs. Mancilla. She has shown me a new respect for the teaching profession. Her knowledge and wisdom will be instilled with me throughout my career.

MELINDA KIRCHNER

PROPOSED SUMMIT ACADEMY BOARD MEMBER

Mar. 20. 2012 11:28AM

No. 9634 P. 2/3

CHARTER SCHOOL BOARD MEMBER INFORMATION

*(To be completed individually by each proposed board member for the charter holder)**

Serving on a public charter school board is a position of public trust and fiduciary responsibility. As a board member of a public school, you are responsible for ensuring the quality of the school program, competent stewardship of public funds, and the school's fulfillment of its public obligations and all terms of its charter.

As part of the application for a new charter school, the Indiana Charter School Board requests that each prospective board member respond individually to this questionnaire. Where narrative responses are required, brief responses are sufficient.

The purpose of this questionnaire is twofold: 1) to give application reviewers a clearer introduction to the founding group behind each school proposal in advance of the applicant interview, in order to be better prepared for the interview; and 2) to encourage board members to reflect individually as well as collectively on their common mission, purposes, and obligations at the earliest stage of school development.

Background

1. Name of charter school on whose Board of Directors you intend to serve:

Summit Academy

2. Your full name:

3. Brief educational and employment history. (No narrative response is required if resume is attached.)

Resume is attached.

4. Describe any of your previous experiences that are relevant to serving on the charter school's board (including other board experience, or any experience overseeing start-up or entrepreneurial ventures). If you have not had previous experience of this nature, explain why you have the capability to be an effective board member.

I have not had previous experience, but my entire professional career has been dedicated to working with At Risk Youth.

5. Do you understand the obligations of a charter school's Board of Directors to comply with Indiana's Public Access laws, including the Open Door Law for Board meetings?

Yes Don't Know/ Unsure

Disclosures

1. Indicate whether you or your spouse knows the other prospective board members for the proposed school. If so, please indicate the precise nature of your relationship.

I/we do not know any such trustees. Yes

2. Indicate whether you or your spouse knows any person who is, or has been in the last two years, a school employee. If so, indicate the precise nature of your relationship.

I/we do not know any such employees. Yes *my husband is a teacher for another school corporation.*

3. Indicate whether you or your spouse knows anyone who is doing, or plans to do, business with the charter school (whether as an individual or as a director, officer, employee or agent of an entity). If so, indicate and

Mar. 20. 2012 11:28AM

No. 9634 P. 3/3

describe the precise nature of your relationship and the nature of the business that such person or entity is transacting or will be transacting with the school.

I/we do not know any such persons. Yes

4. Indicate if you, your spouse or other immediate family members anticipate conducting, or are conducting, any business with the school. If so, indicate the precise nature of the business that is being or will be conducted.

I/we do not anticipate conducting any such business. Yes

5. If the school intends to contract with an Education Service Provider or management organization, indicate whether you or your spouse knows any employees, officers, owners, directors or agents of that provider. If the answer is in the affirmative, please describe any such relationship.

Not applicable because the school does not intend to contact with an education service provider or school management organization.

I/we do not know any such persons. Yes

6. If the school contracts with an education service provider, please indicate whether you, your spouse or other immediate family members have a direct or indirect ownership, employment, contractual or management interest in the provider. For any interest indicated, provide a detailed description.

N/A. I/we have no such interest. Yes

7. If the school plans to contract with an Education Service Provider, indicate if you, your spouse or other immediate family member anticipate conducting, or are conducting, any business with the provider. If so, indicate the precise nature of the business that is being or will be conducted.

N/A. I/we or my family do not anticipate conducting any such business. Yes

8. Indicate whether you, your spouse or other immediate family members are a director, officer, employee, partner or member of, or are otherwise associated with, any organization that is partnering with the charter school. To the extent you have provided this information in response to prior items, you may so indicate.

Does not apply to me, my spouse or family. Yes

9. Indicate any potential ethical or legal conflicts of interests that would, or are likely to, exist should you serve on the school's board. None. Yes

Certification

I, _____, certify to the best of my knowledge and ability that the information I am providing to the Indiana Charter School Board as a prospective board member for every respect. _____ Charter School is true and correct.



Signature

3-18-12
Date

Melinda Kirchner

114 W CR 1100 N ♦ Farmersburg, IN 47850 ♦ (812)-229-9673 ♦ mledger@alumni.indstate.edu

Objective

To secure a position where my ability to communicate and liaise effectively with a diverse client group in a friendly and diplomatic manner can be used appropriately.

Education:

Indiana State University, August 2004-May 2008

Bachelors Degree in Criminology with a minor in Social Welfare.

GPA:3.32

Relevant Coursework

Cumulative GPA 3.31/4.0; Major GPA 3.5/4.0

Coursework Included: Organization and Administration in Criminal Justice, Criminal Law and Procedure I and II, Community-Based Corrections, Criminology Research Methods, 24 credit hours in Social Welfare

Professional Experience

AFTERCARE/MARKETING COORDINATOR

GIBAULT CHILDREN'S SERVICES, JULY 2009-PRESENT, 45 HOURS/WEEK

MICHELE MADLEY, SUPERVISOR'S PHONE: 812-299-1156

- ♦ Acts as liaison to families in need of community services
- ♦ Market programs and services within the residential facility
- ♦ Travel and meet with professionals to discuss services
- ♦ Coordinate monthly groups for clients
- ♦ Create and publish documents and reports for our board/quarterly reports
- ♦ Support and assist clients in gaining resources in their community

QUALITY ASSURANCE COORDINATOR

GIBAULT CHILDREN'S SERVICES, MARCH 2008-JULY 2009, 50 HOURS/WEEK

BECKY STEVENS, SUPERVISOR'S PHONE: 812-298-3010

- ♦ Develop/Implement/ plan training events and presentations to staff
- ♦ Train staff in CPR/FA/PDT
- ♦ Implement/supervise appropriate use of policy and procedures within the company
- ♦ Writing/coordinating child protective service reports
- ♦ Investigate allegations and inappropriate behavior among staff as well as clients
- ♦ Regulate and update licensing policies
- ♦ Collect risk management data and present outcomes

DISTRICT PAROLE INTERN

DISTRICT PAROLE OFFICE, JANUARY 2008-MAY 2009, 15 HOURS/WEEK

RICK LOUDERMILK, SUPERVISOR'S PHONE: 812-235-0606

- ♦ Completed visitation with parolees
- ♦ Assisted parolees in getting funding for food, shelter, clothing
- ♦ Gained an understanding of filing/ data collecting within the office

Melinda Kirchner

114 W CR 1100 N ♦ Farmersburg, IN 47850 ♦ (812)-229-9673 ♦ mledger@alumni.indstate.edu

MEDICAL ASSISTANT

GIBAULT CHILDRENS SERVICES, SEPTEMBER 2007-MARCH 2008, 40HOURS/WEEK

MISSY PIPES, SUPERVISOR'S PHONE: 812-299-1156

- ◆ Trusted in handling and dispensing client medications
- ◆ Stay informed/up to date on the numerous medications in circulation
- ◆ Familiarize and stay up to date on medication interactions
- ◆ Perform admission medical screenings
- ◆ Provide care in first aid/ CPR emergencies

LEAD MENTAL HEALTH TECHNICIAN

GIBAULT CHILDRENS SERVICES, DECEMBER 2005-SEPTEMBER 2007, 50HOURS/WEEK

SHARON LANGLEY, SUPERVISOR'S PHONE: 812-299-1156

- ◆ Received extensive training in psychotropic medications, suicidal screenings, Therapeutic Crisis Intervention, and incident report writing
- ◆ Provided a positive learning environment for psychologically unstable youth
- ◆ Supervise staff in absence of dorm supervisor
- ◆ Assist in development of treatment plans and goals of incoming clients
- ◆ Utilized research and written communication skills by assembling, and performing treatment groups

PHARMACY TECHNICIAN

CVS PHARMACY, APRIL 2001-DECEMBER 2005, 40HOURS/WEEK

DAWN HUME, SUPERVISOR'S PHONE: 317-852-2763

- ◆ Provided customer service for prescriptions as well as over the counter medications
- ◆ Utilized typing/computer skills through data entry of prescriptions
- ◆ Responsible for filling and dispensing control IV through control II medications
- ◆ Performed pharmacy duty of ordering pharmaceutical supplies
- ◆ Passed National Pharmacy Technician Certification Exam with a 98%

ADDITIONAL INFORMATION

I have experience in Information technology and have an understanding of troubleshooting many computer problems. I utilized my experience in Microsoft word, excel, publisher, access, and outlook. I am trained in CPR for the professional rescuer, Fundamentals of instructor training, AED essentials, Lifeguard training and First Aid. I am licensed as an instructor for First Aid/CPR/PDT through the American Red Cross. I am a licensed trainer of Therapeutic Crisis Intervention.

AFFILIATIONS

Susan G. Komen, Survivor recognition chair for the Race for the Cure Committee.

ATTACHMENT 7
CODE OF ETHICS AND CONFLICT OF
INTEREST POLICIES

BOARD MEMBER CONFLICT OF INTEREST POLICY

It is the policy of Summit Academy and its Board of Directors that the directors carry out their respective duties in a fashion that avoids actual, potential, or perceived conflicts of interest.

For the purpose of maintaining and demonstrating the highest ethical standards, the following shall apply:

1. Board members 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 the consideration other than the best interest of the corporation.
2. Board members shall not see 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.
3. If a Board 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.
4. 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.

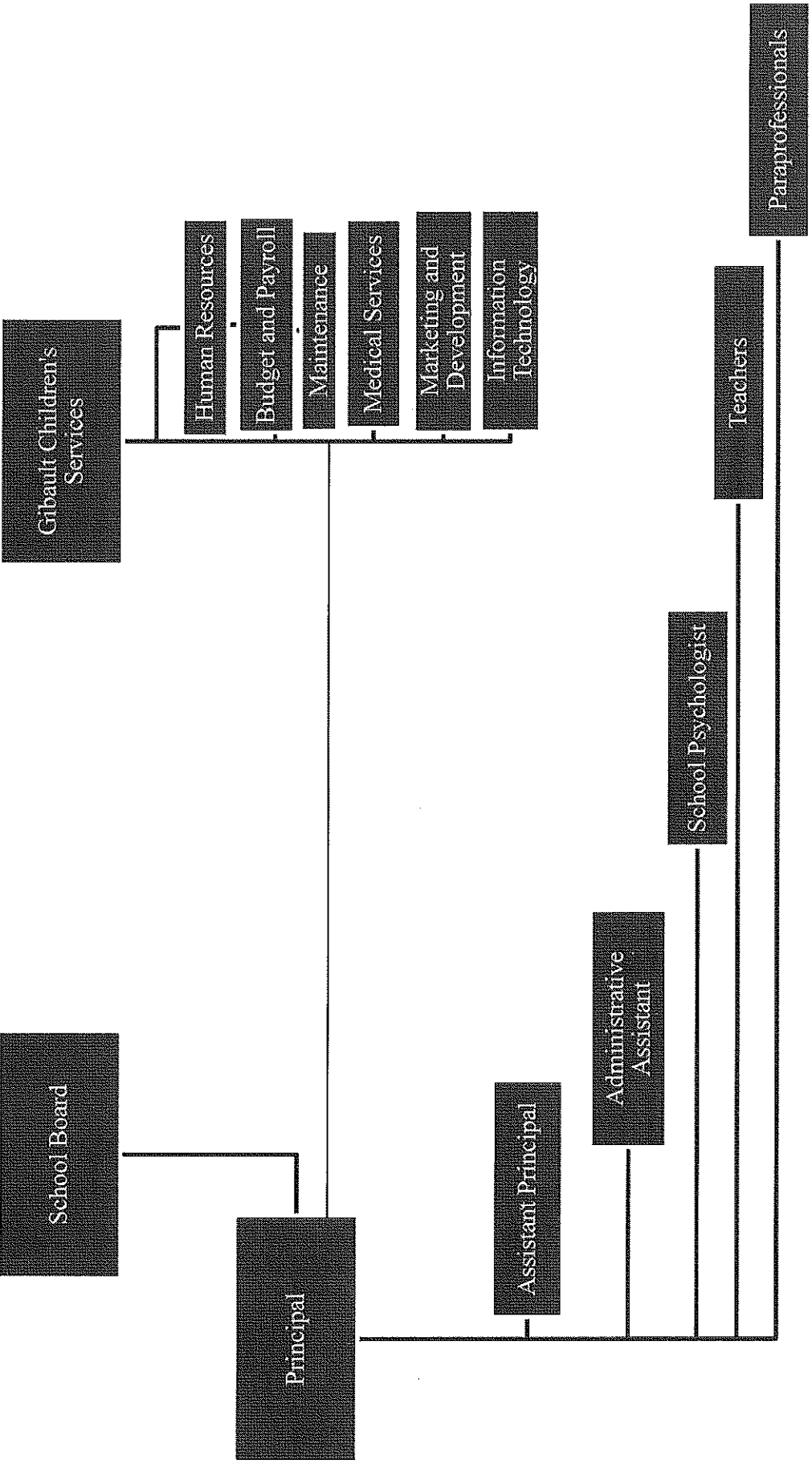
CODE OF ETHICS POLICY

Summit Academy is committed to holding its Board members to the highest standard of conduct. Summit Academy recognizes that the role definitions and work settings include a variety of disciplines and levels of academic preparation, however, the following are minimum standards expected of all board members:

1. Uphold all applicable federal and state laws.
2. Avoid being placed in a position of conflict of interest
3. Avoid using his or her position in any way for personal gain
4. Respect confidentiality of information that is privileged
5. Advocate improving social conditions and the resources necessary to perform our mission.
6. Use resources prudently and responsibly, and represent services, fiscal affairs, and intentions honestly and openly
7. Create and maintain an organizational environment that gives top priority to protecting the people we serve from harm.
8. Understand that no member of the board has individual authority and can not make commitments on behalf of the board.
9. Board members should support cohesiveness at board meetings and in the community.
10. Once appointed to the board, disclose any personal, business or financial relationships with vendors or organizations or individuals doing business with the school.

ATTACHMENT 8
EDUCATION SERVICE PROVIDER (ESP)
DOCUMENTATION - N/A

ATTACHMENT 10
ORGANIZATIONAL CHARTS



ATTACHMENT 11
COURSE SCOPE AND SEQUENCE

SCOPE AND SEQUENCE:

High School Mathematics

Algebra I

- Mathematical Reasoning and Problem Solving
- Equations and Inequalities
- Relations and Functions

Geometry

- Mathematical Reasoning and Problem Solving
- Equations and Inequalities
- Geometry
- Trigonometry

Algebra II

- Mathematical Reasoning and Problem Solving
- Equations and Inequalities
- Relations and Functions
- Logarithmic and Exponential Functions
- Sequences and Series
- Geometry

High School Social Studies

U.S. History

- Places and Regions
- Environment and Society
- Historical Thinking
- Early National Development
- Development of the Industrial United States: 1870-1900
- Emergence of the Modern United States: 1870-1920
- Modern United States in Prosperity and Depression: 1920s and 1930s
- The United States and World War II: 1939 to 1945
- Postwar United States: 1945 to 1960
- United States in Troubled Times: 1960 to 1980
- The contemporary United States: 1980 to Present
- The Nature of Politics and Government
- Foundations of Government in the United States
- Purposes, Principles, and Institutions of Government in the United States
- The Role of Government

United States Government

- Historical Thinking

High School Language Arts

- Reading: Word Recognition, Fluency, and Vocabulary Development
- Decoding and Word Recognition
- Vocabulary and Concept Development
- Reading: Comprehension
- Structural Features of Informational and Technical Materials
- Comprehension and Analysis of Grade-Level-Appropriate Text
- Expository (Informational) Critique
- Reading: Literacy Response and Analysis
- Structural Features of Literature
- Narrative Analysis of Grade-Level-Appropriate Text
- Literary Criticism
- Writing: Process
- Organization and Focus
- Research and Technology
- Evaluation and Revision
- Writing: Applications (Types and Characteristics)
- Writing: English Language Conventions
- Sentence Structure
- Grammar
- Punctuation
- Capitalization
- Spelling
- Manuscript Form
- Listening And Speaking: Skills, Strategies, and Applications
- Comprehension
- Organization and Delivery of Oral Communication
- Analysis and Evaluation of Oral and Media Communications
- Speaking Applications

World History

- Places and Regions
- Environment and Society
- Beginnings of Human Society
- Ancient Civilizations: 4000 B.C./B.C.E. to 500 A.D./C.E
- Civilization and Empires in Asia, Africa, and the Americas: 1000 B.C./B.C.E. to 1500 A.D./C.E.

- Environment and Society
- The Nature of Politics and Government
- Foundations of Government in the United States
- Purposes, Principles, and Institutions of Government in the United States
- Relationship of the United States to Other Nations in World Affairs
- Roles of Citizens in the United States
- The Role of Government

High School Science

Biology

- Principles of Biology
 - Molecules and Cells
 - Developmental and organism Biology
 - Genetics
 - Evolution
 - Ecology
- Historical Perspectives of Biology

Earth and Space Science

- Principles of Earth and Space Science
 - The Universe
 - The Earth
- Historical Perspectives of Earth and Space Science

Integrated Chemistry and Physics

- Principles of Integrated Chemistry-Physics
 - Structure and Properties of Matter
 - Changes in Matter
 - Energy Transformations
 - Motion
 - Forces of Nature
- Historical Perspectives of Integrated Chemistry-Physics

Mathematics K-8

- Number Sense, K-8
- Counting, 1-4
- Fractions, 1-5
- Decimals, 3-8
- Percentages and Ratios, 5-8
- Negative Numbers, 5-8
- Scientific Notation, 7-8
- Irrational Numbers, 7-8
- Exponents, 7-8
- Computation, K-8

- Medieval Europe and the Rise and Development of Western Civilization: 500 to 1650
- Worldwide Exploration, Conquest and Colonization: 1450 to 1750
- Scientific, Political Cultural, and Industrial Revolutions: 1500 to 1900
- Global Imperialism: 1500 to Present
- Era of Global Conflicts, Challenges, Controversies, and Changes: 1900 to Present
- Historical Thinking
- The Nature of Politics and Government
- The Role of Government

Economics

- Historical Thinking
- Scarcity and Economic Reasoning
- Supply and Demand
- Market Structures
- The Role of Government
- National Economic Performance
- Money and the Role of Financial Institutions
- Economic Stabilization
- Trade

Language Arts, K-8

- Reading: Word Recognition, Fluency, and Vocabulary Development, K-8
- Concepts about Print, K-1
- Phonemic Awareness, K-8
- Decoding and Word Recognition, K-8
- Vocabulary and Concept Development, 1-8
- Reading: Comprehension, K-8
- Structural Features of Informational and Technical Materials, K-8
- Comprehension and Analysis of Grade-Level-Appropriate Text, K-8
- Expository (Informational) Critique, 5-8
- Reading: Literacy Response and Analysis, K-8
- Structural Features of Literature, 3-8
- Narrative Analysis of Grade-Level-Appropriate Text, K-8
- Literary Criticism, 6-8
- Writing: Process, K-8
- Organization and Focus, K-8
- Research and Technology, 2-8
- Evaluation and Revision, 1-12
- Writing: Applications (Types and Characteristics), K-8

- Addition and Subtraction of Whole Numbers, K-4
- Estimation and Mental Arithmetic, 2-8
- Multiplication and Division of Whole Numbers, 3-6
- Fractions and Decimals, 4-8
- Addition and Subtraction of Rational Numbers, 4-8
- Multiplication and Division of Rational Numbers, 5-8
- Percentages, Ratios, and Proportions, 6-8
- Algebra Functions, K-8
- Number Patterns, K-8
- Number Sentences and Expressions, 1-8
- Order of Operations, 2-8
- Functions, Equations, and Inequalities, 3-8
- Coordinates and Graphs, 3-8

Social Studies, K-8

- History, Civics and Government, Geography, Economics, Individuals, Society, and Culture, K-8
- Living and Learning Together, K-8
- Home, School, and Nearby Environments, 1-8
- The Local and Regional Community, 2-8
- The Local Community and Communities around the World, 3-8
- Indiana in the Nation and the World, 4-8
- The United States-The Founding of the Republic, 5 and 8
- Peoples, Places, and Cultures in Europe and the Americas, 6
- Peoples, Places, and Cultures in Africa, Asia, and the Southwest Pacific, 7
- United States History-Growth and Development, 8

- Writing: English Language Conventions, K-8
- Handwriting, K-5
- Sentence Structure, 1-8
- Grammar, 1-8
- Punctuation, 1-8
- Capitalization, 1-8
- Spelling, K-8
- Listening And Speaking: Skills, Strategies, and Applications, K-8
- Comprehension, K-8
- Organization and Delivery of Oral Communication, K-8
- Analysis and Evaluation of Oral and Media Communications, 3-8
- Speaking Applications, K-8

Science K-8

- The Nature of Science and Technology, K-8
- The scientific View of the World, 3-8
- Scientific Inquiry, K-8
- The Scientific Enterprise, K-8
- Technology and Science, 1-8
- Scientific Thinking, K-8
- Computation and Estimation, K-8
- Manipulation and Observation, 1-8
- Communication skills, K-8
- Critical Response Skills, 3-8
- The Physical Setting, K-8
- The Universe, K-8
- The Earth and the Processes That Shape It, 1-8
- Matter and Energy, K-8
- Forces of Nature, 3-8
- The Living Environment, K-8
- Diversity of Life, K-8
- Interdependence of Life and Evolution, 1-8
- Human Identity, 2-8
- The Mathematical World, K-8
- Numbers, 1-8
- Shapes and Symbolic Relationships, K-8
- Reasoning and Uncertainty, 2-8
- Common Themes, K-8
- Systems, 2-8
- Models and Scale, K-8
- Constancy and Change, 1-8
- Historical Perspectives, 7-8

ATTACHMENT 12
ACADEMIC AND EXIT STANDARDS

What a graduating twelfth grade student is expected to know:

Mathematics:

- Use a variety of problem solving strategies (drawing a diagram, making a chart, guess and check, solve a simpler problem, writing an equation, and working backwards).
- Decide whether a solution is reasonable in the context of the original situation.
- Use the properties of the real number system and the order of operations to justify the steps of simplifying functions and solving equations.
- Decide whether a mathematical statement is true always, sometimes or never.
- Understand the type of reasoning necessary to solve a problem.

Language arts:

- Write a 5-paragraph essay on any of the following types of essays: Narrative, Biographical/ Autobiographical, Persuasive, "How-To", Cause /Effect, Compare/ Contrast, and Expository.
- Proofread and Edit for errors in essays.
- Determine word meanings from contextual clues in surrounding text.
- Understand theme and author's message in various forms of reading and literature.
- Write business letters/cover letters.
- Produce Applications and Resumes.
- Write research papers.
- Utilize technical data and equipment for research support and word processing skills.
- Present a public speech.

Social studies:

- The student should know the basic and fundamental principles of the United States government. This will in turn show knowledge in the inner workings and compilation of the United States Constitution. The student will know how government operates on a local, state, and national scale and also the rights and responsibilities he/she has as citizens in the United States.
- The student will exhibit knowledge in the fundamentals of Economics within society. This knowledge will include having examined the production of resources and the economic reasoning used by the consumer, producer, saver, investor, worker and government. This knowledge will include understanding the many factors that fall into the social study of economics: scarcity, supply and demand, market structure, and role of government, national income, money, role of financial institutions, economic stability, and trade markets.
- Student will also need to know the factors of world geography and the historical concepts that deepen the understanding of global themes.
- Student will know how to use primary and secondary sources, produce maps, time-lines, and other representations to help interpret geographic and historical problems and events.
- Student will need an understanding in key events and developments in world history. This will help to further their knowledge in historical thinking chronologically and historical research.
- The student will build upon their knowledge in past United States history courses and review previous material learned to ensure their continued growth and knowledge in the subject.
- The student will gain knowledge in the history of the United States past the year 1877. The student will learn in detail the key events in United States history from 1877 up to the present day and the implications in the nation moving forward.
- Throughout each high school course the student will continuously develop skills that will enhance the ability to think historically, as quality questions about the past, research the past, and how to properly participate within a democratic society.

Science:

- Read, understand and cite evidence to support science standards that may appear in future higher education courses or in "real world" situations.
- Be able to use Scientific Inquiry and Methods to high education coursework when appropriate, as well as in future social and career opportunities.
- Follow precise, complex multistep procedures when conducting future experiments or measurement based activities in future education lessons and for life skill foundations.
- Translate text words into visual review through pictures, graphs, tables and technology media.
- Assess the reasoning and evidence in future science related articles, stories, experiments and be able to express an understanding and opinion based on science related standards and tools.
- Compare and contrast findings presented in text, noting if findings support or contradict previous explanations or accounts.
- Develop explanations based on reproducible data and observations observed during experiments and investigations.
- Communicate ideas and results verbally, as well as through diagrams, tables, graphs and photographs.
- Describe how scientific discoveries lead to the development of future new technologies and how these advances will lead to future new technologies.
- Recognize and explain how scientific knowledge helps guide social and environmental issues.

What a graduating eighth grader is expected to know:

Mathematics:

- Student should exhibit grade-level knowledge in Number Sense. This would include solving problems involving scientific notation; identifying rational and irrational numbers; applying laws of exponents; using the inverse relationship between squaring and finding square roots of numbers; and calculating square roots and approximation of square roots.
- Student should be able to compute with numbers which includes solving addition, subtraction, multiplication, and division problems with rational numbers and solving problems involving simple interest.
- Student should exhibit certain skills in Algebra including writing and solving equations and inequalities; solving a system of equations; evaluating and simplifying expressions with powers using order of operations and laws of exponents; solving problems involving linear functions; translating linear functions among tables, equations, verbal expressions, and graphs; and representing simple quadratic functions using tables, graphs, and equations.
- Student should exhibit proficiency in geometry including identifying and describing properties of geometric shapes; identifying translation, reflections, rotations, and dilations of shapes; and solving problems involving the Pythagorean Theorem.
- Student should exhibit proficiency in measurement including converting measurements and solving problems involving rates and derived measurements; scale factors, area, and volume using ratios and proportions; perimeter and area of regular and irregular 2D shapes; and surface area and volume of regular and irregular 3D shapes.
- Student should exhibit proficiency in Data Analysis and Probability including organizing, interpreting, and analyzing data in appropriate graphs; evaluating the reasonableness of claims based on data; identifying strengths and weaknesses of methods for selecting samples and identifying any bias; solving problems involving statistical measure, such as the median and

quartiles of a data set; and solving problems involving scatter plots, probability, and the Basic Counting Principle.

- Student should exhibit skill in Problem Solving. This would include analyzing, sequencing, prioritizing, and identifying relevant and irrelevant information to solve problems; using various strategies, skills, and concepts to solve problems; justifying solutions using words and symbols; and determining if solutions are reasonable.

Reading:

- Student should be able to determine the meaning of new words in grade-level context, identify and interpret figurative language, and understand the influence of historical events on English words.
- Student should be able to exhibit comprehension and analysis of nonfiction and informational text written at the eighth grade level. This would include analyzing the format, structure and purpose of informational text, evaluating the logic of the text, and drawing conclusion about a text, using supporting textual evidence.
- Student should be able to exhibit comprehension and analysis of literary text written at the eighth grade level. This would include evaluating structural elements of plot; analyzing importance of setting on mood, tone, and the meaning of text, and identifying and explaining the effects of significant literary devices.
- Language arts:
- Student should know the writing process and be able to evaluate and revise his/her writing for clarity, meaning, and organization.
- Student should be able to write persuasive, narrative, descriptive, and expository compositions that are organized, focused, well-developed and supported, as well as containing varied word choice to make writing interesting.
- Student writing should include correct grade-level grammar, spelling, punctuation and capitalization, demonstrate knowledge of complex sentence construction, and produce legible work that demonstrates Standard English conventions.

Social studies:

- The student will gain a further understanding in the growth and development of the history of the United States.
- The focus of their understanding should include a review of early history in the United States and then a greater focus on founding documents in the United States.
- During the course the student will learn subsequent periods of national history and its meaning to civic and political life in the United States. This should include national development, westward expansion social reforms, and the Civil War along with the era of Reconstruction.
- The student should also have a strong understanding of regions and nations of Africa, Asia, and the Southwest Pacific. This knowledge will include these region's historical, geographical, economic, political, and cultural relationships with one another.
- The student will have knowledge of the history in Europe and its movements into the Americas. Knowledge will be gained mainly in the history of European nations and their geographical, political, historical, economic, and cultural relationships with the Americas. The relationships studied will have been with North and South America along with Central America and the islands in the Caribbean Sea.

Science:

- Understand and explain atoms, elements, compounds and molecules
- Define atomic structures and chemical properties and the relationship between them

- Explain the water cycle and its various stages, and the sun's role in the process
- Understand and explain how genetic information is transmitted from parent to offspring
- Explain the physical properties of natural and engineered materials
- Be able to make predictions, formulate testable questions and design test
- Plan and carry out investigations, using appropriate tools and technologies
- Test predictions with multiple trials and keep accurate records of data
- Compare investigation results with hypothesis
- Use skills that allow them to read complex informational science text independently
- Use norms and conventions when reading science text
- Understand domain-specific words and phrases, and attention to precise details
- Be able to synthesis complex information and evaluate detailed scientific arguments
- Make use of science related diagrams and graphs, to then convey information and concepts

What a graduating fifth grader is expected to know:

Mathematics:

- Represent numbers and values in words, models, and expanded form; arranging numbers in numerical order; identifying odd and even numbers; recognizing and showing equivalent fractions; and interpreting place value in whole numbers.
- Add and subtract whole numbers with or without regrouping; representing the concept of multiplication and division with repeated addition and subtraction; demonstrating mastery of multiplication facts of 2, 5, and 10's; and adding and subtracting simple fractions with like denominators.
- Solve problems involving numeric equations; choosing appropriate operations to make number sentences true; describing and extending number patterns using multiplication; and plotting and labeling whole numbers on a number line.
- Identify quadrilaterals; identifying right angles and deciding whether other angles are greater or less than a right angle; identifying, describing, and classifying cubes, spheres, prisms, pyramids, cones, and cylinders; drawing and knowing the difference between lines and line segments; and identifying lines of symmetry.
- Measure line segments; adding units of length that require regrouping of inches to feet or centimeters to meters; finding the perimeter of polygons; telling time to the nearest minute; finding elapsed time; determining whether there is enough money to make a purchase and finding change due; and carrying out simple unit conversions.
- Solve problems by identifying relationships among numbers; distinguishing relevant and irrelevant information; sequencing and prioritizing information; observing patterns; applying strategies and results from simpler problems to solve more complex problems; expressing solutions clearly and logically using words, numbers, and symbols (pictures); making precise calculations; and determining if solutions are reasonable.
- Solve problems by identifying relationships among numbers; distinguishing relevant and irrelevant information; sequencing and prioritizing information; observing patterns; applying strategies and results from simpler problems to solve more complex problems; expressing solutions clearly and logically using words, numbers, and symbols (pictures); making precise calculations; and determining if solutions are reasonable.
- Identify whole numbers up to one million given a place-value model; rounding whole numbers; ordering and comparing whole numbers; renaming and rewriting whole numbers as fractions and

mixed numbers as improper fractions; writing tenths and hundredths in decimal and fraction notations; identifying fraction and decimal equivalents; and rounding decimals.

- Solve problems involving addition, subtraction, multiplication, and division of whole numbers; multiplying and dividing numbers up to 100 by numbers up to 10; adding and subtracting decimals and simple fractions with different denominators.
- Demonstrate an understanding of the concept of a variable; using and interpreting formulas; applying inverse relationships while solving problems; relating problem situations to number sentences involving multiplication and division; and plotting and labeling whole numbers on a number line.

- Identify and describe a variety of geometric figures, including rays, angles, parallel and perpendicular lines, parallelograms, rhombuses, and trapezoids; identifying congruent shapes and describing congruency using sides, angles, parallels and perpendiculars; and identifying and drawing lines of symmetry in polygons.
- Measure length; adding and subtracting units of length by renaming feet to inches or meters to centimeters; knowing and using formulas to find the perimeter and area; finding area of complex shapes; determining volume and capacity; adding time intervals involving hours and minutes; and determining change from purchases.
- Represent data on a number line and in tables (including frequency tables); interpreting data graphs and using the data to answer questions; and summarizing or displaying results of probability experiments.
- Solve problems by identifying relationships among numbers; distinguishing relevant and irrelevant information; sequencing and prioritizing information; observing patterns; applying strategies and results from simpler problems to solve more complex problems; expressing solutions clearly and logically using words, numbers, and symbols (pictures); making precise calculations; and determining if solutions are reasonable.
- Convert numbers up to millions and decimals to thousandths; rounding whole numbers and decimals; arranging and comparing whole numbers and decimals to two decimal places; finding decimal and percent equivalents; identifying prime and composite numbers; and identifying the position of simple positive fractions, mixed numbers, and decimals on a number line.
- Solve problems involving addition, subtraction, multiplication and division of whole numbers, fractions, mixed numbers and decimals.
- Write and solve simple algebraic expressions involving one or two variables; using the distributive property in numerical equations and expressions; finding positive ordered pairs that fit a linear equation, graphing the ordered pairs, and drawing the line they determine; and using information from a graph or equation to answer questions.
- Measure, identify, and draw angles, perpendicular and parallel lines, and solid shapes; identifying and justifying congruent triangles by referring to sides and angles; identifying the radius and diameter of a circle and their relationship; identifying shapes with reflectional and rotational symmetry; and identifying rotational turns in terms of both degrees and corresponding fractions.
- Select and apply formulas to find perimeter and area of rectangles, triangles, parallelograms, trapezoids and more complex shapes; finding surface area and volume; and adding and subtracting money in decimal notation.
- Finding and explain the mean, median, mode, and range and expressing outcomes of probability situations using words and numbers.
- Solve problems by identifying relationships among numbers in the problem; distinguishing relevant and irrelevant information; sequencing and prioritizing information; observing patterns; applying strategies and results from simpler problems to solve more complex problems; expressing solutions clearly and logically using words, numbers, and symbols (pictures); making precise calculations; and determining if solutions are reasonable.

Reading:

- Identify prefixes, suffixes, synonyms, antonyms, multiple-meaning words, and common sight words, and using context clues to determine the meaning of unknown words in a text.
- Compare and respond to grade-level informational text by focusing on features of text; making connections and/or predictions while reading; and identifying important information within text (e.g., problem and solution, fact and opinion, cause and effect, main idea).
- Recognize and respond to grade-level informational text; drawing conclusions, confirming predictions based on content and/or organizational features of text; and identifying important information within text (e.g., fact and opinion, cause and effect, main idea, supporting details).
- Recognize and respond to grade-level literary text; identifying and/or describing story elements (e.g., plot, character traits and development, main events, problem and solution); defining figurative language used in text; and identifying the theme and narrator of different literary genres.
- Recognize and respond to grade-level literary text; identifying and/or describing story elements (e.g., plot, character traits and development, main events, problem and solution); defining figurative language used in text; and identifying the theme and narrator of different literary genres.
- Apply knowledge of root words and word origins to understand new words; identifying synonyms, antonyms, homographs, and figurative language; and using context clues to determine the meaning of unknown words found in text.
- Recognizing and respond to grade-level informational text; drawing conclusions; confirming predictions based on content and/or structural and organizational features of text; and identifying important information within text (e.g., fact and opinion, main idea, supporting evidence).
- Recognize and respond to grade-level literary text by recalling, describing, and/or analyzing structural features of literary genres, story elements (e.g., plot, character development, problem and solution) and literary devices, and identifying the theme and narrator of different literary genres.

Language arts:

- Identify clearly-written sentences and focused, well-organized paragraphs, and reviewing and revising writing to ensure clarity, meaning, and the progression of ideas.
- Write narrative, descriptive, and persuasive compositions (e.g., stories) that are organized, focused, well-developed and supported; writing with voice and a sense of audience; and using varied word choices.
- Use and/or identify grade-level appropriate Standard English conventions (e.g., complete sentences, correct parts of speech, subject-verb agreement, punctuation, capitalization, and spelling).
- Identify clearly-written sentences and focused, well-organized paragraphs, and reviewing and revising writing to ensure clarity, meaning, and the progression of ideas.
- Write narrative, descriptive, and persuasive compositions (e.g., essays and stories) that are organized, focused, well-developed and supported; writing with voice and a sense of audience; and using varied word choices.
- Use and/or identify grade-level appropriate Standard English conventions (e.g., complete sentences, correct parts of speech, subject-verb agreement, punctuation, capitalization, and spelling).
- Identify clearly-written sentences and focused, well-organized paragraphs, and reviewing and revising writing to ensure clarity, meaning, and the progression of ideas.

- Write narrative, descriptive, and persuasive compositions (e.g., essays and stories) that are organized, focused, well-developed and supported; writing with voice and a sense of audience; and using varied word choices.
- Use and/or identify grade-level appropriate Standard English conventions (e.g., complete sentences, correct parts of speech, subject-verb agreement, punctuation, capitalization, and spelling).
- Identify clearly-written sentences and focused, well-organized paragraphs, and reviewing and revising writing to ensure clarity, meaning, and the progression of ideas.
- Write narrative, descriptive, and persuasive compositions (e.g., essays and stories) that are organized, focused, well-developed and supported; writing with voice and a sense of audience; and using varied word choices.
- Using and/or identify grade-level appropriate Standard English conventions (e.g., complete sentences, correct parts of speech, subject-verb agreement, punctuation, capitalization, and spelling).

Social studies:

- The student should have knowledge of the founding of the Republic of the United States. In this knowledge the student should have an understanding of the growth of the Republic up until the year 1800. The student should then also have knowledge of the influence of Native American cultures, European exploration, colonization, settlement, revolution against British rule and its direct effect on the founding of the Republic and the essential beginning of the United States.
- The student should have knowledge of the entire history of the state of Indiana as well as its impact and relationships to regional, national, and world communities as well. The student will also have learned the state's growth along with its physical and cultural environment. This student will also have an expected understanding in the principles and practices of citizenship in the state of Indiana.
- The student will also have gained an understanding in the true meaning of being in a community. This understanding will be in living in a local and regional community. They will know and be able to describe their rights and responsibilities as a citizen in all levels of a community.

Science:

- Study the relationship between weight and volume
- Be able to identify the differences between weight and mass
- Identify the solar system and the planet's characteristics
- Understand the sun-moon-earth relationship and patterns
- Explain the roles and relationships of producers and consumers in the ecosystem
- Design a prototype that replaces a function of one of the human body parts
- Understand and explain the musculoskeletal system
- Be able to make predictions, formulate testable questions and design a test
- Plan and carry out investigations, using appropriate tools and technologies
- Test predictions with multiple trials and keep accurate records of data
- Compare investigation results with hypothesis

ATTACHMENT 13
SCHOOL CALENDAR AND SCHEDULE

School Calendar and Schedules

Instructional Information

Number of school days-fall and spring/summer	180/44 half days
Length of instruction day	375 minutes
Minutes for allotted for core academic areas	240 minutes/day
Uninterrupted time for academic instruction	50 minutes
Extended learning time provisions	100 minutes

Sample Daily Schedule

8:25 – 8:35	Morning announcements and dismissal
8:35 - 9:25	1st hour
9:29 - 10:19	2nd hour
10:23 - 11:13	3rd hour
11:17 - 12:07	4th hour
12:11 - 1:01	5th hour
1:05 - 1:55	6th hour
1:59 - 2:50	7th hour
2:55 – 3:00	Afternoon announcements, recognition and dismissal

The school day will begin with morning convocation at 8:25am. The Pledge of Allegiance and other announcements, program changes, and student recognition will occur at this time. Students are dismissed to class. After a student finishes lunch they are assigned recreation areas for exercise or games before resuming their regular school schedule. At the end of the day, students again assemble in the convocation center for announcements and recognition of individual success during the school day.

Summit Academy School Calendar 2012-2013

Teacher orientation/work day – No Students	August 13, 2012
First day fall semester	August 14, 2012
Labor Day-No School	September 3, 2012
End Marking Period 1	September 21, 2012
Open House	September 22, 2012
Fall Break-No School	October 12-15, 2012
End of Marking Period 2	November 9, 2012
Veteran’s Day(observed)-No School	November 12, 2012

Thanksgiving Break-No School	November 21-23, 2012
ECA administration	December 12-13
Holiday Program	December 19, 2012
Winter Break-No School	December 20, 2012-January 1, 2013
Fall Academic Awards	January 4, 2013
End of Marking Period 3 and Fall Semester	January 8, 2013
Winter Graduation	January 8, 2013
Beginning of Spring Semester	January 9, 2013
Martin Luther King Day-No School	January 21, 2013
Teacher work day – No Students	February 18, 2013
End of Marking Period 4	February 22, 2013
ISTEP+ Writing	March 4 – March 13, 2013
IREAD-3	March 18-20, 2013
Spring Break-No School	March 29 through April 5, 2013
End of Marking Period 5	April 12, 2013
ISTEP+ Progress	April 29-May 8, 2013
ECA administration	May 13-17
Spring Academic Awards	May 23, 2013
Spring Graduation	May 24, 2013
End of Marking Period 6 and Spring Semester	May 24, 2013
Teacher Orientation/Work Day for Summer School – No Students	June 3 2013
Student first day summer school	June 4, 2013
Independence Day Observance-No School	July 4, 2013
Last day of summer school	August 2, 2013

ATTACHMENT 14
ENROLLMENT POLICY

Enrollment Policy

Summit Academy will have an open enrollment policy and will admit any student in grades K-12. However, Summit Academy will serve all students who wish to enroll, but specifically is targeting students with disabilities, low income families, low achieving students, students with juvenile justice involvement and those that are at risk of academic failure. To apply to enter the school, a parent or legal guardian must complete a letter of intent to enroll form requesting enrollment materials and forward that to education administrative assistant. The request for enrollment information will be disseminated by the school administrative assistant. The enrollment packet will contain information on upcoming events, enrollment procedures and timelines regarding the school and enrollment packet including personal, educational, medical and other pertinent information. Enrollment materials must be returned to the education administrative assistant for prioritization, filing and electronic storage.

If there are not enough applicants to reach maximum capacity when open enrollment closes, enrollment will continue on a first-come, first-served basis. Recruitment and marketing will begin in late May. The intent to enroll period, or application period, will be conducted June 4 through June 15, 2012. Intent to enroll forms must be completed and mailed to the administrative assistant of Summit Academy. If the school is oversubscribed a lottery will be held and all applications received after the enrollment period ends will be placed on the waiting list in order of postmark.

If the school is oversubscribed a random lottery will be held. A local licensed, bonded and insured security firm will be retained in the event a random lottery is necessary. The lottery date will be held tentatively on June 27, 2012 at the school site. . All the applicant names will be place on pieces of paper the same size and color. The pieces of paper will be withdrawn from a hopper and recorded in order drawn. The lottery will continue until maximum enrollment is reached. The remaining names will be drawn in the same manner and placed on a waiting list for the first available openings.

Timeline

Activity	Date
Public Hearing	5/4-5/14
Marketing and Recruitment	5/22-ongoing
Application (intent to enroll) Period	6/4-6/15
Lottery (if necessary)	6/27
Enrollment (if oversubscribed) Period	7/2-7/20

If the school is oversubscribed, any student names drawn during the lottery after maximum enrollment will be placed on a waiting list in the order drawn. If a student wishes to attend another school he must be withdrawn by completing a withdraw form and submitting to the school administrative assistant. Any student may re-enroll. If the school has not reached maximum capacity then the enrollment process is to be completed. If the school has a waiting list the student will be placed at the bottom of the waiting list. All transfers will be facilitated by supplying and forwarding education records to assist in enrollment of non-charter public school or private school.

ATTACHMENT 15
STUDENT DISCIPLINE POLICY

SUMMIT ACADEMY DISCIPLINE POLICY
Education Policies, Rules and Procedures

Classroom Rules

- Be in your assigned seat or area when the bell rings.
- Raise your hand when asking permission to speak.
- Stay in assigned seat unless teacher gives permission to exit.
- Be alert and ready to work.
- Complete all schoolwork.
- Return all materials at the end of the class.
- Be respectful to peers and staff.
- Only bring school related items to the classroom.

Dress Code

Student dress at Summit Academy should ensure a neutral environment that is conducive to learning. Clothing should not violate the health, safety, or decency of the school operations and should not interfere with classroom learning. Having that principle in effect, the following guidelines are in effect:

- All clothing should be clean in good repair
- Any clothing deemed disruptive or distracting to the educational process or that is a safety hazard is prohibited.
- No see-through clothing should be worn.
- All shirts must have sleeves covering the shoulder. Muscle shirts are prohibited
- Shorts and/or skirts must be below the fingertip level with the arm fully extended.
- Shirts must cover midriffs and backs. Low cut necklines and strapless shirts will be prohibited.
- Pants and shorts must be worn at the waist line and be of appropriate size.
- No head coverings are permitted in the buildings.
- All outerwear, such as jackets and coats, must be taken off when entering the classrooms.
- Shoes must be worn at all times.
- Students are not to wear any clothing item that is obscene, vulgar, advertises alcohol or tobacco, is racist, or disrespectful to others.

It is the discretion of the school's administration and/or faculty as to what is appropriate for the learning environment. Students wearing questionable attire will be required to change into clothing meeting the dress code requirements.

Discipline Policy

Summit Academy uses a progressive disciplinary system. This system is based upon the premise that as a student commits more violations of school policy, the penalties become more severe.

The progressive disciplinary system consists of the following levels:

Education minor- Written warning (3 in a week will result in Education Major)

Education major- Detention

In school suspension

One to three days suspension

Five to Ten days suspension with possible recommendation for expulsion.

- Summer school detentions will all be served after lunch. Refusals of detentions will be addressed by school administration on a case by case basis.

Behavior Treat (B-treat)

Students who do not receive an Education Minor or Major in a calendar month will earn a special lunch. This lunch will be served in an atmosphere where students can celebrate their success of earning B-Treat.

Scholastic Treat – (S treat)

S treat is based upon the 6 week grade. S treat is earned if the student earns a GPA of 3.0 or better, with no grades lower than a C. Students who earn S treat will participate in a special activity. Students who earn S treat 5 grading periods will be recognized by having their name placed on the S treat Hall of Fame Plaque.

Semester Awards

Gibault recognizes student achievement on a semester basis. Student awards that are given are: Highest GPA in each level, Citizenship Award, Positive Influence, Award, Math/Science Award, Most improved Student Award

Mo Bucks

- Mo bucks will be distributed each Monday morning. It is the teacher's responsibility to write the student's name, teacher's name, and the date of the week on each mo buck.
- Mo bucks punches are earned by students at every grade level for good behavior, attitude, and effort.
- Each student has the ability to earn one Mo buck punch per period per school day. At the end of each week it will be possible for each student to have any where from 0-35 Mo buck punches. During summer session it is possible to have 20 punches per week.
- At the end of the day, teachers need to collect Mo Bucks and return to the first period teacher.
- At the end of each week 7th period teacher will calculate the total and submit the Mo Bucks form to the Administrative Assistant of the Principal.
- New Mo Bucks will be issued each Monday.
- The Administrative Assistant to the Principal will have a treasure chest located in her office. The goodies in the treasure chest will be purchased with the earned Mo buck points.

Blanc's Bank

Blanc's Bank is designed to reward positive school behavior. Rewards will be redeemed once a week on a day determined by the teacher. In each classroom there will a visual tracking system of the student's progress in the program. Students can earn up to \$2 a week (in 50 cent increments) to spend in Blanc's Bank. No more than 50 cents can be banked from week to week.

To earn the reward a student must meet the following goals for the week.

- Maintain appropriate personal boundary (No fighting)
- Staying in assigned area.
- Complete all assigned school work
- A student has no outstanding disciplines
- If a student must leave the classroom to calm down, the following rules must be followed.
- Get permission from staff before leaving
- Must sit/stand near the door or designated spot
- No walking/wandering around
- No cursing, yelling or disrupting classes

Level System

The Educational program at Gibault is organized into an ability level system. Upon admission, students are tested and academic records are reviewed to determine the appropriate class level. Students may move up or down in the level system based on performance. High school students earn credits which are transferable to all public schools.

Effort Grades

Students are graded every period on their attitude and effort displayed. This includes behavior, following rules and how well they participate in class. A combination of effort grade and academic grade will determine the final grade.

Absences

Any full day or period absence will be excused when said absence is for illness or other reason set forth by Indiana law. Class work missed during excused absences may be made up with full credit as long as it is completed within 5 days after the student returns to school.

The following are examples of excused absence:

- Illness
- Dental or medical appointments
- Death of family member
- Court appearances
- College visits (2 per year Juniors and Seniors)
- Any absence with unique or extenuation circumstances in which the principal approves.

Students will be considered truant when not in attendance in school, class, or assigned activity, without permission of parents, legal guardians, and/or designated school officials.

Restroom Policy

Students are to take full advantage of passing periods to use the restroom and transition between classes.

Fire Drills and Tornado Drills

Drills are routinely performed by staff and students. Evacuation routes are posted in each classroom.

When the alarm sounds students are to line up in silence at the classroom door. The teacher will then instruct the class to exit the room and proceed to their assigned area in silence. The students are to line up in the assigned area so that the teacher may take a head count. Students will remain silent until the drill is completed. Students may talk quietly as they return to the classroom.

Tardy Policy

Students are expected to be on time for class. Students are to be in their assigned area when the bell rings. Students that are more than five minutes late to any class will be considered truant.

Procedures for Lunch

- All students will sit with your assigned group while waiting for entry to the dining hall.
- When called to the recreation room doors, students are to stand quietly in a single file line.
- Students will stay orderly while waiting to enter the dining hall.
- When the bell is rings for announcements every one is to listen quietly to announcements.
- Appropriate conversations only at the dining table.

ATTACHMENT 16
EVIDENCE OF SUPPORT FROM
COMMUNITY PARTNERS

ATTACHMENT 16: EVIDENCE OF SUPPORT FROM COMMUNITY PARTNERS

COMMUNITY SUPPORT – SURVEYS

CHARTER SCHOOL SURVEY TO PARENTS AUGUST 2011		
Responses Received	Approve of Charter School	Oppose Charter School
12	9	3

CHARTER SCHOOL SURVEY NATIONAL NIGHT OUT AUGUST 2011		
Responses Received	Approve of Charter School	Oppose Charter School
23	18	5

CHARTER SCHOOL SURVEY TO PARENTS MARCH 2012		
Responses Received	Approve of Charter School	Oppose Charter School
6	6	0

al letter for us to become a charter, attach to Community support and demand A district support se
From: Daniel Tanoos [dtt@vigoschools.org]
Sent: Monday, July 11, 2011 10:45 AM
To: Madley, Michele
Subject: Re: Gibault's Intent to pursue a charter school

Best of luck in your quest to become a Charter School. I hope all goes well for Gibault. The new leadership at Ball State in the area of Charter Schools is very good. Danny

On Mon, Jul 11, 2011 at 10:30 AM, Madley, Michele <michele.madley@gibault.org> wrote:

> Good morning Danny,

>

>

> I would like to thank you for meeting with me on June 29, 2011. Per
> your request, I am submitting an e mail to the Vigo County School
> Corporation requesting approval of our movement toward requesting Ball
> State Sponsor our current school toward becoming a charter school. I
> am appreciative of your understanding of the type of children we are
> currently serving and will continue to serve in the future.

>

>

> Sincerely,

>

>

> Michele Madley

>

> Executive Director, Gibault Children's Services, Terre Haute Campus

>

>

> _____
> IMPORTANT NOTICE: This information is intended for the exclusive use
> of the individual or entity to whom it is addressed and may contain
> information that is proprietary, privileged, confidential and exempt
> from disclosure under applicable state or federal law. You are hereby
> notified that any unauthorized copying, disclosure or distribution of
> this information is prohibited. If you have received this
> communication in error (or are not an employee or agent responsible
> for delivering this information to the intended recipient), please
> immediately notify the sender to arrange for the return or destruction of
> the information and all copies.

>

>

>

>

--
Danny Tanoos

Vigo County Schools' graduation rate tops state average...AGAIN!!!

The Vigo County School Corporation will equip students with lifelong learning skills and prepare them to become productive and responsible citizens.

February 4, 2010

To whom it may concern:

I am writing this letter of recommendation for Gibault of Terre Haute, IN, to be made a charter school. I give my full support for this. I feel that the school provides excellent programs with the individual needs of all their clients.

My husband and I are life long residents of Terre Haute and parents of 7 children we have or are educating in Vigo County. Over the 25 years we have worked with the Vigo County School system we have found that we sometimes had to get permits to allow some our children to attend public schools that were out of the district we live in because that was the best choice for that particular child. It is our experience that not all children learn the same way or at the same speed as other children. Some do better in small settings and others large. Some excel with sports as a motivation and others need more structured classes. Due to this they need individualized plans that allow them to progress at their own speed and in their own ways. We also have had to utilize private schools for some of our children that were not being successful in the public school setting. They are only children once and for a short time so you only have one chance to educate them if you want them to have a chance to be successful adults.

Only the families of the children at the facility really know the TRUE need of a facility like Gibault in Terre Haute. There are many more families in the Terre Haute area that could benefit from the programs Gibault offers if it is made a charter school. We had taken one of our children to Riley Hospital, she had been hospitalized several times, and was falling farther and father behind in school before we were fortunate enough to find the ABLE program at Gibault. She has excelled and is continuing to improve on a daily basis in this program.

In closing I would like to reiterate the importance I feel there is for Gibault to remain able to help the children and community as it has for many years and is doing so today. So please grant the application for it to be made a charter school so it can continue to help children be successful as they have proven they can and are doing.

Thank you for your time and attention and if you have any further question feel free to contact me @ (812) 236-7602 or my e-mail is craftykap@aol.com.

Sincerely,


Rita Mace Kaperak

MACE



4501 S. US 41 • Terre Haute, IN 47802

06/30/10

TO: WHOM IT MAY CONCERN

FROM: JANET R. MACE

SUBJECT: SUPPORT OF GIBAULT AS A CHARTER SCHOOL

I have seen first-hand the benefits that my family members have derived from Gibault School. They are both afflicted with emotional challenges. And the local school system was ill-equipped to meet their needs. Since attending Gibault, they both have gained academically as well as a vast improvement in behavior.

At their previous schools, the administrators seemed more interested in just warehousing them. At Gibault, the staff gives them the individual attention they desperately need. And the staff understands how to get these kids to address their behavioral and emotional problems. The Vigo County School system never did that. Their idea of an educational program for these types of kids consists of "time-outs", suspensions, and expulsions. These kids need and deserve better. And Gibault Charter School can provide that to them. And in the long run, these kids will be more productive, self-sufficient adults.

Sincerely,

A handwritten signature in cursive script that reads "Janet R. Mace".

Janet R. Mace

Telephone: (812) 234-1502 • Fax: (812) 234-1809

To Whom It May Concern

I am writing this letter in support of Gibault becoming a charter school. My niece and nephew attend the school there and I have noticed a great improvement in their academics since enrolling at Gibault. The public school system failed them in many ways, not understanding their special needs. The public schools did not have the teachers, classrooms and resources necessary to deal with her severe behavior. She was classified as un-teachable.

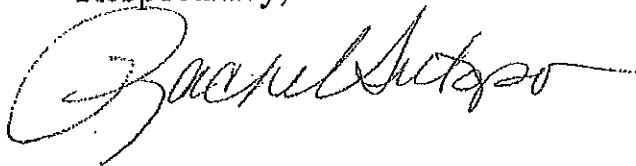
Since attending Gibault she has really thrived. Her grades have improved and she has developed a love for learning. She is learning things as she would in a regular classroom as well as daily living skills necessary for her to adapt in the real world.

My nephew is new to the school, but in the short time he has been there he too has made great strides as well.

Although I believe the public school did their best, they were unable to provide the necessary support they needed to be successful.

I believe that Gibault is a natural fit to the Vigo county school system and together they can better serve so many children who in the past seemed to have fallen in the cracks. If Gibault were made a charter school it could give an alternative option to those children who can not seem to be successful in the typical classroom settings.

Respectfully,



7-12-2010

ATTACHMENT 17
START UP PLAN

Summit Academy
Pre-Opening Checklist and Start-Up Plan

Staffing
Curriculum & Instruction
Students & Parents

Staffing

Task	Completed By	Start Date	Completion Date	Required Resources
Number of teachers is adequate and assignments match the staffing chart	Principal	June 4, 2012	July 30, 2012	
All staff positions have been filled and employment applications and contracts are on file	Principal Human Resources	June 4, 2012	July 30, 2012	
Teaching staff hold teaching licenses in Indiana (IC 20-28-4) and national criminal background checks have been run on all staff	Principal Human Resources	June 4, 2012	July 30, 2012	
Paraprofessionals meet requirements	Principal	June 4, 2012	July 30, 2012	
National Criminal background checks for all staff and volunteers completed	Principal Human Resources	June 4, 2012	July 30, 2012	

New Teacher Training	Principal Human Resources	August 6, 2012	August 10, 2012	
Teacher Workday	Principal Assistant Principal	August 13, 2012		

Curriculum & Instruction

Task	Completed By	Start Date	Completion Date	Required Resources
Instructional materials and supplies	Principal	June 4, 2012	July 30, 2012	\$20,000
Class Schedules	Principal	June 4, 2012	July 30, 2012	

Students & Families

Task	Completed By	Start Date	Completion Date	Required Resources
Marketing and Admission process for the upcoming school year before enrollment lottery	Principal	May 22, 2012	August 1, 2012	Print media Marketing Personnel
Student policies have been established and are available to students and parents in written form	Principal	May 22, 2012	June 4, 2012	
Application materials available to parents	Principal Administrative Assistant	May 22, 2012	June 4, 2012	
Enrollment Process and Lottery (if necessary)	Principal Administrative Assistant	June 18, 2012	July 29, 2012	Security Firm

ATTACHMENT 18
INSURANCE COVERAGE

ATTACHMENT 18

6510 N. Shadeland Avenue
Indianapolis, IN 46220

p 317.849.7650
f 317.577.1875

NeaceLukens.com

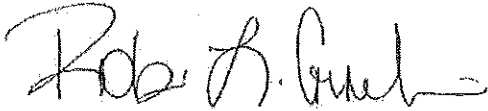
Indiana Charter School Board Required Insurance Coverages & Estimated Cost

- Workers' Compensation – Coverage to be provided as per Indiana Statute – Estimated Cost to be determined based on carrier selected and rate/credit structure determined by carrier, combined with Experience Modification of insured.
 - Example of Indiana Standard Base Rate by class as follows:
 - 8868 - School – Professional & Clerical \$0.33/\$100 Payroll
 - 7380 - School – Drivers \$3.43/\$100 Payroll
 - 9101 – School – All Others \$3.43/\$100 Payroll
- General Liability – Currently looking to insure with Philadelphia Insurance Company subject to favorable underwriting review and acceptance of exposures presented.
 - Estimated General Liability Rate \$4.50 Per Enrolled Student
- Corporal Punishment - Currently looking to insure with Philadelphia Insurance Company subject to favorable underwriting review and acceptance of exposures presented.
 - Estimated Corporal Punishment Rate \$5.00 Per Teacher
- Sexual Abuse & Molestation – Including Innocent Party Defense – Currently insured through current program with Philadelphia Insurance.
- Additional Insured Status on a Primary/Non-Contributory Basis in favor of the Indiana Charter School Board & the Indiana Department of Education – Coverage would need to be sought for this exposure –we would seek to provide this coverage through Philadelphia Insurance and pricing/acceptability would be determined per their underwriting guidelines.
- Directors & Officers' Liability & Legal/Professional Liability, Including EPLI & Sexual Harrassment – Coverage is currently in place for this exposure through Philadelphia Insurance as respects the Named Insured's operations as a provider of social services and would extend to include Educator's Legal Liability Coverage. If Philadelphia Insurance is able to wrap the charter school operations into the existing program, the estimated additional cost would likely be in the area of \$1,500.
- Automobile Liability – Coverage is currently in place for this exposure through Philadelphia Insurance as respects the Named Insured's operations as a provider of social services.
- Umbrella Liability – Coverage is currently in place for this exposure through Philadelphia Insurance as respects the Named Insured's operations as a provider of social services. If Philadelphia Insurance is able to wrap the charter school operations into the existing program, the estimated additional cost under the umbrella policy would likely be in the area of \$1,000. It should be noted that the coverage provided through Philadelphia Insurance does NOT extend over the Director's & Officers Liability nor the Employment Practices Liability and they have indicated they would be unable to extend their umbrella coverage over these lines. Coverage would need to be sought for these exposures if our client moves forward with the charter school operation.

- Property Insurance – Coverage is currently in place for this exposure through Philadelphia Insurance as respects the Named Insured's operations as a provider of social services. It is our understanding that the charter school plans call for the operations to be conducted on currently insured locations so there would likely be very little, if any additional costs associated with the property coverage if Philadelphia Insurance is able to incorporate the charter school into the existing property program.
- Student Accident Coverage – There is currently no coverage in place for this exposure but our client has completed an application using current estimated enrollment details in order to allow us to seek the required coverage. At this time the estimated cost has not been provided by the carrier but could be around \$1,500.

I trust this information has proven helpful. Should you have questions regarding any information contained within this document, please feel free to contact Jeff Kunce, Vice President at 317-595-7301 or by e-mail at jeff.kunce@neacelukens.com.

Respectfully Submitted,



Robin L. Cornelius, AU, AIS
Account Executive
Neace Lukens Insurance

ATTACHMENT 19
BUDGET AND STAFFING WORKBOOK

School Name: Summit Academy

SCHOOL ENROLLMENT PROJECTIONS

Planned Number of Students																	
ACADEMIC YEAR	K	1	2	3	4	5	6	7	8	9	10	11	12	TOTAL	% ELL	% SPED	% FRL
Year 1: 2013-2014		6			11			18			50			85	5%	70%	90%
Year 2: 2014-2015		6			11			23			55			95	5%	70%	90%
Year 3: 2015-2016		6			11			28			60			105	5%	70%	90%
Year 4: 2016-2017		6			11			33			65			115	5%	70%	90%
Year 5: 2017-2018		11			11			33			70			125	5%	70%	90%

Planned Number of Classes														
ACADEMIC YEAR	K	1	2	3	4	5	6	7	8	9	10	11	12	TOTAL
Year 1: 2013-2014		1			2			3			8			14
Year 2: 2014-2015		1			2			4			9			16
Year 3: 2015-2016		1			2			5			10			18
Year 4: 2016-2017		1			2			5			11			19
Year 5: 2017-2018		2			2			5			12			21

School Name: Summit Academy						
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
REVENUE						
State Revenue						
Basic Grant		\$ 510,000	\$ 570,000	\$ 630,000	\$ 690,000	\$ 750,000
Common School Loan		\$ -	\$ -	\$ -	\$ -	\$ -
Charter School Start-Up Grant		\$ -	\$ -	\$ -	\$ -	\$ -
State Matching Funds for School Lunch Program		\$ -	\$ -	\$ -	\$ -	\$ -
Professional Development		\$ -	\$ -	\$ -	\$ -	\$ -
Remediation Program		\$ -	\$ -	\$ -	\$ -	\$ -
Full-Day Kindergarten		\$ -	\$ -	\$ -	\$ -	\$ -
Gifted and Talented Program		\$ -	\$ -	\$ -	\$ -	\$ -
Textbook Reimbursement		\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Summer School		\$ -	\$ -	\$ -	\$ -	\$ -
Other State Revenue (please describe)		\$ -	\$ -	\$ -	\$ -	\$ -
Other State Revenue (please describe)		\$ -	\$ -	\$ -	\$ -	\$ -
Federal Revenue						
Public Charter School Program (PCSP) Grant	\$ -	\$ 150,000	\$ 150,000			
Facilities Assistance Program Grant		\$ -	\$ -			
Title I		\$ 252,875	\$ 282,625	\$ 312,375	\$ 342,125	\$ 371,875
Title II		\$ -	\$ -	\$ -	\$ -	\$ -
Federal Lunch Program		\$ -	\$ 145,000	\$ 150,000	\$ 155,000	\$ 160,000
Federal Breakfast Reimbursement		\$ 140,000	\$ -	\$ -	\$ -	\$ -
Other Revenue Federal sources (please describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Revenue Federal sources (please describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Revenue Federal sources (please describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Revenues		\$ -	\$ -	\$ -	\$ -	\$ -
Committed Philanthropic Donations	\$ 200,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000
Before and After Care Fees		\$ -	\$ -	\$ -	\$ -	\$ -
Interest Income		\$ -	\$ -	\$ -	\$ -	\$ -
Other (please describe)	\$ 220,000	\$ 505,000	\$ 503,750	\$ 502,613	\$ 501,591	\$ 500,689
Other (please describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other (please describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other (please describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenue	\$ 420,000	\$ 1,717,875	\$ 1,811,375	\$ 1,754,988	\$ 1,848,716	\$ 1,942,564
EXPENDITURES						
Personnel Expenses						
Wages, Benefits and Payroll Taxes	\$ 68,168	\$ 770,562	\$ 845,723	\$ 921,025	\$ 996,473	\$ 1,072,071
Substitutes		\$ -	\$ -	\$ -	\$ -	\$ -
Professional Development	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Bonuses		\$ -	\$ -	\$ -	\$ -	\$ -
Other (please describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other (please describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other (please describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other (please describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other (please describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Personnel Expenses	\$ 78,168	\$ 780,562	\$ 855,723	\$ 931,025	\$ 1,006,473	\$ 1,082,071
Instructional Supplies and Resources						
Textbooks		\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000
Library, periodicals, etc		\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500
Technology	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
Assessment materials		\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500
Computers	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Software	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500
Other classroom supplies		\$ 27,500	\$ 27,500	\$ 27,500	\$ 27,500	\$ 27,500
Field trips, other unclassified items		\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
Co-curricular & Athletics		\$ -	\$ -	\$ -	\$ -	\$ -
Other (please describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other (please describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other (please describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other (please describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other (please describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Instructional Supplies and Resources	\$ 22,500	\$ 85,000	\$ 85,000	\$ 85,000	\$ 85,000	\$ 85,000
Support Supplies and Resources						
Administrative Computers		\$ -	\$ -	\$ -	\$ -	\$ -
Administrative Software	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500
Administration Dues, fees, misc expenses		\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
Office supplies		\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
Other (please describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other (please describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other (please describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other (please describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Support Supplies and Resources	\$ 7,500	\$ 17,500	\$ 17,500	\$ 17,500	\$ 17,500	\$ 17,500
Board Expenses						
Charter Board Services, including Board Training, retreats		\$ -	\$ -	\$ -	\$ -	\$ -
Charter Board Supplies & Equipment		\$ -	\$ -	\$ -	\$ -	\$ -
Charter Board Dues, fees, etc		\$ -	\$ -	\$ -	\$ -	\$ -
Other (please describe)	\$ -	\$ 1,000	\$ 1,030	\$ 1,061	\$ 1,093	\$ 1,126
Other (please describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other (please describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other (please describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Board Expenses	\$ -	\$ 1,000	\$ 1,030	\$ 1,061	\$ 1,093	\$ 1,126

Professional Purchased or Contracted Services							
Legal Services	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Audit Services	\$ 7,500	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Payroll Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounting Services	\$ -	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 10,000	\$ 10,000
Printing/Newsletter/Annual Report Services	\$ 5,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 25,000	\$ 25,000
Consultants	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ -	\$ -
Internet Services	\$ 1,500	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 15,000	\$ 15,000
Telephone/Telecommunication Services	\$ 6,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 10,000	\$ 10,000
Total Insurance Costs (per ICSB requirements detailed in charter school application)	\$ 30,000	\$ 59,000	\$ 60,470	\$ 61,984	\$ 10,000	\$ 10,000	\$ 10,000
Travel	\$ 2,500	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 3,000	\$ 3,000
Postage	\$ -	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 12,000	\$ 12,000
Special Education Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 63,543	\$ 65,149
Student Information Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000	\$ 5,000
Food service	\$ -	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 5,000	\$ 5,000
Transportation	\$ -	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ -	\$ -
Other (please describe)	\$ 60,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ -	\$ -
Other (please describe)	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 200,000	\$ 200,000
Other (please describe)	\$ -	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 10,000	\$ 10,000
Other (please describe)	\$ -	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 120,000	\$ 120,000
Other (please describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000	\$ 5,000
Total Professional Purchased or Contracted Services	\$ 137,500	\$ 529,000	\$ 530,470	\$ 531,984	\$ 533,543	\$ 535,149	\$ 535,149
Facilities							
Rent, mortgage, or other facility cost	\$ 30,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000
Furniture	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
Gas/Electric	\$ 30,000	\$ 60,000	\$ 61,800	\$ 63,654	\$ 65,564	\$ 67,531	\$ 67,531
Water/Sewer	\$ 7,500	\$ 15,000	\$ 15,450	\$ 15,914	\$ 16,391	\$ 16,882	\$ 16,882
Grounds Keeping	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Maintenance Services	\$ -	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000
Custodial	\$ -	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
Waste disposal	\$ -	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Other (please describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other (please describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other (please describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other (please describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other (please describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Facilities	\$ 72,500	\$ 185,000	\$ 187,250	\$ 189,568	\$ 191,955	\$ 194,413	\$ 194,413
Other							
Contingency	\$ 25,000	\$ 39,800	\$ 38,600	\$ 37,400	\$ 36,200	\$ 35,000	\$ 35,000
Indiana Charter School Board Administrative Fee	\$ -	\$ 10,200	\$ 11,400	\$ 12,600	\$ 13,800	\$ 15,000	\$ 15,000
CMO/EMO Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other (please describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other (please describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other (please describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other (please describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Other	\$ 25,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Total Expenditures	\$ 343,168	\$ 1,648,062	\$ 1,726,973	\$ 1,806,138	\$ 1,885,564	\$ 1,965,259	\$ 1,965,259
Carryover/Deficit	\$ 76,832	\$ 69,813	\$ 84,402	\$ (51,150)	\$ (36,848)	\$ (22,695)	\$ (22,695)
Cumulative Carryover/Deficit	\$ 76,832	\$ 146,645	\$ 231,047	\$ 179,897	\$ 143,049	\$ 120,354	\$ 120,354

Expected New School Annual Operating Budget -- YEAR 1 -- Fiscal Year July 1-June 30

REVENUE	Amount	Notes
State Revenue		
Basic Grant	\$ 510,000	
Common School Loan		
Charter School Start-Up Grant		One-third of first year's ADM funding
State Matching Funds for School Lunch Program		
Professional Development		
Remediation Program		
Full-Day Kindergarten		
Gifted and Talented Program		
Textbook Reimbursement	\$ 10,000	
Summer School		
Other State Revenue (please describe)		
Other State Revenue (please describe)		
Federal Revenue		
Public Charter School Program (PCSP) Grant	\$ 150,000	Competitive grant for planning & implementation
Charter School Facilities Assistance Program Grant		
Title I	\$ 252,875	
Title II		
Federal Lunch Program		
Federal Breakfast Reimbursement	\$ 140,000	
Other Revenue Federal sources (please describe)		
Other Revenue Federal sources (please describe)		
Other Revenue Federal sources (please describe)		
Other Revenues		
Committed Philanthropic Donations	\$ 150,000	Cash From Gibault
Before and After Care Fees		
Interest Income		
Other (please describe)	\$ 505,000	Gibault In-kind gifts-rent, utilities, insurance
Other (please describe)		
Other (please describe)		
Other (please describe)		
Total Revenue	\$ 1,717,875	
EXPENDITURES		
Personnel Expenses		
Wages, Benefits and Payroll Taxes	\$ 770,562	Use staffing workbook
Substitutes		
Professional Development	\$ 10,000	
Bonuses		
Other (please describe)		
Other (please describe)		
Other (please describe)		
Other (please describe)		
Other (please describe)		
Total Personnel Expenses	\$ 780,562	
Instructional Supplies and Resources		
Textbooks	\$ 15,000	
Library, periodicals, etc	\$ 7,500	
Technology	\$ 5,000	
Assessment materials	\$ 7,500	
Computers	\$ 10,000	
Software	\$ 7,500	
Other classroom supplies	\$ 27,500	
Field trips, other unclassified items	\$ 5,000	
Co-curricular & Athletics		
Other (please describe)		
Other (please describe)		
Other (please describe)		
Other (please describe)		
Other (please describe)		
Total Instructional Supplies and Resources	\$ 85,000	

Support Supplies and Resources		
Administrative Computers		
Administrative Software	\$	7,500
Administration Dues, fees, misc expenses	\$	5,000
Office supplies	\$	5,000
Other (please describe)		
Other (please describe)		
Other (please describe)		
Other (please describe)		
Other (please describe)		
Total Support Supplies and Resources	\$	17,500
Board Expenses		
Charter Board Services, including Board Training, retreats		
Charter Board Supplies & Equipment		
Charter Board Dues, fees, etc		
Other (please describe)	\$	1,000
Other (please describe)		Charter Board D & O Insurance
Other (please describe)		
Other (please describe)		
Other (please describe)		
Total Board Expenses	\$	1,000
Professional Purchased or Contracted Services		
Legal Services	\$	10,000
Audit Services	\$	25,000
Payroll Services		
Accounting Services	\$	15,000
Printing/Newsletter/Annual Report Services	\$	10,000
Consultants	\$	10,000
Internet Services	\$	3,000
Telephone/Telecommunication Services	\$	12,000
Total Insurance Costs (per ICSB requirements detailed in charter school application)	\$	59,000
Travel	\$	5,000
Postage	\$	5,000
Special Education Services		
Student Information Services		
Food service	\$	200,000
Transportation	\$	10,000
Other (please describe)	\$	120,000
Other (please describe)	\$	5,000
Other (please describe)	\$	35,000
Other (please describe)	\$	5,000
Other (please describe)		Management fee to Gibault
Other (please describe)		Advertising
Other (please describe)		School Psychologist
Other (please describe)		Speech Therapist
Total Professional Purchased or Contracted Services	\$	529,000
Facilities		
Rent, mortgage, or other facility cost	\$	60,000
Furniture	\$	5,000
Gas/electric	\$	60,000
Water/ Sewer	\$	15,000
Grounds Keeping		
Maintenance Services	\$	30,000
Custodial	\$	5,000
Waste disposal	\$	10,000
Other (please describe)		
Other (please describe)		
Other (please describe)		
Other (please describe)		
Total Facilities	\$	185,000

Other		
Contingency	\$	39,800
Indiana Charter School Board Administrative Fee	\$	10,200
		Assume 2% of Basic Grant (Row 6)
CMO/EMO Fee		
Other (please describe)		
Other (please describe)		
Other (please describe)		
Other (please describe)		
Total Other	\$	50,000
Total Expenditures	\$	1,648,062
Carryover/Deficit	\$	69,813

Cumulative Carryover/(Deficit) \$ 146,645

Expected New School Annual Operating Budget -- YEAR 2 -- Fiscal Year July 1-June 30

REVENUE	Amount	Notes
State Revenue		
Basic Grant	\$ 570,000	
Common School Loan		
State Matching Funds for School Lunch Program		
Professional Development		
Remediation Program		
Full-Day Kindergarten		
Gifted and Talented Program		
Textbook Reimbursement	\$ 10,000	
Summer School		
Other State Revenue (please describe)		
Other State Revenue (please describe)		
Federal Revenue		
Public Charter School Program (PCSP) Grant	\$ 150,000	Competitive grant for planning & implementation
Charter School Facilities Assistance Program Grant		
Title I	\$ 282,625	
Title II		
Federal Lunch Program	\$ 145,000	
Federal Breakfast Reimbursement		
Other Revenue Federal sources (please describe)		
Other Revenue Federal sources (please describe)		
Other Revenue Federal sources (please describe)		
Other Revenues		
Committed Philanthropic Donations	\$ 150,000	Cash From Gibault
Before and After Care Fees		
Interest Income		
Other (please describe)	\$ 503,750	Gibault In-kind gifts-rent, utilities, insurance
Other (please describe)		
Other (please describe)		
Other (please describe)		
Total Revenue	\$ 1,811,375	
EXPENDITURES		
Personnel Expenses		
Wages, Benefits and Payroll Taxes	\$ 845,723	Use staffing workbook
Substitutes		
Professional Development	\$ 10,000	
Bonuses		
Other (please describe)		
Other (please describe)		
Other (please describe)		
Other (please describe)		
Other (please describe)		
Total Personnel Expenses	\$ 855,723	

Instructional Supplies and Resources		
Textbooks	\$	15,000
Library, periodicals, etc	\$	7,500
Technology	\$	5,000
Assessment materials	\$	7,500
Computers	\$	10,000
Software	\$	7,500
Other classroom supplies	\$	27,500
Field trips, other unclassified items	\$	5,000
Co-curricular & Athletics		
Other (please describe)		
Other (please describe)		
Other (please describe)		
Other (please describe)		
Other (please describe)		
Total Instructional Supplies and Resources	\$	85,000
Support Supplies and Resources		
Administrative Computers		
Administrative Software	\$	7,500
Administration Dues, fees, misc expenses	\$	5,000
Office supplies	\$	5,000
Other (please describe)		
Other (please describe)		
Other (please describe)		
Other (please describe)		
Other (please describe)		
Total Support Supplies and Resources	\$	17,500
Board Expenses		
Charter Board Services, including Board Training, retreats		
Charter Board Supplies & Equipment		
Charter Board Dues, fees, etc		
Other (please describe)	\$	1,030
Other (please describe)		
Other (please describe)		
Other (please describe)		
Other (please describe)		
Total Board Expenses	\$	1,030
Professional Purchased or Contracted Services		
Legal Services	\$	10,000
Audit Services	\$	25,000
Payroll Services		
Accounting Services	\$	15,000
Printing/Newsletter/Annual Report Services	\$	10,000
Consultants	\$	10,000
Internet Services	\$	3,000
Telephone/Telecommunication Services	\$	12,000
Total Insurance Costs (per ICSB requirements detailed in charter school application)	\$	60,470
Travel	\$	5,000
Postage	\$	5,000
Special Education Services		
Student Information Services		
Food service	\$	200,000
Transportation	\$	10,000
Other (please describe)	\$	120,000
Other (please describe)	\$	5,000
Other (please describe)	\$	35,000
Other (please describe)	\$	5,000
Other (please describe)		
Total Professional Purchased or Contracted Services	\$	530,470

Facilities		
Rent, mortgage, or other facility cost	\$	60,000
Furniture	\$	5,000
Gas/electric	\$	61,800
Water/ Sewer	\$	15,450
Grounds Keeping		
Maintenance Services	\$	30,000
Custodial	\$	5,000
Waste disposal	\$	10,000
Other (please describe)		
Other (please describe)		
Other (please describe)		
Other (please describe)		
Other (please describe)		
Total Facilities	\$	187,250
Other		
Contingency	\$	38,600
Indiana Charter School Board Administrative Fee	\$	11,400
		Assume 2% of Basic Grant (Row 6)
CMO/EMO Fee		
Other (please describe)		
Other (please describe)		
Other (please describe)		
Other (please describe)		
Total Other	\$	50,000
Total Expenditures	\$	1,726,973
Carryover/Deficit	\$	84,402

Cumulative Carryover/(Deficit) \$ 231,047

Expected New School Annual Operating Budget -- YEAR 3 -- Fiscal Year July 1-June 30

REVENUE	Amount	Notes
State Revenue		
Basic Grant	\$ 630,000	
Common School Loan		
State Matching Funds for School Lunch Program		
Professional Development		
Remediation Program		
Full-Day Kindergarten		
Gifted and Talented Program		
Textbook Reimbursement	\$ 10,000	
Summer School		
Other State Revenue (please describe)		
Other State Revenue (please describe)		
Federal Revenue		
Title I	\$ 312,375	
Title II		
Federal Lunch Program	\$ 150,000	
Federal Breakfast Reimbursement		
Other Revenue Federal sources (please describe)		
Other Revenue Federal sources (please describe)		
Other Revenue Federal sources (please describe)		
Other Revenues		
Committed Philanthropic Donations	\$ 150,000	Cash From Gibault
Before and After Care Fees		
Interest Income		
Other (please describe)	\$ 502,613	Gibault In-kind gifts-rent, utilities, insurance
Other (please describe)		
Other (please describe)		
Other (please describe)		
Total Revenue	\$ 1,754,988	
EXPENDITURES		
Personnel Expenses		
Wages, Benefits and Payroll Taxes	\$ 921,025	Use staffing workbook
Substitutes		
Professional Development	\$ 10,000	
Bonuses		
Other (please describe)		
Other (please describe)		
Other (please describe)		
Other (please describe)		
Other (please describe)		
Total Personnel Expenses	\$ 931,025	
Instructional Supplies and Resources		
Textbooks	\$ 15,000	
Library, periodicals, etc	\$ 7,500	
Technology	\$ 5,000	
Assessment materials	\$ 7,500	
Computers	\$ 10,000	
Software	\$ 7,500	
Other classroom supplies	\$ 27,500	
Field trips, other unclassified items	\$ 5,000	
Co-curricular & Athletics		
Other (please describe)		
Other (please describe)		
Other (please describe)		
Other (please describe)		
Other (please describe)		
Total Instructional Supplies and Resources	\$ 85,000	

Support Supplies and Resources		
Administrative Computers		
Administrative Software	\$ 7,500	
Administration Dues, fees, misc expenses	\$ 5,000	
Office supplies	\$ 5,000	
Other (please describe)		
Other (please describe)		
Other (please describe)		
Other (please describe)		
Other (please describe)		
Total Support Supplies and Resources	\$ 17,500	
Board Expenses		
Charter Board Services, including Board Training, retreats		
Charter Board Supplies & Equipment		
Charter Board Dues, fees, etc		
Other (please describe)	\$ 1,061	Charter Board D & O Insurance
Other (please describe)		
Other (please describe)		
Other (please describe)		
Other (please describe)		
Total Board Expenses	\$ 1,061	
Professional Purchased or Contracted Services		
Legal Services	\$ 10,000	
Audit Services	\$ 25,000	
Payroll Services		
Accounting Services	\$ 15,000	
Printing/Newsletter/Annual Report Services	\$ 10,000	
Consultants	\$ 10,000	
Internet Services	\$ 3,000	
Telephone/Telecommunication Services	\$ 12,000	
Total Insurance Costs (per ICSB requirements detailed in charter school application)	\$ 61,984	
Travel	\$ 5,000	
Postage	\$ 5,000	
Special Education Services		
Student Information Services		
Food service	\$ 200,000	
Transportation	\$ 10,000	
Other (please describe)	\$ 120,000	Management fee to Gibault
Other (please describe)	\$ 5,000	Advertising
Other (please describe)	\$ 35,000	School Psychologist
Other (please describe)	\$ 5,000	Speech Therapist
Other (please describe)		
Total Professional Purchased or Contracted Services	\$ 531,984	
Facilities		
Rent, mortgage, or other facility cost	\$ 60,000	
Furniture	\$ 5,000	
Gas/electric	\$ 63,654	
Water/ Sewer	\$ 15,914	
Grounds Keeping		
Maintenance Services	\$ 30,000	
Custodial	\$ 5,000	
Waste disposal	\$ 10,000	
Other (please describe)		
Other (please describe)		
Other (please describe)		
Other (please describe)		
Other (please describe)		
Total Facilities	\$ 189,568	

Other		
Contingency	\$	37,400
Indiana Charter School Board Administrative Fee	\$	12,600 Assume 2% of Basic Grant (Row 6)
CMO/EMO Fee		
Other (please describe)		
Other (please describe)		
Other (please describe)		
Other (please describe)		
Total Other	\$	50,000
Total Expenditures	\$	1,806,138
Carryover/Deficit	\$	(51,150)

Cumulative Carryover/(Deficit) \$ 179,897

Expected New School Annual Operating Budget -- YEAR 4 -- Fiscal Year July 1-June 30		
REVENUE	Amount	Notes
State Revenue		
Basic Grant	\$ 690,000	
Common School Loan		
State Matching Funds for School Lunch Program		
Professional Development		
Remediation Program		
Full-Day Kindergarten		
Gifted and Talented Program		
Textbook Reimbursement	\$ 10,000	
Summer School		
Other State Revenue (please describe)		
Other State Revenue (please describe)		
Federal Revenue		
Title I	\$ 342,125	
Title II		
Federal Lunch Program	\$ 155,000	
Federal Breakfast Reimbursement		
Other Revenue Federal sources (please describe)		
Other Revenue Federal sources (please describe)		
Other Revenue Federal sources (please describe)		
Other Revenues		
Committed Philanthropic Donations	\$ 150,000	Cash From Gibault
Before and After Care Fees		
Interest Income		
Other (please describe)	\$ 501,591	Gibault In-kind gifts-rent, utilities, insurance
Other (please describe)		
Other (please describe)		
Other (please describe)		
Total Revenue	\$ 1,848,716	
EXPENDITURES		
Personnel Expenses		
Wages, Benefits and Payroll Taxes	\$ 996,473	Use staffing workbook
Substitutes		
Professional Development	\$ 10,000	
Bonuses		
Other (please describe)		
Other (please describe)		
Other (please describe)		
Other (please describe)		
Other (please describe)		
Total Personnel Expenses	\$ 1,006,473	
Instructional Supplies and Resources		
Textbooks	\$ 15,000	
Library, periodicals, etc	\$ 7,500	
Technology	\$ 5,000	
Assessment materials	\$ 7,500	
Computers	\$ 10,000	
Software	\$ 7,500	
Other classroom supplies	\$ 27,500	
Field trips, other unclassified items	\$ 5,000	
Co-curricular & Athletics		
Other (please describe)		
Other (please describe)		
Other (please describe)		
Other (please describe)		
Other (please describe)		
Total Instructional Supplies and Resources	\$ 85,000	

Support Supplies and Resources		
Administrative Computers		
Administrative Software	\$ 7,500	
Administration Dues, fees, misc expenses	\$ 5,000	
Office supplies	\$ 5,000	
Other (please describe)		
Other (please describe)		
Other (please describe)		
Other (please describe)		
Other (please describe)		
Total Support Supplies and Resources	\$ 17,500	
Board Expenses		
Charter Board Services, including Board Training, retreats		
Charter Board Supplies & Equipment		
Charter Board Dues, fees, etc		
Other (please describe)	\$ 1,093	Charter Board D & O Insurance
Other (please describe)		
Other (please describe)		
Other (please describe)		
Other (please describe)		
Total Board Expenses	\$ 1,093	
Professional Purchased or Contracted Services		
Legal Services	\$ 10,000	
Audit Services	\$ 25,000	
Payroll Services		
Accounting Services	\$ 15,000	
Printing/Newsletter/Annual Report Services	\$ 10,000	
Consultants	\$ 10,000	
Internet Services	\$ 3,000	
Telephone/Telecommunication Services	\$ 12,000	
Total Insurance Costs (per ICSB requirements detailed in charter school application)	\$ 63,543	
Travel	\$ 5,000	
Postage	\$ 5,000	
Special Education Services		
Student Information Services		
Food service	\$ 200,000	
Transportation	\$ 10,000	
Other (please describe)	\$ 120,000	Management fee to Gihault
Other (please describe)	\$ 5,000	Advertising
Other (please describe)	\$ 35,000	School Psychologist
Other (please describe)	\$ 5,000	Speech Therapist
Other (please describe)		
Total Professional Purchased or Contracted Services	\$ 533,543	
Facilities		
Rent, mortgage, or other facility cost	\$ 60,000	
Furniture	\$ 5,000	
Gas/electric	\$ 65,564	
Water/ Sewer	\$ 16,391	
Grounds Keeping		
Maintenance Services	\$ 30,000	
Custodial	\$ 5,000	
Waste disposal	\$ 10,000	
Other (please describe)		
Other (please describe)		
Other (please describe)		
Other (please describe)		
Other (please describe)		
Total Facilities	\$ 191,955	

Other		
Contingency	\$	36,200
Indiana Charter School Board Administrative Fee	\$	13,800
		Assume 2% of Basic Grant (Row 6)
CMO/EMO Fee		
Other (please describe)		
Other (please describe)		
Other (please describe)		
Other (please describe)		
Total Other	\$	50,000
Total Expenditures	\$	1,885,564
Carryover/Deficit	\$	(36,848)

Cumulative Carryover/(Deficit) \$ 143,049

Expected New School Annual Operating Budget -- YEAR 5 -- Fiscal Year July 1-June 30		
REVENUE	Amount	Notes
State Revenue		
Basic Grant	\$ 750,000	
Common School Loan		
State Matching Funds for School Lunch Program		
Professional Development		
Remediation Program		
Full-Day Kindergarten		
Gifted and Talented Program		
Textbook Reimbursement	\$ 10,000	
Summer School		
Other State Revenue (please describe)		
Other State Revenue (please describe)		
Federal Revenue		
Title I	\$ 371,875	
Title II		
Federal Lunch Program	\$ 160,000	
Federal Breakfast Reimbursement		
Other Revenue Federal sources (please describe)		
Other Revenue Federal sources (please describe)		
Other Revenue Federal sources (please describe)		
Other Revenues		
Committed Philanthropic Donations	\$ 150,000	Cash From Gibault
Before and After Care Fees		
Interest Income		
Other (please describe)	\$ 500,689	Gibault In-kind gifts-rent, utilities, insurance
Other (please describe)		
Other (please describe)		
Other (please describe)		
Total Revenue	\$ 1,942,564	
EXPENDITURES		
Personnel Expenses		
Wages, Benefits and Payroll Taxes	\$ 1,072,071	Use staffing workbook
Substitutes		
Professional Development	\$ 10,000	
Bonuses		
Other (please describe)		
Other (please describe)		
Other (please describe)		
Other (please describe)		
Other (please describe)		
Total Personnel Expenses	\$ 1,082,071	
Instructional Supplies and Resources		
Textbooks	\$ 15,000	
Library, periodicals, etc	\$ 7,500	
Technology	\$ 5,000	
Assessment materials	\$ 7,500	
Computers	\$ 10,000	
Software	\$ 7,500	
Other classroom supplies	\$ 27,500	
Field trips, other unclassified items	\$ 5,000	
Co-curricular & Athletics		
Other (please describe)		
Other (please describe)		
Other (please describe)		
Other (please describe)		
Other (please describe)		
Total Instructional Supplies and Resources	\$ 85,000	

Support Supplies and Resources		
Administrative Computers		
Administrative Software	\$ 7,500	
Administration Dues, fees, misc expenses	\$ 5,000	
Office supplies	\$ 5,000	
Other (please describe)		
Other (please describe)		
Other (please describe)		
Other (please describe)		
Other (please describe)		
Total Support Supplies and Resources	\$ 17,500	
Board Expenses		
Charter Board Services, including Board Training, retreats		
Charter Board Supplies & Equipment		
Charter Board Dues, fees, etc		
Other (please describe)	\$ 1,126	Charter Board D & O Insurance
Other (please describe)		
Other (please describe)		
Other (please describe)		
Other (please describe)		
Total Board Expenses	\$ 1,126	
Professional Purchased or Contracted Services		
Legal Services	\$ 10,000	
Audit Services	\$ 25,000	
Payroll Services		
Accounting Services	\$ 15,000	
Printing/Newsletter/Annual Report Services	\$ 10,000	
Consultants	\$ 10,000	
Internet Services	\$ 3,000	
Telephone/Telecommunication Services	\$ 12,000	
Total Insurance Costs (per ICSB requirements detailed in charter school application)	\$ 65,149	
Travel	\$ 5,000	
Postage	\$ 5,000	
Special Education Services		
Student Information Services		
Food service	\$ 200,000	
Transportation	\$ 10,000	
Other (please describe)	\$ 120,000	Management fee to Gibault
Other (please describe)	\$ 5,000	Advertising
Other (please describe)	\$ 35,000	School Psychologist
Other (please describe)	\$ 5,000	Speech Therapist
Other (please describe)		
Total Professional Purchased or Contracted Services	\$ 535,149	
Facilities		
Rent, mortgage, or other facility cost	\$ 60,000	
Furniture	\$ 5,000	
Gas/electric	\$ 67,531	
Water/ Sewer	\$ 16,882	
Grounds Keeping		
Maintenance Services	\$ 30,000	
Custodial	\$ 5,000	
Waste disposal	\$ 10,000	
Other (please describe)		
Other (please describe)		
Other (please describe)		
Other (please describe)		
Other (please describe)		
Total Facilities	\$ 194,413	

Other		
Contingency	\$	35,000
Indiana Charter School Board Administrative Fee	\$	15,000
		Assume 2% of Basic Grant (Row 6)
CMO/EMO Fee		
Other (please describe)		
Other (please describe)		
Other (please describe)		
Other (please describe)		
Total Other	\$	50,000
Total Expenditures	\$	1,965,259
Carryover/Deficit	\$	(22,695)

Cumulative Carryover/(Deficit) \$ 120,354

ATTACHMENT 20
BUDGET NARRATIVE

Attachment 20

The budget presented in Attachment 19 is only for Summit Academy. If chartered, Summit Academy will replace the on-grounds school that is currently being operated by Gibault, Inc. DBA Gibault Children's Services in Terre Haute, Indiana. The network level budget is the same as the school level budget since there will only be one school.

Gibault, Inc. (DBA Gibault Children's Services) currently has an accredited school on its premises. It is the intent of Gibault, Inc. and The Gibault Foundation, Inc. to support the school financially by continuing to provide various services as in-kind gifts to support its mission. Gibault's mission is to provide life-changing opportunities for children, adults, families and communities. Gibault recognizes that education itself is a significant opportunity and considers its support of the school as part of its mission.

The school intends to provide each student the opportunity to reach their greatest potential by providing a disciplined, safe and creative environment in which to prepare for their academic success. Summit Academy wishes to establish a charter school to meet the needs of students who have failed to progress in a traditional school setting. The emphasis on small class sizes is apparent in the budget worksheets. The projected enrollment for the first year of operation is only 85 students. This number includes the clients currently placed at Gibault Children's Services and any other students that choose to attend Summit Academy. It is estimated that 85% of the students will have an Individualized Education Program (IEP) and will require specially trained teachers and staff, smaller class sizes and additional services.

Revenue is derived from the estimated per-pupil funding from the state. The estimated ADM rate for the 2012-2013 school year is \$6,000 per-pupil. In addition to the ADM rate, Summit Academy plans to apply for Department of Education Title I funds. This grant would provide financial assistance to meet special needs of disadvantaged children. The current school receives funds passed through the Vigo County School Corporation. Title I funding for Summit Academy is estimated at \$3,500 per-pupil for 85% of the projected enrollment due to the large number of students with IEPs.

Summit Academy will participate in the Department of Agriculture school breakfast program and national school lunch program passed through the Indiana Department of Education. The current school receives reimbursements of approximately \$135,000 annually from this source.

If sponsored, Summit Academy will be eligible to apply for various federal, state and local grants offered specifically for charter schools. Although no applications can be submitted prior to sponsorship and funding is not guaranteed, the budget includes \$150,000 of grant funding from the Federal Public Charter Schools Program (PCSP). The Federal Public Charter

Schools Program (PCSP) awards grants to State Educational Agencies (SEAs) on a competitive basis. The SEAs then award sub-grants to individual charter schools, also on a competitive basis. Individual charter schools may use sub-grant funds for post-award planning and program design and for initial implementation activities for up to 18 months.

Grant awards for planning activities will likely range from \$25,000 to \$150,000 for a 12 month period. Further research regarding past grants to charter schools have shown that the likely amount if awarded will be \$25,000.

Organizers who have a school that is open and operating and have previously received funds for planning may request continuation funds for implementation activities. Awards for implementation will likely range from \$75,000-\$200,000 and are generally for a 24 month period. Actual awards will depend upon the quality of the grant application, enrollment, previous uses of grant funds and award amounts that the state receives from the federal government. Research into previous awards granted show the general amount to be \$125,000 for the 24 month period.

A charter school organizer may also apply for grant funds for planning activities as soon as the charter is approved. Applications will be evaluated by a grant review panel based on a rubric, which is provided in the application. The founding group is familiar with the overall concepts behind the operation of a school and is qualified to provide proper oversight and management. However, the budget includes \$10,000 annually for consulting fees if expertise is needed in management or maximizing state and federal funding.

A portion of the management fee to Gibault also includes Fund Development services. Various fundraising techniques will also be implemented to raise funds to benefit the school.

Gibault plans to contribute \$950,000 cash and \$2.7 million in in-kind gifts to Summit Academy over the course of the first five years of operation. Initially, \$200,000 cash and \$220,000 of in-kind gifts are designated for start-up expenses. The first year of operation includes \$150,000 cash and \$505,000 of in-kind gifts of facility rent, utilities, insurance, management fees and selected contracted services from Gibault. If the cash is not readily available, Gibault, Inc. has a \$1.5 million line of credit with Old National Bank that could be utilized for short-term needs until long-term funding could be established if necessary. Additionally, The Gibault Foundation could subsidize payments by liquidating investments or borrowing funds to meet the obligation. It is anticipated that the funding from Gibault would be reduced or eliminated if enrollment numbers are higher than expected or alternative funding sources are identified and support is not necessary.

The teacher to student ratio is 1:6 in the budget and the average pay for a teacher is approximately \$35,000 plus benefits. In addition to staffing, the budget includes \$10,000 for professional development and \$25,000 for software and technology such as smart boards, laptops and LCD projectors.

The school will contract with Gibault Children's Services (Gibault) for various services. The Professional Purchased or Contracted Services section of the budget includes \$5,000 for a Speech therapist and \$35,000 for a Psychologist. The Psychologist will be an employee of Gibault and will be leased to Summit Academy on an hourly basis. The Other Service Contracts line item for \$120,000 is the management fee to Gibault for services provided by the Corporate Staff. Various Gibault employees will provide services to Summit Academy so management positions will not need to be duplicated. Sharing employees will reduce costs by minimizing personnel and benefits and streamlining processes by centralizing various business functions. The \$10,000 monthly management fee is intended to reimburse Gibault for costs associated with salaries and benefits for the Corporate Staff that will be responsible for oversight, payroll, benefits management, financial reporting, accounts payable, accounts receivable, information technology, marketing, safety and security and so on.

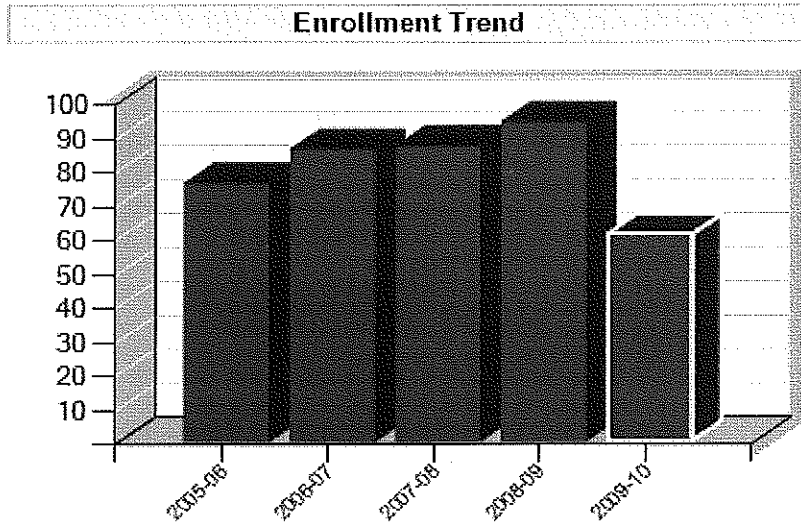
The Food Services Contract for \$200,000 will also be with Gibault since they already maintain a kitchen and staff for its residential treatment programs. The contract amount will cover actual costs for kitchen personnel and provisions for meals during school hours. A significant portion of these costs will be offset by reimbursements from the Indiana Department of Education school lunch program.

The use of the facilities will be provided as an in-kind gift from Gibault. Gibault currently operates an accredited school on its property to provide education to the children placed in its residential treatment programs. Although the children could attend Vigo County Schools, it is presumed they would not receive the specialized services they require and most likely would not be successful in that atmosphere due to their behavior and learning disabilities. If the charter is approved, the residential children will attend Summit Academy which will occupy the buildings currently in use.

In the event revenues do not meet projections, additional funding may be requested from Gibault Companies in the form of a line of credit from Gibault to Summit Academy with minimal interest. In addition, budget discrepancies will be reviewed to determine if reductions in operating costs are feasible.

ATTACHMENT 21
PORTFOLIO SUMMARY

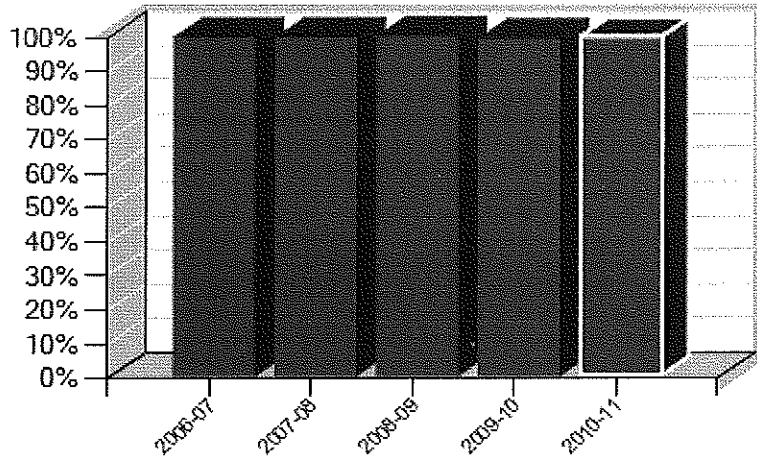
Summary of School Performance



Enrollment By Grade

Grade	2006-07	2007-08	2008-09	2009-10
Grade 1			1	
Grade 2	1	1		1
Grade 3	1		1	1
Grade 4	6	3	1	
Grade 5	5	2	7	1
Grade 6	1	5	5	5
Grade 7	10	11	5	5
Grade 8	17	10	12	6
Grade 9	17	16	15	9
Grade 10	14	15	29	13
Grade 11	8	18	11	12
Grade 12	6	3	7	5
Grade 12+/Adult		3		3
Total Enrc	86	87	94	61

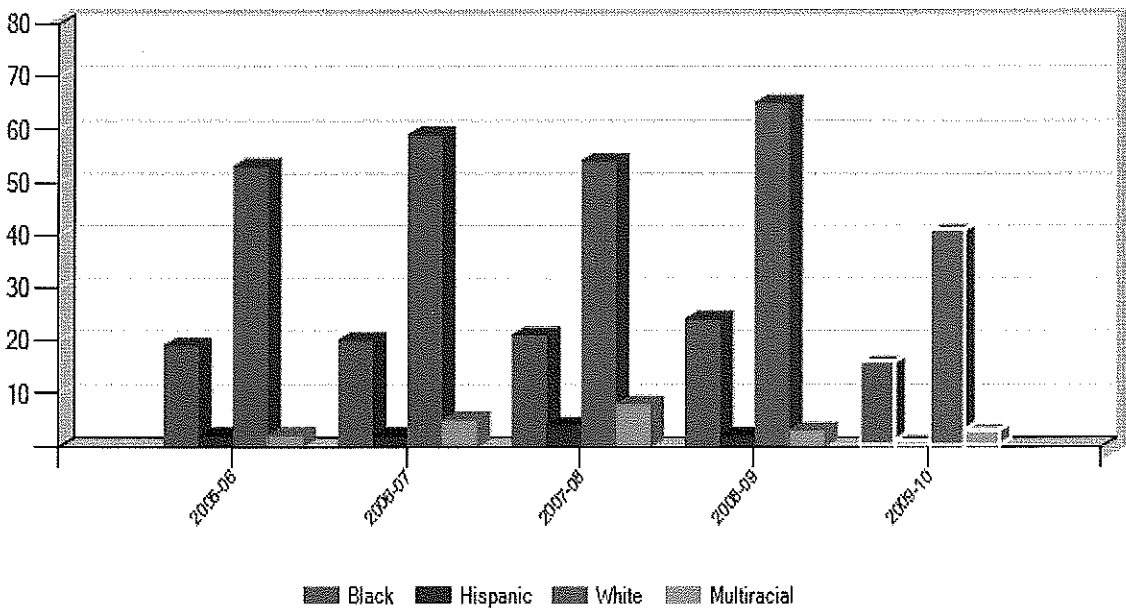
Attendance Rate Trend



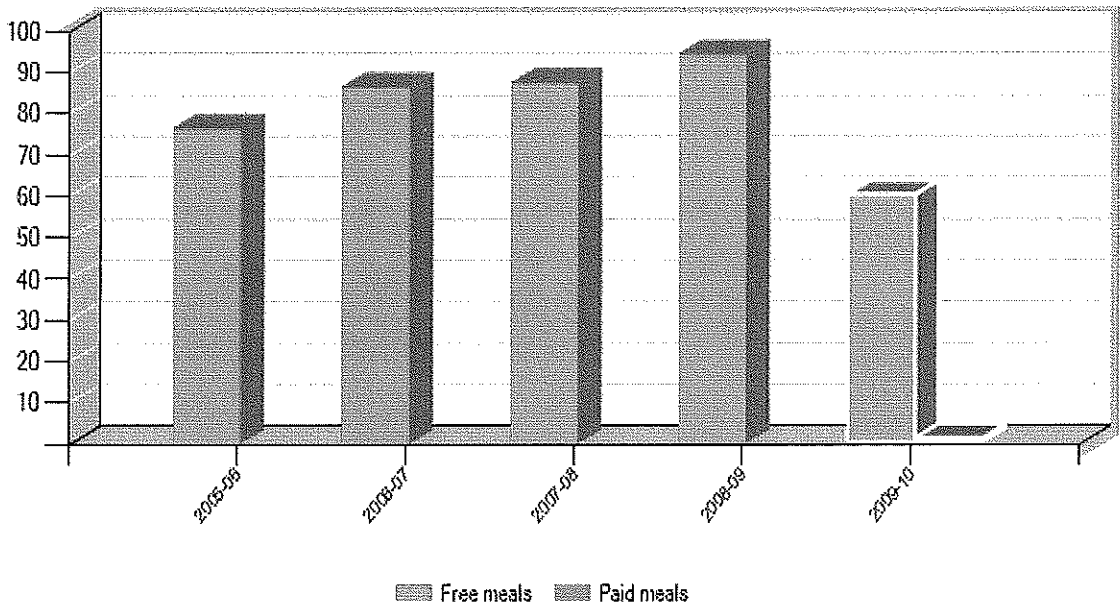
Attendance By Grade

Grade	2006-07	2007-08	2008-09	2009-10	2010-11
Kindergarten				***	***
Grade 1			***	***	***
Grade 2	***	***	***	***	***
Grade 3	***		***	***	***
Grade 4	***	***	***	***	***
Grade 5	***	***	100.00%	***	***
Grade 6	***	***	***	99.80%	***
Grade 7	88.80%	99.40%	99.10%	97.10%	99.50%
Grade 8	99.00%	99.70%	99.50%	97.00%	99.30%
Grade 9	99.10%	97.70%	99.90%	99.10%	99.90%
Grade 10	99.30%	99.70%	99.70%	98.90%	99.30%
Grade 11	99.50%	99.70%	98.80%	99.60%	100.00%
Grade 12	***	***	98.80%	***	98.10%
Grade 12+	***	***		***	
Total Enrc	99.20%	99.20%	99.60%	98.90%	99.50%

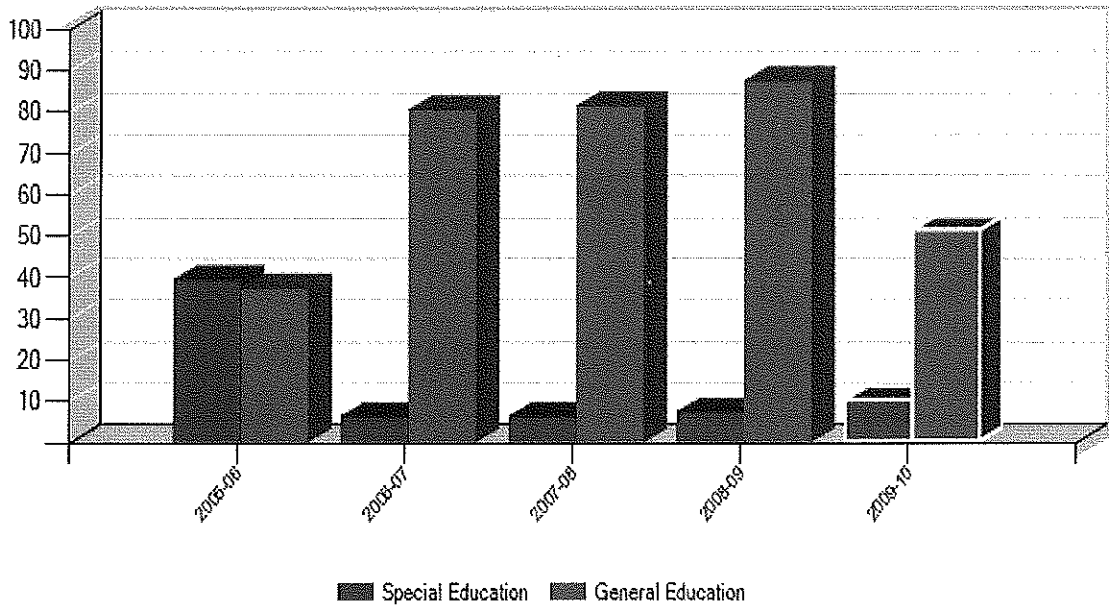
Enrollment Trend by Ethnicity



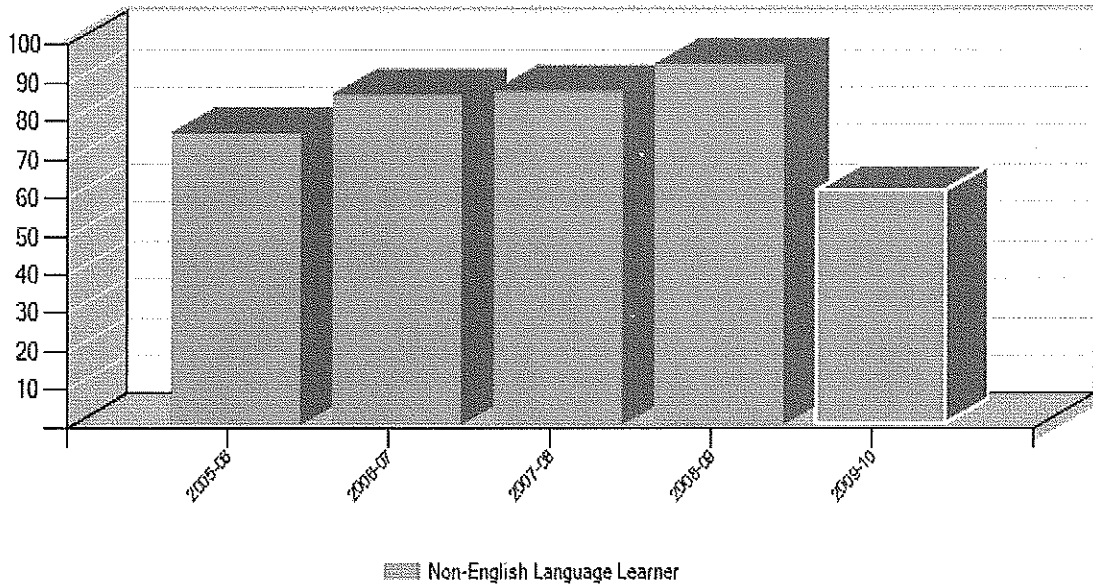
Enrollment Trend by Free/Reduced Price Meals



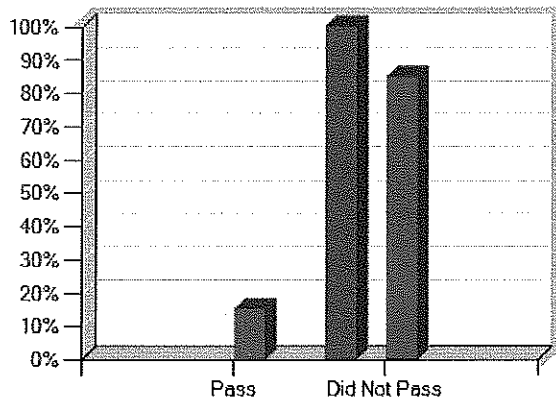
Enrollment Trend by Special Education



Enrollment Trend by English Language Learners

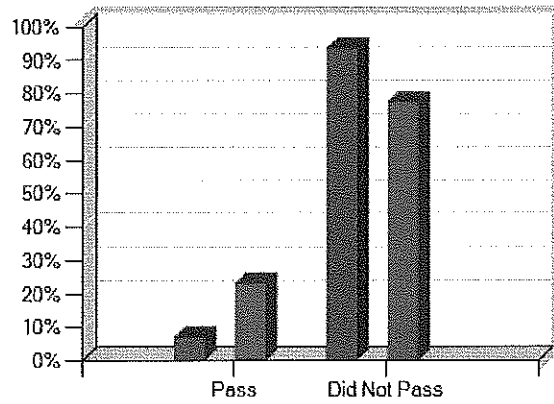


ISTEP+ 2006-07 Results by Ethnicity



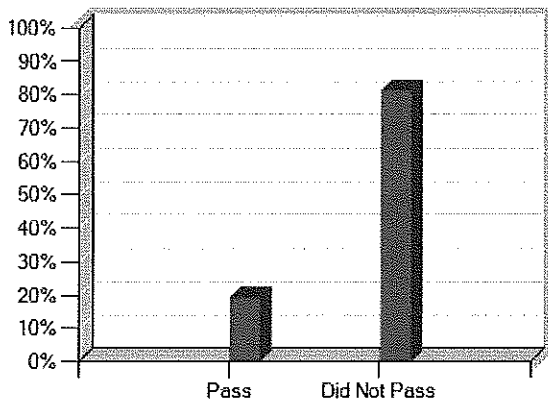
Black White
Hispanic (suppressed) Multiracial (suppressed)

ISTEP+ 2007-08 Results by Ethnicity



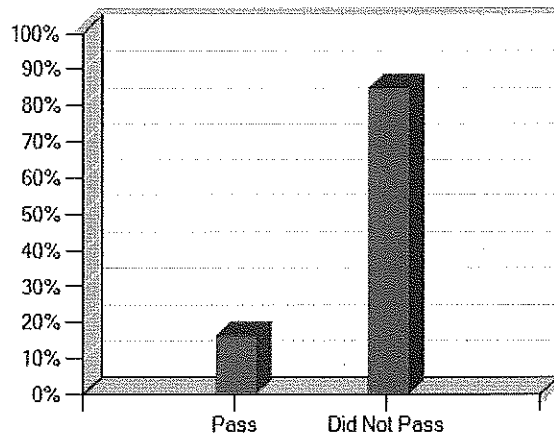
Black White
Hispanic (suppressed) Multiracial (suppressed)

ISTEP+ 2008-09 Fall Results by Ethnicity



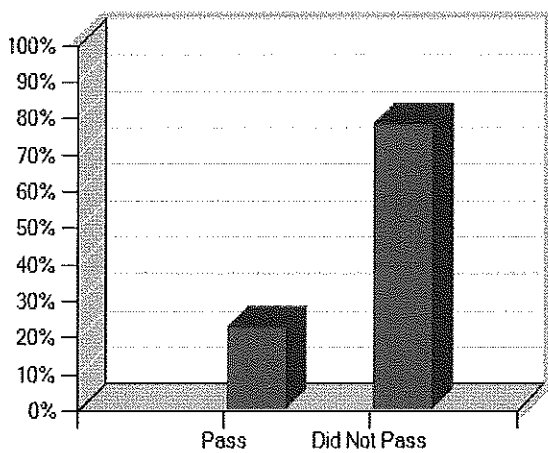
Black (suppressed) White
Hispanic (suppressed) Multiracial (suppressed)

ISTEP+ 2008-09 Spring Results by Ethnicity



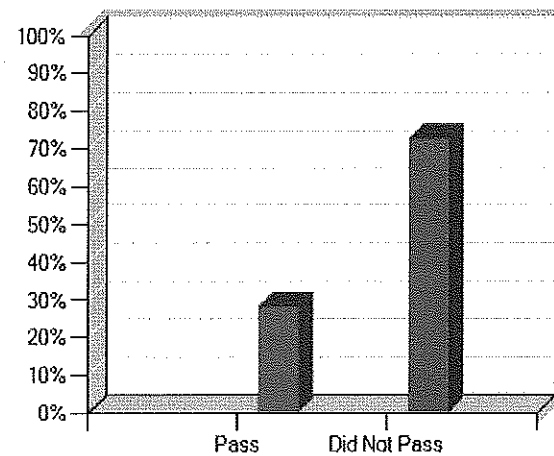
Black (suppressed) White Multiracial (suppressed)

ISTEP+ 2009-10 Results by Ethnicity



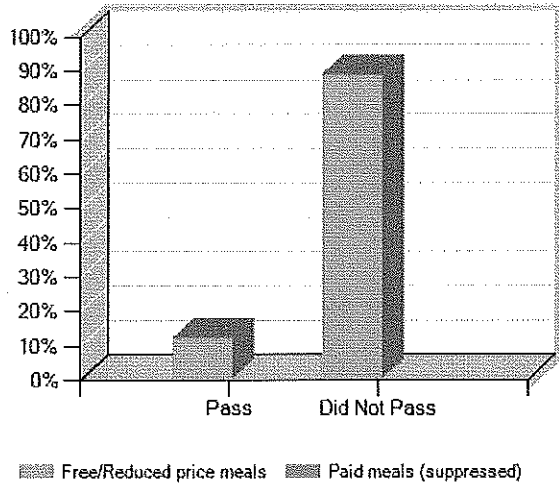
Black (suppressed) White

ISTEP+ 2010-11 Results by Ethnicity

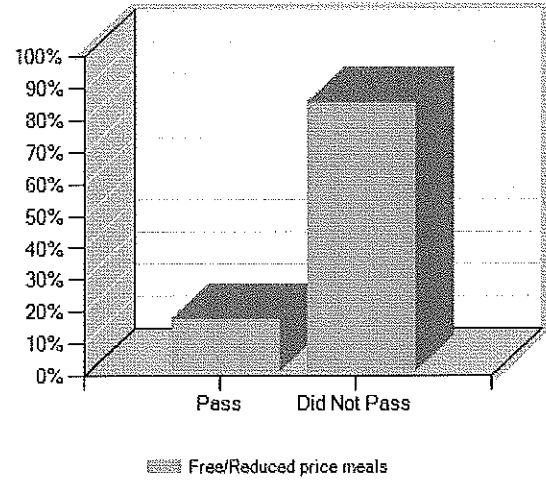


Black (suppressed) Hispanic (suppressed) White

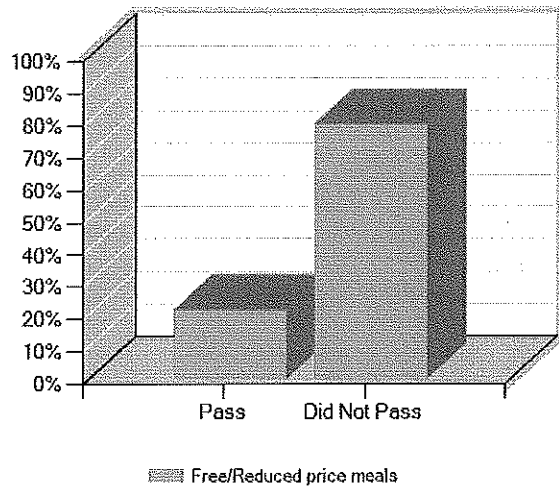
ISTEP+ 2006-07 Results by Free/Reduced Price Meals



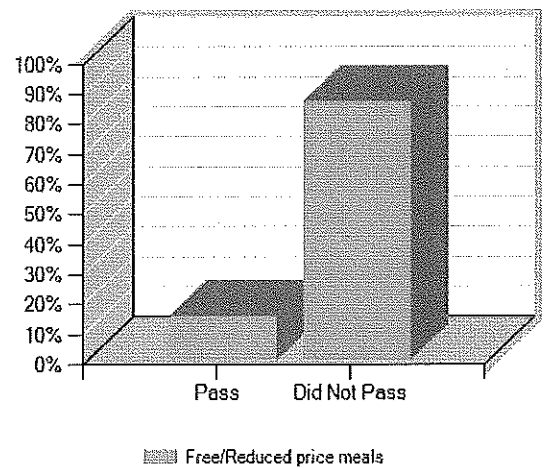
ISTEP+ 2007-08 Results by Free/Reduced Price Meals



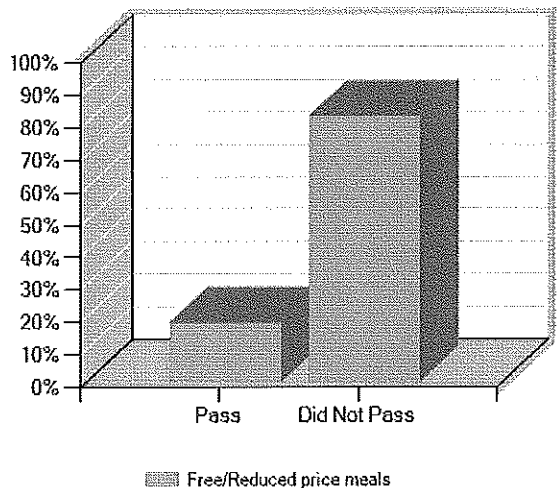
ISTEP+ 2008-09 Fall Results by Free/Reduced Price Meals



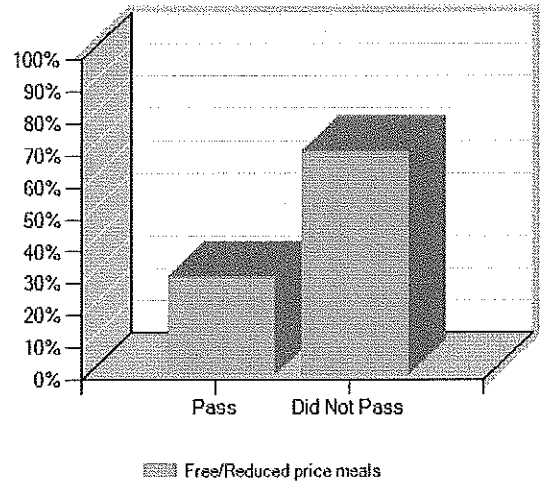
ISTEP+ 2008-09 Spring Results by Free/Reduced Price Meals



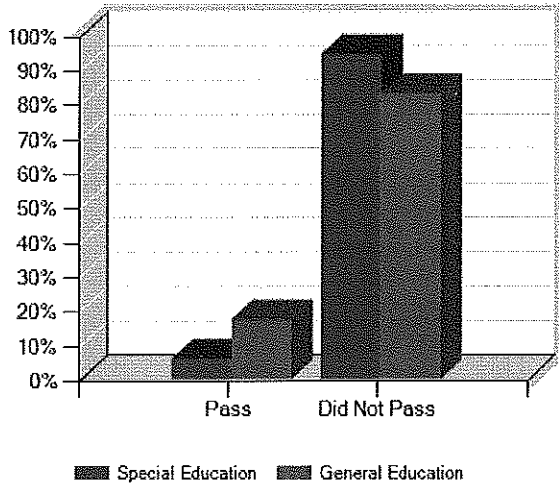
ISTEP+ 2009-10 Results by Free/Reduced Price Meals



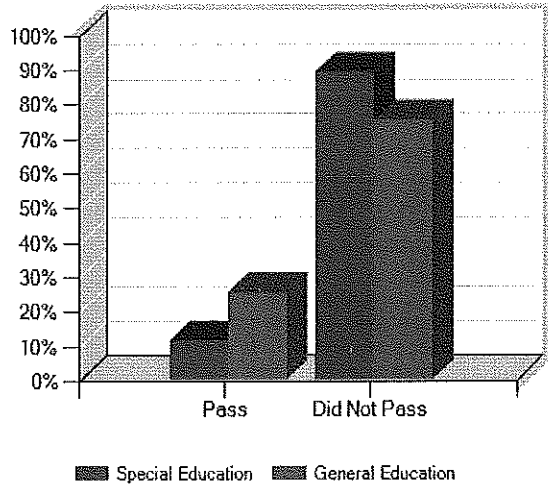
ISTEP+ 2010-11 Results by Free/Reduced Price Meals



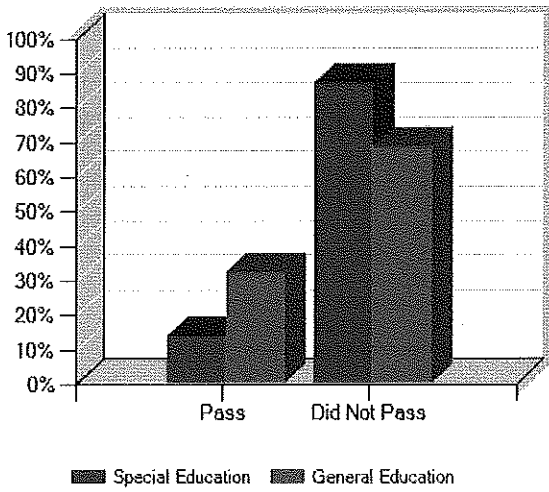
ISTEP+ 2006-07 Results by Special Education



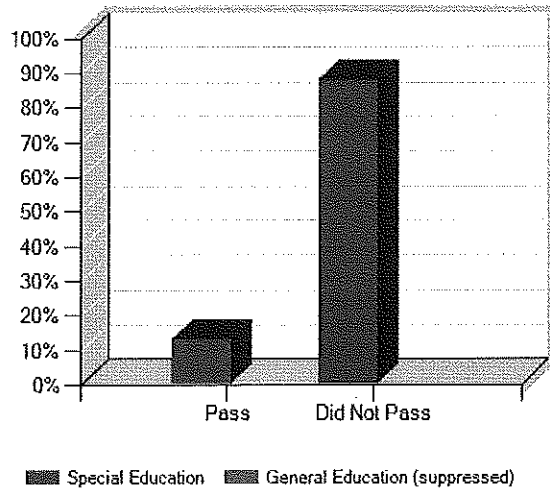
ISTEP+ 2007-08 Results by Special Education



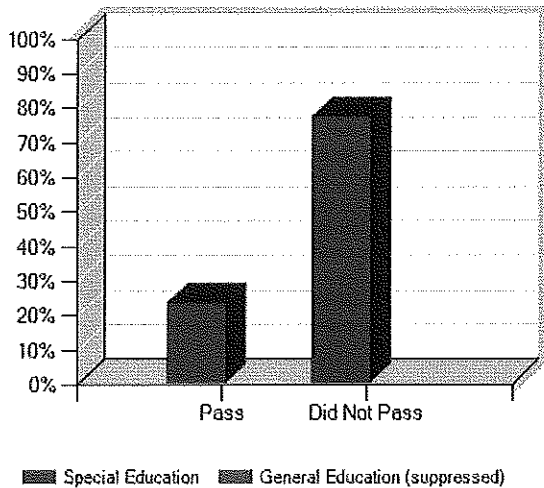
ISTEP+ 2008-09 Fall Results by Special Education



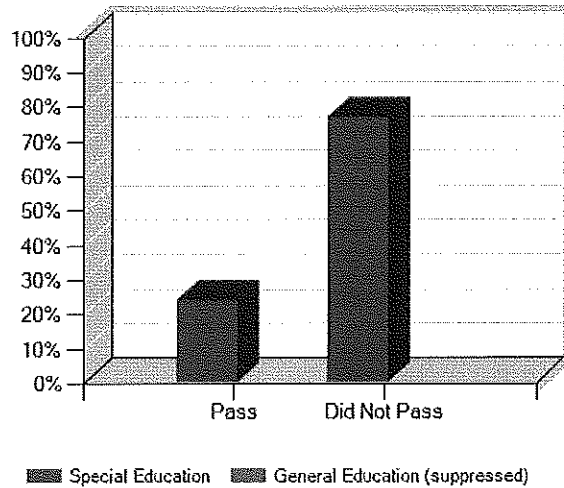
ISTEP+ 2008-09 Spring Results by Special Education



ISTEP+ 2009-10 Results by Special Education

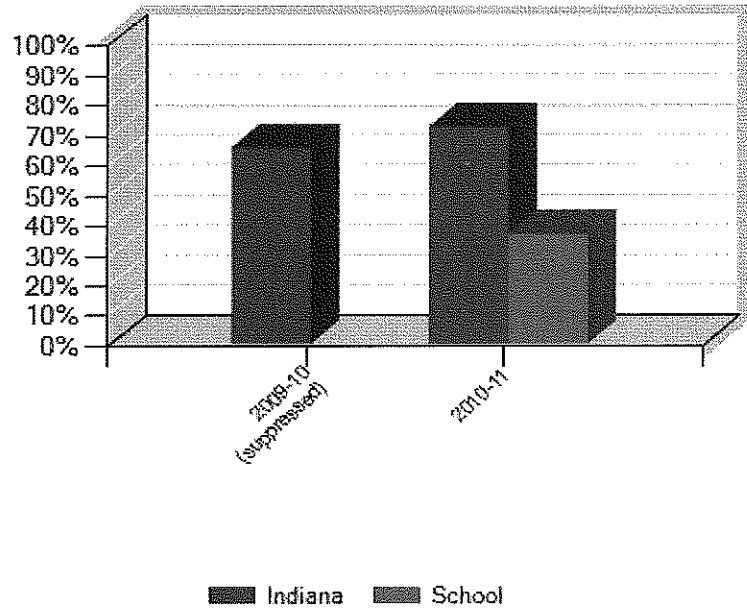


ISTEP+ 2010-11 Results by Special Education



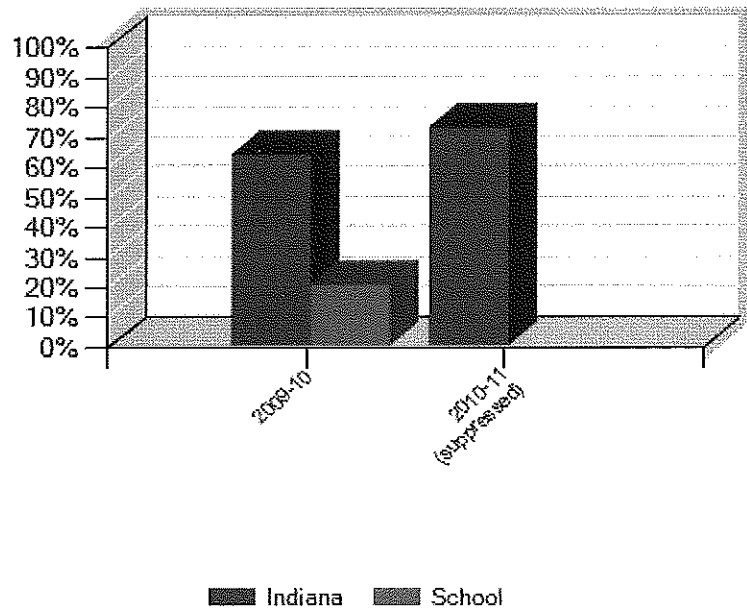
English 10

ECA Percent Passing Trend



Algebra

ECA Percent Passing Trend



PL 221 History					
	2006-07	2007-08	2008-09	2009-10	2010-11
Final PL 221 Status	Academic Probation	Commendable Progress	Not Assessed	Commendable Progress	F (Academic Probation)

Due to a change to spring testing, PL 221 was not calculated for the 2008-09 school year.

2009-10 PL 221 Results

Percent passing ISTEP+ and/or ECA (Performance): 31.7%
 Passing percentage improvement (Improvement): 5.7%

Performance	Improvement				
	Exemplary Progress	Commendable Progress	Academic Progress	Academic Watch	Academic Probation
>=90%					
>=80%	>=1%	<1%			
>=70%	>=3%	>=2%	>=1%	<1%	
>=60%	>=4%	>=3%	>=2%	<2%	<0%
>=50%	>=5%	>=4%	>=3%	<3%	<1%
<50%		>=5%	>=4%	>=3%	<3%

2010-11 PL 221 Results

Percent passing ISTEP+ and/or ECA (Performance): 35.2%
 Passing percentage improvement (Improvement): 0.5%

Performance	Improvement				
	A (Exemplary Progress)	B (Commendable Progress)	C (Academic Progress)	D (Academic Watch)	F (Academic Probation)
>=90%					
>=80%	>=1%	<1%			
>=70%	>=3%	>=2%	>=1%	<1%	
>=60%	>=4%	>=3%	>=2%	<2%	<0%
>=50%	>=5%	>=4%	>=3%	<3%	<1%
<50%		>=5%	>=4%	>=3%	<3%

**Demographics of the Student Population
Special Education Eligibility**

ADMISSION YEAR	NUMBER OF SPEC. EDUC. STUDENTS	PERCENTAGE OF Spec Ed. STUDENTS	ED	LD	MIMH	DUAL	OHI	ASD
10	135	74	56	7	2	59	7	3
9	116	65	44	8	1	51	8	4
8	64	66	27	4	2	24	3	3

ATTACHMENT 22
INDIANA SCHOOL FINANCIALS

**Gibault, Inc., Gibault Foundation, Inc.,
Gibault Care, Inc. and Gibault
Ventures, Inc.**

**Consolidating Financial Statements and
Report of Independent Certified
Public Accountants**

December 31, 2008

CONTENTS

	PAGE
REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS	1.
FINANCIAL STATEMENTS	
Consolidating Balance Sheets	2.
Consolidating Statements of Activities	3.
Consolidating Statements of Cash Flows	4-5.
Notes to Consolidating Financial Statements	6-14.
SUPPLEMENTAL INFORMATION	
Report of Independent Certified Public Accountants on Supplemental Information	15.
Statement of Functional Expenses-Gibault, Inc.	16-17.
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	18-19.

Sackrider & Company, Inc.
Certified Public Accountants
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Tel: 232-9492 Fax: (812) 232-4308
E-Mail: contact@sackrider.com
Web: www.sackrider.com

Sackrider & Company
incorporated

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Trustees and Board
of Directors
Gibault, Inc., Gibault Foundation, Inc., Gibault
Care, Inc., and Gibault Ventures, Inc.
Terre Haute, Indiana

We have audited the accompanying consolidating balance sheet of Gibault, Inc., Gibault Foundation, Inc., Gibault Care, Inc., and Gibault Ventures, Inc. as of December 31, 2008, and the related consolidating statements of activities and cash flows for the year then ended. These consolidating financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these consolidating financial statements based on our audit. Information for the year ended December 31, 2007 is presented for comparative purposes only and was extracted from the consolidating financial statements for that year, on which an unqualified opinion dated May 5, 2008 was expressed.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 consolidating financial statements. An audit also includes assessing the accounting principles used and the 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 consolidating financial statements referred to above present fairly, in all material respects, the financial position of Gibault, Inc., Gibault Foundation, Inc., Gibault Care, Inc., and Gibault Ventures, Inc. as of December 31, 2008, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 14, 2009, on our consideration of Gibault, Inc., Gibault Foundation, Inc., Gibault Care, Inc. and Gibault Ventures, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Terre Haute, Indiana
April 14, 2009

Sackrider & Company, Inc.

**GIBAULT, INC., GIBAULT FOUNDATION, INC.,
GIBAULT CARE, INC. AND GIBAULT VENTURES, INC.**

Consolidating Balance Sheet

(with summarized financial information for the year ended December 31, 2007)

December 31,

	2008			
	<u>Gibault, Inc.</u>	<u>Gibault Foundation, Inc.</u>	<u>Gibault Care, Inc.</u>	<u>Gibault Ventures, Inc.</u>
ASSETS				
Cash	\$ 535,818	\$ 36,303	\$ 98,207	\$ 88,795
Investments	1,513,526	6,539,923	-	-
Investments in other assets	5,000	-	-	-
Accounts receivable - net	2,251,483	-	234,501	6,712
Contributions receivable	33,854	250,000	-	-
Accrued interest receivable	10,010	44,294	-	-
Inventories	72,496	-	-	34,369
Cash surrender value of life insurance	-	52,574	-	-
Prepaid expenses	31,107	-	26,243	-
Interest in net assets of Gibault Foundation, Inc. and Gibault Care, Inc.	12,797,106	-	-	-
Investment in Gibault Ventures, Inc.	153,618	-	-	-
Land, buildings, and equipment - at cost, less accumulated depreciation	2,375,284	10,441,714	1,096,939	97,442
Intangible assets less accumulated amortization	-	-	725,017	-
Deferred income taxes	-	-	-	15,609
Total assets	\$ 19,779,302	\$ 17,364,808	\$ 2,180,907	\$ 242,927
LIABILITIES AND NET ASSETS				
Accounts payable	\$ 301,076	\$ 63,218	\$ 210,688	\$ 89,309
Accrued compensation and other liabilities	499,236	17,703	66,507	-
Annuity liability	-	589,034	-	-
Estimated health insurance liability	80,700	-	-	-
Notes payable	-	-	2,000,000	-
Bonds payable	-	3,801,459	-	-
Total liabilities	881,012	4,471,414	2,277,195	89,309
Shareholders' equity				
Common stock, no par value, 1000 shares authorized, issued, and outstanding	-	-	-	1,000
Contributed capital	-	-	-	200,000
Accumulated deficit	-	-	-	(47,382)
	-	-	-	153,618
Net assets				
Unrestricted	18,765,511	12,767,396	(96,988)	-
Temporarily restricted	103,612	96,831	700	-
Permanently restricted	29,167	29,167	-	-
Total net assets	18,898,290	12,893,394	(96,288)	-
Total liabilities and net assets	\$ 19,779,302	\$ 17,364,808	\$ 2,180,907	\$ 242,927

The accompanying notes are an integral part of these statements.

			2007
<u>Eliminations</u>	<u>Consolidated Total</u>		<u>Consolidated Total</u>
\$ -	\$ 759,123	\$	996,229
-	8,053,449		9,789,880
-	5,000		5,000
332,670	2,160,026		2,137,714
-	283,854		-
-	54,304		58,858
-	106,865		145,999
-	52,574		47,557
-	57,350		89,345
12,797,106	-		-
153,618	-		-
-	14,011,379		13,247,460
-	725,017		-
-	15,609		17,288
<u>\$ 13,283,394</u>	<u>\$ 26,284,550</u>	<u>\$</u>	<u>26,535,330</u>
\$ 332,670	\$ 331,621	\$	206,569
-	583,446		427,801
-	589,034		575,423
-	80,700		90,000
-	2,000,000		-
-	3,801,459		3,938,659
<u>332,670</u>	<u>7,386,260</u>		<u>5,238,452</u>
1,000	-		-
200,000	-		-
(47,382)	-		-
<u>153,618</u>	<u>-</u>		<u>-</u>
12,670,408	18,765,511		21,186,998
97,531	103,612		81,892
29,167	29,167		27,988
<u>12,797,106</u>	<u>18,898,290</u>		<u>21,296,878</u>
<u>\$ 13,283,394</u>	<u>\$ 26,284,550</u>	<u>\$</u>	<u>26,535,330</u>

**GIBAULT, INC., GIBAULT FOUNDATION, INC.,
GIBAULT CARE, INC. AND GIBAULT VENTURES, INC.**

Consolidating Statements of Activities

(with summarized financial information for the year ended December 31, 2007)

For the year ended December 31,

	2008		
	Gibault, Inc.	Gibault Foundation, Inc.	Gibault Care, Inc.
Changes in unrestricted net assets			
Support and revenue			
Public support			
Knights of Columbus-assessments	\$ 124,059	\$ -	\$ -
Transfers from Gibault Foundation, Inc.	1,040,192	-	-
Contributions-other	471,906	228,991	-
Fundraising	44,760	-	-
	<u>1,680,917</u>	<u>228,991</u>	<u>-</u>
Revenue			
Per diem	10,658,523	-	-
Patient fees	-	-	319,788
Sales	-	-	-
Investment income (loss)	(250,874)	(1,137,247)	441
Rental income	6,105	825,000	14,040
Other			
Grants	368,826	-	-
Reimbursements	122	-	-
Administrative fees from related parties	58,252	-	-
Increase in cash surrender value of life insurance policies	-	5,017	-
Gain (loss) on disposal of property and equipment	-	-	-
Miscellaneous	3,182	37,674	-
Change in interest in net assets of Gibault Foundation, Inc. and Gibault Care, Inc.	(1,742,295)	-	-
Net profit from Gibault Ventures, Inc.	5,038	-	-
	<u>9,106,879</u>	<u>(269,556)</u>	<u>334,269</u>
	<u>10,787,796</u>	<u>(40,565)</u>	<u>334,269</u>
Net assets released from restrictions			
Satisfaction of restrictions	86,597	-	-
Total unrestricted support and revenues	<u>10,874,393</u>	<u>(40,565)</u>	<u>334,269</u>
Expenses			
Program, services, general/administrative & fundraising expenses	13,273,432	423,287	366,321
Cost of sales	-	-	-
Interest expenses	-	194,324	11,875
Board expenses	22,448	-	-
Transfers to Gibault, Inc.	-	1,040,192	-
Income taxes	-	-	-
Total expenses	<u>13,295,880</u>	<u>1,657,803</u>	<u>378,196</u>
Increase (decrease) in unrestricted net assets	<u>(2,421,487)</u>	<u>(1,698,368)</u>	<u>(43,927)</u>
Changes in temporarily restricted assets			
Contributions	75,103	32,514	700
Change in interest in net assets of Gibault Foundation, Inc.	32,514	-	-
Change in interest in net assets of Gibault Care, Inc.	700	-	-
Net assets released from restrictions	(86,597)	-	-
Increase (decrease) in temporarily restricted net assets	<u>21,720</u>	<u>32,514</u>	<u>700</u>
Changes in permanently restricted assets			
Contributions	-	1,179	-
Change in interest in net assets of Gibault Foundation, Inc.	1,179	-	-
Increase in permanently restricted net assets	<u>1,179</u>	<u>1,179</u>	<u>-</u>
INCREASE (DECREASE) IN NET ASSETS	<u>(2,398,588)</u>	<u>(1,664,675)</u>	<u>(43,227)</u>
Net assets at beginning of year	<u>21,296,878</u>	<u>14,558,069</u>	<u>(53,061)</u>
Net assets at end of year	<u>\$ 18,898,290</u>	<u>\$ 12,893,394</u>	<u>\$ (96,288)</u>

The accompanying notes are an integral part of these statements.

<u>Gibault Ventures, Inc.</u>	<u>Eliminations</u>	<u>Consolidated Total</u>	<u>2007 Consolidated Total</u>
\$ -	\$ -	\$ 124,059	\$ 133,282
-	1,040,192	-	-
-	-	700,897	647,418
-	-	44,760	80,332
<u>-</u>	<u>1,040,192</u>	<u>869,716</u>	<u>861,032</u>
-	-	10,658,523	10,626,025
-	-	319,788	28,552
315,377	-	315,377	286,893
2,071	-	(1,385,609)	976,299
-	825,000	20,145	41,843
-	-	368,826	308,504
-	-	122	1,017
-	58,252	-	-
-	-	5,017	5,585
-	-	-	8,961
42	-	40,898	49,119
-	(1,742,295)	-	-
-	5,038	-	-
<u>317,490</u>	<u>(854,005)</u>	<u>10,343,087</u>	<u>12,332,798</u>
<u>317,490</u>	<u>186,187</u>	<u>11,212,803</u>	<u>13,193,830</u>
-	-	86,597	103,143
<u>317,490</u>	<u>186,187</u>	<u>11,299,400</u>	<u>13,296,973</u>
7,133	883,252	13,186,921	12,553,957
303,640	-	303,640	280,030
-	-	206,199	181,352
-	-	22,448	56,964
-	1,040,192	-	-
1,679	-	1,679	679
<u>312,452</u>	<u>1,923,444</u>	<u>13,720,887</u>	<u>13,072,982</u>
<u>5,038</u>	<u>(1,737,257)</u>	<u>(2,421,487)</u>	<u>223,991</u>
-	-	108,317	56,551
-	32,514	-	-
-	700	-	-
-	-	(86,597)	(103,143)
<u>-</u>	<u>33,214</u>	<u>21,720</u>	<u>(46,592)</u>
-	-	1,179	1,407
-	1,179	-	-
<u>-</u>	<u>1,179</u>	<u>1,179</u>	<u>1,407</u>
5,038	(1,702,864)	(2,398,588)	178,806
(52,420)	14,452,588	21,296,878	21,118,072
<u>\$ (47,382)</u>	<u>\$ 12,749,724</u>	<u>\$ 18,898,290</u>	<u>\$ 21,296,878</u>

<u>Gibault Ventures, Inc.</u>			<u>Eliminations</u>	<u>Consolidated Total</u>	<u>2007 Consolidated Total</u>		
\$	5,038	\$	(1,702,864)	\$	(2,398,588)	\$	178,806
	-		-		-		(8,960)
	-		-		(87,046)		(702,156)
	-		-		1,776,179		114,510
	-		-		-		(7,285)
	-		1,707,902		-		-
	-		(5,038)		-		-
	585		-		813,892		773,595
	-		-		(5,017)		(5,585)
	(1,035)		3,335,665		(22,312)		(151,653)
	-		-		4,986		2,443
	-		-		(283,854)		10,000
	54,378		-		39,134		(9,651)
	233		-		31,995		4,341
	1,679		-		1,679		679
	88,881		(3,335,665)		125,052		(252,012)
	(432)		-		155,213		(19,174)
	-		-		13,611		(20,554)
	-		-		(9,300)		3,000
	<u>149,327</u>		<u>-</u>		<u>155,624</u>		<u>(89,656)</u>
	-		-		-		15,835
	-		-		2,764,442		6,371,956
	-		-		(2,717,145)		(5,990,817)
	(96,224)		-		(2,302,827)		(590,172)
	<u>(96,224)</u>		<u>-</u>		<u>(2,255,530)</u>		<u>(193,198)</u>
	-		-		2,000,000		-
	-		-		(137,200)		(156,972)
	-		-		1,862,800		(156,972)
	53,103		-		(237,106)		(439,826)
	35,692		-		996,229		1,436,055
\$	<u>88,795</u>	\$	<u>-</u>	\$	<u>759,123</u>	\$	<u>996,229</u>
\$	432	\$	432	\$	205,035	\$	181,850

**GIBAULT, INC., GIBAULT FOUNDATION, INC.,
GIBAULT CARE, INC. AND GIBAULT VENTURES, INC.**

Consolidating Statements of Cash Flows

(with summarized financial information for the year ended December 31, 2007)

For the year ended December 31, 2008

NONCASH INVESTING AND FINANCING ACTIVITY:

During the year ended December 31, 2007, Gibault, Inc. received donated stock valued at \$2,285.

During the year ended December 31, 2007, Gibault, Inc. moved capital assets with a cost of \$721,944 to Gibault Foundation, Inc. that were purchased in the prior year with Foundation bond proceeds.

During the year ended December 31, 2007, Gibault, Inc. converted the balance of the advance to Gibault Ventures, Inc. for operating support to contributed capital. At the time of conversion, the outstanding balance was \$200,000.

DISCLOSURE OF ACCOUNTING POLICY:

Cash, as used in the statement of cash flows, is the amount reported as "cash" in the consolidated balance sheet, which includes cash on hand and all checking accounts.

The accompanying notes are an integral part of these statements.

**GIBAULT, INC., GIBAULT FOUNDATION, INC.,
GIBAULT CARE, INC. AND GIBAULT VENTURES, INC.**

Notes to Consolidating Financial Statements

December 31, 2008

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Gibault, Inc. operates a residential treatment facility in Terre Haute, Indiana for delinquent and pre-delinquent boys and girls ages 8 to 18 years at time of admission. Gibault, Inc. also operates group homes in Springfield, Ohio, Shelbyville, Indiana and Terre Haute, Indiana. Gibault, Inc. provides treatment services and is reimbursed from State and County Agencies at negotiated per diem rates. Gibault, Inc. also provides psychiatric treatment to clients through its PRTF program. Fees for these services are charged to Indiana Medicaid program. Additionally in 2008, Gibault, Inc. purchased and began operating a youth center in northern Indiana, which provides daycare and after school programs for youth. The youth center is doing business as Jasper County Youth Center.

The Gibault Foundation, Inc. was organized at the direction of the board of trustees for Gibault, Inc. for the purpose of providing support to Gibault, Inc. During 1989, a portion of Gibault, Inc.'s investments were gifted to the Foundation. In January 1990, Gibault, Inc. gifted all of its land, land improvements, buildings and the related bonds payable to the Foundation. The membership of The Gibault Foundation, Inc. shall consist of one class, namely the members of the Foundation's board of directors.

In 2001, Gibault Counseling, Inc. was established to provide behavioral health counseling treatment and therapy services. Gibault Counseling, Inc. began operations in November 2002. Gibault Counseling, Inc. receives payment for these services from third party payers which includes Medicaid and individuals receiving counseling. Gibault Counseling, Inc. is governed by a board of directors which is approved by the board of directors of Gibault, Inc. During 2007, Gibault Counseling, Inc. ceased operations. During 2008, Gibault Counseling, Inc. was renamed Gibault Care, Inc., d/b/a McGivney Health Care Center. Additionally, the exempt purpose of the organization was amended to include long-term residential care to persons with chronic illness or disability in a health care center (formerly referred to as a nursing home). On October 31, 2008, Gibault Care, Inc. purchased and began operating a nursing home in Carmel, Indiana.

In 2005, Gibault Ventures, Inc., d/b/a Top of the Hill Auto Sales, was established. The Corporation sells used automobiles to the general public for profit and to Gibault, Inc. for use in its operations. The profits are to be used to subsidize Gibault, Inc.'s operations. Gibault, Inc. owns 100% of the outstanding stock of the Corporation and its board of directors consists of employees of Gibault, Inc.

Consolidation Policy

The accompanying consolidated financial statements include the accounts of Gibault, Inc., The Gibault Foundation, Inc., Gibault Care, Inc. and Gibault Ventures, Inc. Inter-entity transactions and balances have been eliminated in consolidation.

Comparative Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2007, from which the summarized information was derived.

Support and Expenses

Contributions received are measured at their fair values and are reported as an increase in net assets. Gifts of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activity as net assets released from restrictions.

Donated securities are recorded as contributions at their estimated fair values at the date of donation. Only those in-kind contributions for which a market value can be objectively determined are recorded as revenue.

Expenses are recorded when incurred in accordance with the accrual basis of accounting.

**GIBAULT, INC., GIBAULT FOUNDATION, INC.,
GIBAULT CARE, INC. AND GIBAULT VENTURES, INC.**

Notes to Consolidating Financial Statements - Continued

December 31, 2008

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES - continued

Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Accounts Receivable

Trade receivables and notes receivables are carried at their estimated collectible amounts. Trade receivables do not bear interest because they are created from established per diem rates with various state agencies under contract. Trade receivables are periodically evaluated for collectibility based on conversations with representatives from the various state agencies.

Allowance for Doubtful Accounts

The allowance for doubtful accounts for Gibault, Inc., Gibault Care, Inc. and Gibault Ventures, Inc. is zero at December 31, 2008. The direct write-off method is used for recognizing bad debts, which would not be materially different from the allowance method that is called for by generally accepted accounting principles. Balances that are outstanding after management has used reasonable collection efforts are written off using the direct write-off method.

Inventory Valuation

Inventories of Gibault, Inc., which consist of provisions and supplies, are recorded at the lower of cost or market determined by using the first in, first out (FIFO) method.

Vehicle inventory of Gibault Ventures, Inc. is valued at cost. Cost includes the original purchase price plus repair costs to prepare vehicle for sale.

Investments

Investments in marketable securities are stated at fair market value.

Derivatives

Mortgage-backed securities are recorded at fair value using quoted market prices. Realized gains and losses are recognized when payments are received. The organization does not engage in the trading of derivatives. Mortgage-backed securities are purchased and held as part of the organizations portfolio to achieve investment return.

Land, Buildings and Equipment

Land, buildings, and equipment owned at April 1, 1975 are recorded at appraised value. Property purchased after April 1, 1975 is recorded at cost. Donated property is recorded at fair value on the date of gift.

Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives, principally on a straight-line basis.

Deferred Income Taxes

Deferred taxes are provided in accordance with Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes". Deferred taxes are provided for accumulated temporary differences due to basis differences for assets and liabilities for financial reporting and income tax purposes, including alternative minimum taxes. The temporary difference is due to net operating loss carryforward.

Advertising Costs

Advertising costs are expensed as incurred and amounted to \$21,214 for the year ended December 31, 2008.

**GIBALT, INC., GIBALT FOUNDATION, INC.,
GIBALT CARE, INC. AND GIBALT VENTURES, INC.**

Notes to Consolidating Financial Statements - Continued

December 31, 2008

NOTE 2 - ACCOUNTS RECEIVABLE

Accounts receivable at December 31, 2008 consist of the following:

Per diem	\$ 1,857,890
Other	67,635
Patient revenue	<u>234,501</u>
	<u>\$ 2,160,026</u>

NOTE 3 - INVESTMENTS

Investments are held in agency accounts and are carried at fair value. The cost and fair values of investment securities are as follows at December 31:

	2008		2007	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Cash equivalents	\$ 798,407	\$ 798,407	\$ 693,777	\$ 693,777
Certificates of deposit	-	-	23,906	23,906
Mortgages, note contracts	5,056	5,176	6,431	6,635
U.S. Government obligations	3,171,707	3,398,843	3,321,290	3,406,790
Corporate bonds	591,956	574,626	763,449	764,413
Common stock	<u>4,301,595</u>	<u>3,276,397</u>	<u>4,020,120</u>	<u>4,894,359</u>
	<u>\$ 8,868,721</u>	<u>\$ 8,053,449</u>	<u>\$ 8,828,973</u>	<u>\$ 9,789,880</u>

The following schedule summarizes the investment return and its classification in the statement of activities for the year ended December 31,:

	2008			2007
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	
Interest and dividend income	\$ 303,524	\$ -	\$ -	\$ 303,524
Realized gains based on original cost	87,046	-	-	87,046
Net unrealized losses	<u>(1,776,179)</u>	<u>-</u>	<u>-</u>	<u>(1,776,179)</u>
Total investment return	<u>\$ (1,385,609)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,385,609)</u>
				<u>\$ 388,653</u>
				<u>702,156</u>
				<u>(114,510)</u>
				<u>\$ 976,299</u>

NOTE 4 - FAIR VALUE MEASUREMENT

Assets measured at fair value on a recurring basis at December 31, 2008 are as follows:

<u>Assets</u>	Based on		
	<u>Quoted Prices In Active Markets</u>	<u>Other Observable Units</u>	<u>Unobservable Inputs</u>
Contributions receivable	\$ -	\$ -	\$ 283,854
Cash equivalents	798,407	-	-
Mortgages, note contracts	5,176	-	-
U.S. Government obligations	3,398,843	-	-
Corporate bonds	574,626	-	-
Common stock	<u>3,276,397</u>	<u>-</u>	<u>-</u>
	<u>\$ 8,053,449</u>	<u>\$ -</u>	<u>\$ 283,854</u>
 <u>Liabilities</u>			
Annuity liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 589,034</u>

**GIBAULT, INC., GIBAULT FOUNDATION, INC.,
GIBAULT CARE, INC. AND GIBAULT VENTURES, INC.**

Notes to Consolidating Financial Statements - Continued

December 31, 2008

NOTE 4 - FAIR VALUE MEASUREMENT - continued

Assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (level 3) are as follows:

<u>Contributions receivable</u>	
Balance at December 31, 2007	\$ -
Establishment of gift or bequest	283,854
Balance at December 31, 2008	\$ 283,854
 <u>Annuity liabilities</u>	
Balance at December 31, 2007	\$ 575,423
Change in value of annuities	13,611
Balance at December 31, 2008	\$ 589,034

In 2008, realized gains of \$87,046 and unrealized losses of \$1,776,179 are reported in the statements of changes in net assets available as investment income (loss).

Contributions receivable were recorded at expected future cash inflows determined primarily by subsequent cash receipts received after year end and documentation received from the executor of a donor's estate indicating the expected amount Gibault Foundation was to receive. Annuity liability is recorded at estimated fair value. The fair value is determined using the Internal Revenue Service applicable 7520 rate in the month the annuity agreement was initiated. Additionally, the IRS life expectancy tables are used for obtaining the estimated life expectancy of the donors. Each year the annuity obligations are revalued using the current life expectancy factors. The change in value of the obligations is attributable to the revaluation of the annuity liabilities using the current mortality tables. The change is included in the change in temporarily restricted net assets.

Assets measured at fair value on a non-recurring basis comprised the following:

<u>Description</u>	<u>Fair Value at December 31, 2008</u>
Medicaid beds	\$ 650,000
Goodwill	100

Fair value was determined as follows:

	<u>Based on</u>	
	<u>Other Observable Inputs</u>	<u>Unobservable Inputs</u>
Medicaid beds	\$ -	\$ 650,000
Goodwill	-	100
	<u>\$ -</u>	<u>\$ 650,100</u>

The fair value of medicaid beds and goodwill is determined based on the discounted expected future cash inflows expected over future periods. These amounts were recorded as the purchase amount at the closing of the nursing home purchased by Gibault Care, Inc. in October 2008.

NOTE 5 - PROMISE TO GIVE

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. The allowance for uncollectible promises to give is \$0. All promises to give were thought to be collectible.

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**GIBAULT, INC., GIBAULT FOUNDATION, INC.,
GIBAULT CARE, INC. AND GIBAULT VENTURES, INC.**

Notes to Consolidating Financial Statements - Continued

December 31, 2008

NOTE 5 - PROMISE TO GIVE - continued

Unconditional promises to give are expected to be received as follows:

Due in less than one year	\$ 283,854
Due in one to five years	-
Due in more than five years	-

NOTE 6 - LAND, BUILDINGS AND EQUIPMENT

Land, buildings and equipment and accumulated depreciation balances are summarized as follows:

	<u>Cost or Appraisal December 31, 2008</u>	<u>Accumulated Depreciation December 31, 2008</u>
Land	\$ 1,006,200	\$ -
Land improvements	1,227,026	1,018,662
Buildings	18,489,763	7,794,646
Leasehold improvements	1,826,975	553,180
Equipment	3,868,468	3,291,164
Vehicles	317,932	163,557
Construction in progress - storage units	<u>96,224</u>	<u>-</u>
	\$ <u>26,832,588</u>	\$ <u>12,821,209</u>

Depreciation expense in 2008 was \$813,892.

NOTE 7 - INTANGIBLE ASSETS

As part of the purchase of Gibault Care, Inc. during 2008, the company acquired intangible assets of \$740,000. Of that amount, \$650,000 has been assigned to Medicaid beds; such intangible assets are not subject to amortization. The \$89,900 balance of acquired intangibles has been assigned to a non-compete agreement, which is subject to periodic amortization over the estimated useful life of 3 years. Goodwill of \$100, which is not subject to amortization, arose in connection with the acquisition.

Following is a summary of non-goodwill intangibles at December 31, 2008:

Intangibles subject to amortization:	
Non-compete agreement	\$ 89,900
Less accumulated amortization	<u>(14,983)</u>
	74,917
Intangibles not subject to amortization:	
Medicaid beds	650,000
Goodwill	<u>100</u>
	<u>650,100</u>
	\$ <u>725,017</u>

Amortization expense for 2008 was \$14,983; estimated amortization expense for each of the ensuing years through December 31, 2011 is, respectively, \$29,967, \$29,967, and \$14,983.

NOTE 8 - RETIREMENT PLAN

Gibault, Inc. has a defined contribution retirement plan for the purpose of providing retirement benefits for employees meeting certain eligibility requirements. Contributions are based on 6% of eligible salaries and are funded as accrued. Total pension expense amounted to \$269,971 for the year ended December 31, 2008.

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**GIBAULT, INC., GIBAULT FOUNDATION, INC.,
GIBAULT CARE, INC. AND GIBAULT VENTURES, INC.**

Notes to Consolidating Financial Statements - Continued

December 31, 2008

NOTE 13 - TEMPORARILY RESTRICTED NET ASSETS - continued

Temporarily restricted net assets were used to accomplish the following purposes:

Recreation equipment	\$ 5,974
Various programs	45,696
Supplies	952
Education needs	10,777
Capital purchases	<u>23,198</u>
Total net assets released from restrictions	\$ <u>86,597</u>

Temporarily restricted net assets are available for the following purposes:

Programs	\$ 3,506
Bibles	275
Annuity agreements	96,831
Phraselator	2,300
Capital purchases	<u>700</u>
	\$ <u>103,612</u>

NOTE 14 - PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted assets of \$29,167 are restricted to investments in perpetuity, the income from which is expendable to support Gibault, Inc.'s operations.

NOTE 15 - OTHER RESTRICTIONS

The board of directors of the Gibault Foundation, Inc. have designated \$6,361,492 of unrestricted net assets as additional endowment funds. The earnings from these assets are available to be used to support Gibault, Inc.

NOTE 16 - OPERATING LEASES - LESSEE

Gibault, Inc. leases copiers under an operating lease. The lease agreement provides for a minimum monthly payment of \$3,101 for sixty months. Gibault, Inc. will be charged an additional monthly fee of \$.009 on each impression above 58,000. Rent expense for the year ended December 31, 2008, was \$30,951.

Gibault, Inc. leases copiers under an operating lease at its Springfield, Ohio campus location. The lease provides for monthly payments of \$249 for forty-eight months. Rent expense for the year ended December 31, 2008 was \$7,236.

Gibault, Inc. leases copiers under an operating lease at its Shelbyville, Indiana location. The lease provides for monthly payments of \$349 for sixty months. Gibault, Inc. will be charged an additional monthly fee of \$.0129 on each impression above 4,000. Rent expense for the year ended December 31, 2008 was \$4,426.

Gibault, Inc. leases various office space for its community based counseling services in Indiana. Office space in Evansville, Indiana is rented for \$675 per month for one year. The lease began October 1, 2004. Gibault, Inc. also leases office space in Gary, Indiana under a month to month lease of \$1,164. Total rental expense for these office rentals was \$2,820 for the year ended December 31, 2008. The Evansville office was closed in 2007. The Lake County office was closed in 2008.

Future minimum rental payments under operating leases are as follows:

2009	\$ 41,399
2010	38,607
2011	-
2012	-
2013	-
Thereafter	-

**GIBAULT, INC., GIBAULT FOUNDATION, INC.,
GIBAULT CARE, INC. AND GIBAULT VENTURES, INC.**

Notes to Consolidating Financial Statements - Continued

December 31, 2008

NOTE 17 - CONCENTRATION OF CREDIT RISK

Gibault, Inc. grants credit to those entities it provides services for, most of whom are some type of county or state governmental agency.

Gibault, Inc. routinely has deposits throughout the year in Indiana financial institutions in amounts that exceed the limits of insurance provided by the Federal Deposit Insurance Corporation.

NOTE 18 - MAJOR CUSTOMERS

During the year ended December 31, 2008, three entities accounted for \$4,814,361 or 45% of the consolidated per diem revenue of Gibault, Inc. and consolidated subsidiaries. Additionally, the accounts receivable balance for per diem for these three counties represented 40% of the total consolidated accounts receivable balance at December 31, 2008.

NOTE 19 - BEQUESTS AND ANNUITIES

The Gibault Foundation, Inc. is the beneficiary of nineteen bequests. The bequests are not included in the financial statements since the bequests are revocable at the discretion of the grantors.

The Gibault Foundation, Inc. is also the holder of thirteen charitable gift annuities. A charitable gift annuity is an arrangement in which the donor contributes assets to an organization in exchange for a promise by the organization to pay a fixed amount for a specified period of time to the donor or to individuals or organizations designated by the donor. The assets received are recorded as temporarily restricted net assets net of the present value of the future cash flows of the annuity payment liability. The value of charitable gift annuity assets at December 31, 2008 are \$96,831 (net of the annuity liability of \$95,169).

In March 2002, Gibault Foundation, Inc. purchased real estate for cash of \$120,000 and issuance of a two-life annuity contract. The annuity contract requires the Foundation to pay the annuitants \$5,000 per month for ten years or until the second annuitant dies. After ten years, if either or both annuitants survive, the Foundation will pay \$4,000 per month until the second annuitant dies. Upon closing of this real estate transaction, the annuitants relinquished all rights with regard to the real estate. The property was recorded by the Foundation at the present value of the annuity payments, plus the \$120,000 cash paid. The Foundation also recorded an annuity liability for the present value of the annuity payments owed the annuitants. At December 31, 2008 present value of the annuity payments was \$493,865.

The Gibault Foundation, Inc. is also named as a beneficiary of four living trusts, a charitable remainder unitrust, a retirement plan and one annuity contract. The financial statements do not reflect any amounts from these arrangements since they are revocable at the discretion of the grantors.

The Gibault Foundation, Inc. is the beneficiary of thirty-seven life insurance policies. The Foundation has recorded the cash surrender value of these policies at December 31, 2008 of \$52,574.

NOTE 20 - GRANTS

Federal and state grants received during 2008 are as follows:

Department of Agriculture school breakfast program and national school lunch program passed through the Indiana Department of Education	\$ 147,825
Department of Agriculture food distribution program	2,847
Department of Education Chapter I - financial assistance to meet special education needs of disadvantaged children - operated by local education agencies	197,797
Department of Education, Division of School Finance and Educational Information - textbook reimbursement	5,357
Jasper County, Indiana - CASA program grant	<u>15,000</u>
	\$ 368,826

**GIBAULT, INC., GIBAULT FOUNDATION, INC.,
GIBAULT CARE, INC. AND GIBAULT VENTURES, INC.**

Notes to Consolidating Financial Statements - Continued

December 31, 2008

NOTE 21 - COMMITMENTS

In November 2003, Gibault, Inc. contracted with the Board of Clark County Commissioners, Clark County, Ohio to operate an existing children's residential center in Springfield, Ohio. Gibault, Inc. will lease the facilities for \$1 per year starting January 1, 2004 through December 31, 2007, with an option to extend the lease for one to four years. During 2008, the lease was extended for one year. The facility accommodates up to twenty-four clients. Clark County will pay Gibault, Inc. an initial per diem rate of \$180 per day, per client. The per diem rate is adjusted annually as established in the contract. For the year ended December 31, 2008, the per diem rate ranged from \$190-\$196 per day. Clark County has guaranteed Gibault, Inc. a minimum monthly placement of five clients.

All capital improvements are to be approved by Clark County. If Clark County declines to renew this agreement after the initial four year term, or if Clark County terminates the agreement for cause, then they shall reimburse Gibault, Inc. its depreciated book value of any leasehold improvements, provided such leasehold improvements were agreed to by Clark County prior to its implementation. If Gibault, Inc. declines to renew after the initial four year term, then it surrenders all interest in its leasehold improvements.

NOTE 22 - RELATED PARTY TRANSACTIONS

During the year ended December 31, 2008, Gibault, Inc. purchased twenty-three vehicles from Gibault Ventures, Inc. The gross purchase price was \$185,952. The cost of these vehicles was \$183,323. Gibault, Inc. traded in eighteen vehicles on these purchases and received a trade in allowance of \$57,975.

NOTE 23 - INCOME TAXES

The deferred tax asset included in the consolidating balance sheet results from the net operating loss carryforward from Gibault Ventures, Inc. Federal income tax expense of \$1,679 consists of the recognition of part of the deferred tax asset resulting from the net operating losses carried forward from prior years. The prior year operating losses were used to reduce current year operating profit. The valuation allowance for the deferred tax asset is zero. The net operating loss carryforward was thought to be realizable in future years. The net operating losses can be carried forward as follows:

<u>Year of loss</u>	<u>Loss</u>	<u>Carryforward Expires</u>
2005	\$ 48,984	2025
2006	13,451	2026

Sackrider & Company, Inc.
Certified Public Accountants
1925 Wabash Avenue
P.O. Box 330
Terre Haute, IN 47808-0330
(812) 232-9492 Fax: (812) 232-4308
E-Mail: contact@sackrider.com
Web: www.sackrider.com

Sackrider & Company Incorporated

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON SUPPLEMENTAL INFORMATION

Board of Directors
Gibault, Inc., Gibault Foundation, Inc., Gibault
Care, Inc., and Gibault Ventures, Inc.
Terre Haute, Indiana

Our audit was made for the purpose of forming an opinion on the basic consolidating financial statements taken as a whole of Gibault, Inc., Gibault Foundation, Inc., Gibault Care, Inc., and Gibault Ventures, Inc. for the year ended December 31, 2008, which are presented in the preceding section of this report. The statement of functional expenses - Gibault, Inc. for the year ended December 31, 2008 presented hereinafter is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the audit procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Sackrider & Company, Inc.

Terre Haute, Indiana
April 14, 2009

**GIBAULT, INC., GIBAULT FOUNDATION, INC.,
GIBAULT COUNSELING, INC. AND GIBAULT VENTURES, INC.**

**Statement of Functional Expenses -
Gibault, Inc.**

Year ended December 31, 2008

Program, Services and Administrative Expenses

	<u>CARE</u>	<u>Aspergers</u>	<u>Education</u>	<u>PRTF</u>	<u>Group Home</u>	<u>ISIS</u>
Personnel costs						
Salaries	\$ 763,417	\$ 430,232	\$ 610,050	\$ 835,067	\$ 228,459	\$ 384,798
Employee health insurance	107,250	42,725	69,208	90,057	37,303	80,606
Payroll taxes	62,407	36,081	47,012	68,585	17,587	31,142
Employee pension	23,971	14,206	30,083	19,635	12,974	10,921
	<u>957,045</u>	<u>523,244</u>	<u>756,353</u>	<u>1,013,344</u>	<u>296,323</u>	<u>507,467</u>
Advertising	-	-	-	-	-	-
Allowances/honor jobs - clients	6,908	1,147	810	1,900	3,368	4,929
Athletic equipment	-	-	-	-	-	-
Awards and recognition	618	1,156	508	189	-	457
Bad debt expense	-	-	-	-	-	-
Bank fees	-	-	-	-	-	-
Chapter I expenses	-	-	196,797	-	-	-
Clinical supplies	-	-	-	126	120	-
Clothing	13,074	1,131	112	6,695	178	3,878
Commissary	1,024	31	-	1,313	2,194	339
Commodities	-	-	-	-	-	-
Computer/software supplies	-	-	-	-	-	-
Contracted services	10,105	8,169	9,481	48,655	-	980
Copier lease payments	-	-	-	788	-	-
Depreciation	-	-	-	-	-	-
Directors fund	-	-	1,764	-	-	-
Donor Development	-	-	-	-	-	-
Exhibit fees	-	-	-	-	-	-
Furnishings and linens	3,168	1,566	928	4,988	1,559	569
Gas and oil	6,947	4,045	249	1,026	5,407	2,573
Health care	-	127	-	-	-	-
Household supplies	17,555	3,356	1,653	13,219	2,413	8,016
Insurance	-	-	-	-	-	-
Lease payments	-	-	-	-	-	-
Maintenance supplies and contracts	-	-	1,817	-	1,933	-
Miscellaneous	415	-	4,860	-	-	-
Office supplies	4,215	1,189	4,264	3,944	1,281	1,945
Outings and special events	12,512	5,056	5,530	4,550	691	4,461
Personal hygiene supplies	3,395	614	70	1,073	264	543
Postage	474	26	-	129	76	32
Printing and publications	-	-	-	-	69	-
Professional development fees	-	108	180	-	-	-
Provisions	203	330	3,060	222	7,401	97
Recreational supplies	805	191	-	198	15	-
Sick leave buy back	-	-	-	-	-	-
School supplies	25	417	30,948	3	62	12
Scholarships/Tuition	-	-	-	-	-	-
Staff development	400	-	6,289	195	-	99
Staff travel	7,225	3,006	1,157	1,774	363	2,289
Student travel	291	344	-	67	-	67
Telephone	960	420	280	345	2,425	700
Utilities	-	-	-	-	7,617	-
Vehicle repairs	-	-	-	-	-	-
	<u>\$ 1,047,364</u>	<u>\$ 555,673</u>	<u>\$ 1,027,110</u>	<u>\$ 1,104,743</u>	<u>\$ 333,759</u>	<u>\$ 539,453</u>

Aftercare		Ohio Campus		Ohio Visitation		Shelbyville		Foster Care		JCYC	
\$	18,287	\$	505,669	\$	69,925	\$	434,945	\$	16,115	\$	104,133
	6,918		46,010		4,846		57,674		16		728
	1,863		44,406		5,806		36,666		1,222		9,036
	1,408		5,685		2,907		11,992		58		2,297
	<u>28,476</u>		<u>601,770</u>		<u>83,484</u>		<u>541,277</u>		<u>17,411</u>		<u>116,194</u>
	-		1,150		-		-		-		1,351
	-		4,159		-		3,303		-		-
	-		-		-		-		-		-
	-		-		-		175		-		212
	-		-		-		-		-		-
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	-		-		-		525		-		-
	-		3,600		-		574		-		-
	-		1,935		-		954		-		10
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	-		-		-		-		-		-
	-		21,882		-		448		-		786
	-		6,036		1,200		4,426		-		589
	-		-		-		-		-		-
	-		31,538		-		9,561		-		242
	-		1,123		-		856		-		-
	-		-		-		-		-		-
	-		-		-		-		-		-
	-		1,831		2,158		2,862		709		-
	5,606		9,001		-		8,439		173		232
	-		2,146		-		(86)		-		-
	-		9,888		-		4,766		-		1,444
	-		27,695		-		-		-		679
	2,820		-		-		-		-		-
	-		30,078		176		12,522		-		13,363
	-		80		-		-		-		-
	16		3,816		35		3,054		768		1,123
	5		4,269		182		1,612		-		247
	-		406		-		1,036		-		-
	-		1,520		202		1,880		420		103
	-		492		-		468		-		137
	-		3,171		-		930		-		267
	-		86,640		-		27,606		-		12,683
	-		2,294		653		1,124		-		-
	-		-		-		-		-		-
	-		456		204		672		-		1,139
	-		-		-		1,380		-		-
	-		1,879		35		763		333		305
	3,031		3,405		67		3,406		419		544
	-		-		-		143		-		-
	1,595		5,035		600		6,350		-		1,504
	4		53,263		-		19,234		-		5,461
	-		6,667		-		2,603		-		-
\$	<u>41,553</u>	\$	<u>927,225</u>	\$	<u>88,996</u>	\$	<u>662,863</u>	\$	<u>20,233</u>	\$	<u>158,615</u>

Statement of Functional Expenses -
Gibault, Inc.-Continued

Year ended December 31, 2008

Program, Services and Administrative Expenses

	Program Support	Support Services	Marketing	General Administrative	Fundraising	Total
Personnel costs						
Salaries	\$ 947,714	\$ 550,471	\$ 292,786	\$ 635,514	\$ 127,413	\$ 6,954,995
Employee health insurance	93,608	79,724	35,711	68,995	16,730	838,109
Payroll taxes	73,924	41,548	22,037	47,023	9,310	555,655
Employee pension	49,110	27,137	16,450	35,041	6,659	270,534
	<u>1,164,356</u>	<u>698,880</u>	<u>366,984</u>	<u>786,573</u>	<u>160,112</u>	<u>8,619,293</u>
Advertising	-	-	1,788	16,804	121	21,214
Allowances/honor jobs - clients	6,017	18	-	-	-	32,559
Athletic equipment	5,195	-	-	-	-	5,195
Awards and recognition	722	269	4,626	11,148	5,317	25,397
Bad debt expense	-	-	-	6,058	-	6,058
Bank fees	-	1,786	-	102	-	1,888
Chapter I expenses	-	-	-	-	-	196,797
Clinical supplies	417	-	-	-	-	1,188
Clothing	171	(423)	-	-	-	28,990
Commissary	485	9,323	-	-	-	17,608
Commodities	-	-	-	-	-	-
Computer/software supplies	-	-	100	25,017	1,440	26,557
Contracted services	20,227	166,640	-	75,856	12,345	375,574
Copier lease payments	17,052	-	6,606	5,878	38	42,613
Depreciation	-	385,415	-	-	-	426,756
Directors fund	2,419	215	266	7,530	1,383	15,556
Donor Development	-	-	-	-	9,241	9,241
Exhibit fees	-	-	4,800	-	-	4,800
Washings and linens	1,134	2,520	-	1,039	-	25,031
Gas and oil	14,995	17,775	8,937	9,654	3,005	98,064
Health care	457	27,713	-	644	-	31,001
Household supplies	6,135	39,343	-	2,747	-	110,535
Insurance	-	412,347	-	-	7,660	447,702
Lease payments	-	801,300	-	41,014	-	845,813
Maintenance supplies and contracts	-	264,881	-	3,013	819	328,602
Miscellaneous	1,994	601	-	-	-	7,950
Office supplies	12,572	7,347	1,726	18,758	2,653	68,706
Outings and special events	10,015	-	80	139	11,017	60,366
Personal hygiene supplies	251	502	-	-	-	8,154
Postage	16	18,681	411	451	20,757	45,178
Printing and publications	-	-	1,830	-	49,994	52,990
Professional development fees	1,397	32,175	422	1,355	438	40,443
Provisions	570	400,316	-	330	-	539,458
Recreational supplies	9,588	-	-	-	-	14,868
Sick leave buy back	-	11,211	-	-	-	11,211
School supplies	-	491	-	-	-	34,429
Scholarships	-	-	4,742	-	-	6,122
Staff development	4,278	7,783	1,675	9,631	1,139	34,804
Staff travel	8,230	6,276	14,725	12,599	5,539	74,055
Student travel	-	-	-	-	-	912
Telephone	9,285	13,422	1,001	15,527	210	59,659
Utilities	278	321,559	-	16,312	-	423,728
Vehicle repairs	-	37,045	-	52	-	46,367
	<u>\$ 1,298,256</u>	<u>\$ 3,685,411</u>	<u>\$ 420,719</u>	<u>\$ 1,068,231</u>	<u>\$ 293,228</u>	<u>\$ 13,273,432</u>

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Trustees and Board of Directors
Gibault, Inc., Gibault Foundation, Inc., Gibault
Care, Inc., and Gibault Ventures, Inc.
Terre Haute, Indiana

We have audited the financial statements of Gibault, Inc., Gibault Foundation, Inc., Gibault Care, Inc., and Gibault Ventures, Inc. as of and for the year ended December 31, 2008, and have issued our report thereon dated April 14, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Gibault, Inc., Gibault Foundation, Inc., Gibault Care, Inc., and Gibault Ventures, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Gibault, Inc., Gibault Foundation, Inc., Gibault Care, Inc., and Gibault Ventures, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control.

A material weakness is a significant deficiency, or combination of deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether Gibault, Inc., Gibault Foundation, Inc., Gibault Care, Inc., and Gibault Ventures, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the audit committee, Board of Trustees/Directors, and is not intended to be and should not be used by anyone other than these specified parties.

Sackerides + Company, Inc.

Terre Haute, Indiana
April 14, 2009

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To the Finance, Budget and Audit Committee
Gibault, Inc., Gibault Foundation, Inc.,
Gibault Care, Inc. and Gibault Ventures, Inc.

In planning and performing our audit of the financial statements of Gibault, Inc., Gibault Foundation, Inc., Gibault Care, Inc. and Gibault Ventures, Inc. for the year ended December 31, 2009, we considered the Organizations' internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

However, during our audit, we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. This letter does not affect our report dated April 12, 2010, on the financial statements of Gibault, Inc., Gibault Foundation, Inc., Gibault Care, Inc. and Gibault Ventures, Inc.

We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with the Organizations' Director of Finance, and we will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. Our comments are summarized as follows:

Deposit of Cash Receipts

During our review of the cash receipt activity of Gibault Care, Inc. we noted that deposits were only being made one to two times a month by Gibault Care staff. Based on the dates of the check copies attached to the deposit tickets, it appears that Gibault Care, Inc. receives payments numerous times each month. We also noted that as a result of the delay in making deposits, the business office was having difficulties in following up on delinquent accounts receivable because payments were not yet applied to client accounts. We recommend that deposits be made daily or at a minimum, weekly.

Vendor Invoices

As part of our audit fieldwork, we requested vendor statements from a sample of vendors. While reviewing these statements, we identified an invoice from a vendor that was not in accounts payable at year end and had not yet been paid. After making inquiries and searching by the business office staff, the invoices were located on a departmental director's desk. Additionally, as a result of this search, additional unpaid invoices were also found, one of which related to 2009, the others were approaching 30 days old. Invoices should be timely approved and provided to the business office for payment.

Accounts Receivable – Gibault Care, Inc.

We were provided an aging report of the Gibault Care, Inc. accounts receivable at December 31, 2009. After reviewing this report we noted some inaccuracies with the report. Several clients had credit balances on the report. After making inquiries and further analysis, we determined that payments received had been applied to client accounts, but the corresponding billing had not been posted to the accounts receivable subsidiary ledger. This primarily stemmed from the start-up of Gibault Care, Inc. in which manual billings were done by the Gibault Care Administrator. The business office tried to go back and catch up the accounts receivable subsidiary for these manual billings in 2009, but not all amounts got corrected. After the necessary adjusting journal entries were made to correct these issues, the accounts receivable subsidiary appeared reasonable. Ongoing analysis and follow-up should be done on the accounts receivable subsidiary as necessary.

Cash Disbursements

While testing cash disbursements, we noted instances where proper authorization and account coding were not provided on the related invoice. Per internal policy, a Director is to approve the invoice by initialing it. Proper disbursement approval should be obtained for all disbursements.

We wish to thank the Director of Finance and her department for their support and assistance during our audit.

This report is intended solely for the information and use of the Board of Directors, Finance, Budget and Audit Committee of Gibault, Inc., Gibault Foundation, Inc., Gibault Care, Inc. and Gibault Ventures, Inc., management, and others within the Organizations and is not intended to be and should not be used by anyone other than these specified parties.

Terre Haute, Indiana
April 12, 2010

Sackrider + Company, Inc.

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To the Finance, Budget and Audit Committee
Gibault, Inc., Gibault Foundation, Inc.,
Gibault Care, Inc. and Gibault Ventures, Inc.

We have audited the consolidating financial statements of Gibault, Inc., Gibault Foundation, Inc., Gibault Care, Inc. and Gibault Ventures, Inc. for the year ended December 31, 2009, and have issued our report thereon dated April 12, 2010. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and Government Auditing Standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated November 2, 2009. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Gibault, Inc., Gibault Foundation, Inc., Gibault Care, Inc. and Gibault Ventures, Inc. are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2009. We noted no transactions entered into by the Organizations during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were the present value calculations based on life expectancy for charitable gift annuities and the estimated useful life of fixed assets.

Management's estimate of life expectancy for donors of charitable gift annuities for Gibault Foundation, Inc. was taken from the life expectancy tables published by the Internal Revenue Service. Also, the useful life of fixed assets was based on the life obtained from similar items used in prior years. We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Finance, Budget and Audit Committee
Gibault, Inc., Gibault Foundation, Inc.,
Gibault Care, Inc. and Gibault Ventures, Inc.
Page two

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated April 12, 2010.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Finance, Budget and Audit Committee, Board of Directors, and management of Gibault, Inc., Gibault Foundation, Inc., Gibault Care, Inc. and Gibault Ventures, Inc. and is not intended to be and should not be used by anyone other than these specified parties.

Sacksteder + Company, Inc.

Terre Haute, Indiana
April 12, 2010

Gibault, Inc.
12/31/09

1510.1

NPO-CX-12.2: Audit Difference Evaluation Form

Statement of Financial Position Date:

Entity:

Completed by: cat

Date: 3/19/10

Instructions: This form should be used to accumulate known and likely audit differences detected by nonsampling substantive procedures (including differences in accounting estimates) and projected audit differences from substantive procedures that used sampling. All known and likely misstatements greater than the amount considered trivial (documented at Step 5 of NPO-CX-2) should be listed. The auditor should review the guidance beginning at paragraph 112.15 before concluding whether to reflect the effect of prior-year unadjusted audit differences in evaluating audit differences in the current period. This form should not include normal closing entries. At the end of the audit, the auditor should evaluate all uncorrected audit differences, individually and in the aggregate, in relation to individual amounts, subtotals, or totals in the financial statements and conclude on whether they materially misstate the financial statements taken as a whole. See section 112. The notes following the table provide footnote explanations and a listing of qualitative considerations in evaluating materiality.

Description (Nature) of Audit Difference	Known (K) or Likely (L)	Cause	Work-paper Ref.	Financial Statements Effect— Amount of Over (Under) Statement of:						Change in Net Assets ^a	Working Capital ^b			
				Total Assets	Total Liabilities	Net Assets	Revenues	Expenses						
Paid Vacation														
late		might be recorded late to record	4305		(6,695)	6,695	-	(6,695)		6695	N/A			
Gibault Inc			4307.4		246,342	246,342	-	22,283		(21,283)				
Contingent legal liability	L	lawsuit	1422.3		(15,000)	15,000	-	(15,000)		15,000				
		lawsuit	1422.2		(4,000)	4,000	-	(4,000)		4,000				
Total					(272,037)	272,037		(13,412)		13,412				
Less Audit Adjustments Subsequently Booked														
Net Unadjusted Audit Differences—This Year					(272,037)	272,037		(13,412)		13,412				
Effect of Unadjusted Audit Differences—Prior Years ^c														
Total Audit Differences					(272,037)	272,037		(13,412)		13,412				
Financial Statement Caption Totals					25,931,202	7,013,135	18,918,067	14,863,875	14,841,098	19,777				
Audit Differences as % of F/S Captions					N/A	3.88%	1.44%	N/A	.90%	67.82%				

Conclusion: Based on the results of the evaluation performed above, as well the consideration of qualitative factors, uncorrected audit differences, individually and in the aggregate, do do not cause the financial statements taken as a whole to be materially misstated.

**Gibault, Inc., Gibault Foundation, Inc.,
Gibault Care, Inc. and Gibault
Ventures, Inc.**

**Consolidating Financial Statements and
Report of Independent Certified
Public Accountants**

December 31, 2009

CONTENTS

	PAGE
REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS	1.
FINANCIAL STATEMENTS	
Consolidating Balance Sheets	2.
Consolidating Statements of Activities	3.
Consolidating Statements of Cash Flows	4-5.
Notes to Consolidating Financial Statements	6-15.
SUPPLEMENTAL INFORMATION	
Report of Independent Certified Public Accountants on Supplemental Information	16.
Statement of Functional Expenses-Gibault, Inc.	17-18.
Statement of Functional Expenses-Gibault Care, Inc.	19.
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	20-21.

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Trustees and Board
of Directors
Gibault, Inc., Gibault Foundation, Inc., Gibault
Care, Inc., and Gibault Ventures, Inc.
Terre Haute, Indiana

We have audited the accompanying consolidating balance sheet of Gibault, Inc., Gibault Foundation, Inc., Gibault Care, Inc., and Gibault Ventures, Inc. as of December 31, 2009, and the related consolidating statements of activities and cash flows for the year then ended. These consolidating financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these consolidating financial statements based on our audit. Information for the year ended December 31, 2008 is presented for comparative purposes only and was extracted from the consolidating financial statements for that year, on which an unqualified opinion dated April 14, 2009 was expressed.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 consolidating financial statements. An audit also includes assessing the accounting principles used and the 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 consolidating financial statements referred to above present fairly, in all material respects, the financial position of Gibault, Inc., Gibault Foundation, Inc., Gibault Care, Inc., and Gibault Ventures, Inc. as of December 31, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 12, 2010, on our consideration of Gibault, Inc., Gibault Foundation, Inc., Gibault Care, Inc. and Gibault Ventures, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Sackrider & Company, Inc.

Terre Haute, Indiana
April 12, 2010

**GIBAULT, INC., GIBAULT FOUNDATION, INC.,
GIBAULT CARE, INC. AND GIBAULT VENTURES, INC.**

Consolidating Balance Sheet

(with summarized financial information for the year ended December 31, 2008)

December 31,

	2009			
	Gibault, Inc.	Gibault Foundation, Inc.	Gibault Care, Inc.	Gibault Ventures, Inc.
ASSETS				
Cash	\$ 767,572	\$ 42,581	\$ 74,640	\$ 86,799
Investments	1,756,667	7,101,964	-	-
Investments in other assets	5,000	-	-	-
Accounts receivable - net	1,485,560	-	161,804	753
Contributions receivable	6,628	190,943	-	-
Accrued interest receivable	8,739	38,881	-	-
Inventories	65,339	-	-	62,830
Cash surrender value of life insurance	-	62,690	-	-
Prepaid expenses	144,527	-	28,840	-
Notes receivable	-	-	-	7,913
Interest in net assets of Gibault Foundation, Inc. and Gibault Care, Inc.	13,064,921	-	-	-
Investment in Gibault Ventures, Inc.	303,859	-	-	-
Land, buildings, and equipment - at cost, less accumulated depreciation	2,060,645	10,094,500	1,179,150	136,646
Intangible assets less accumulated amortization	-	-	695,017	-
Deferred income taxes	-	-	-	11,652
Total assets	\$ 19,669,457	\$ 17,531,559	\$ 2,139,451	\$ 306,593
LIABILITIES AND NET ASSETS				
Accounts payable	\$ 201,397	\$ 100,900	\$ 273,555	\$ 1,110
Accrued compensation and other liabilities	436,993	17,688	57,002	1,624
Annuity liability	-	559,830	-	-
Estimated health insurance liability	113,000	-	-	-
Notes payable	-	-	1,938,192	-
Bonds payable	-	3,658,922	-	-
Total liabilities	751,390	4,337,340	2,268,749	2,734
Shareholders' equity				
Common stock, no par value, 1000 shares authorized, issued, and outstanding	-	-	-	1,000
Contributed capital	-	-	-	338,372
Accumulated deficit	-	-	-	(35,513)
Net assets				
Unrestricted	18,803,769	13,084,464	(129,998)	-
Temporarily restricted	84,495	79,952	700	-
Permanently restricted	29,803	29,803	-	-
Total net assets	18,918,067	13,194,219	(129,298)	-
Total liabilities and net assets	\$ 19,669,457	\$ 17,531,559	\$ 2,139,451	\$ 306,593

The accompanying notes are an integral part of these statements.

		2008	
<u>Eliminations</u>	<u>Consolidated Total</u>	<u>Consolidated Total</u>	<u>Consolidated Total</u>
\$ -	\$ 971,592	\$ 759,123	
-	8,858,631	8,053,449	
-	5,000	5,000	
347,078	1,301,039	2,160,026	
-	197,571	283,854	
-	47,620	54,304	
-	128,169	106,865	
-	62,690	52,574	
-	173,367	57,350	
-	7,913	-	
13,064,921	-	-	
303,859	-	-	
-	13,470,941	14,011,379	
-	695,017	725,017	
-	11,652	15,609	
<u>\$ 13,715,858</u>	<u>\$ 25,931,202</u>	<u>\$ 26,284,550</u>	
\$ 347,078	\$ 229,884	\$ 331,621	
-	513,307	583,446	
-	559,830	589,034	
-	113,000	80,700	
-	1,938,192	2,000,000	
-	3,658,922	3,801,459	
<u>347,078</u>	<u>7,013,135</u>	<u>7,386,260</u>	
1,000	-	-	
338,372	-	-	
(35,513)	-	-	
<u>303,859</u>	<u>-</u>	<u>-</u>	
12,954,466	18,803,769	18,765,511	
80,652	84,495	103,612	
29,803	29,803	29,167	
<u>13,064,921</u>	<u>18,918,067</u>	<u>18,898,290</u>	
<u>\$ 13,715,858</u>	<u>\$ 25,931,202</u>	<u>\$ 26,284,550</u>	

**GIBAULT, INC., GIBAULT FOUNDATION, INC.,
GIBAULT CARE, INC. AND GIBAULT VENTURES, INC.**

Consolidating Statements of Activities

(with summarized financial information for the year ended December 31, 2008)

For the year ended December 31,

	2009		
	Gibault, Inc.	Gibault Foundation, Inc.	Gibault Care, Inc.
Changes in unrestricted net assets			
Support and revenue			
Public support			
Knights of Columbus-assessments	\$ 122,036	\$ -	\$ -
Transfers from Gibault Foundation, Inc.	1,014,866	-	-
Contributions-other	431,064	197,587	-
Fundraising	48,145	-	-
Total public support	<u>1,616,111</u>	<u>197,587</u>	<u>-</u>
Revenue			
Per diem	10,247,813	-	-
Patient fees	-	-	1,792,953
Sales	-	-	-
Investment income (loss)	247,519	860,196	320
Rental income	7,736	825,000	80,978
Other			
Grants	369,246	-	-
Reimbursements	936	-	-
Administrative fees from related parties	110,000	-	-
Increase in cash surrender value of life insurance policies	-	10,116	-
Gain (loss) on disposal of property and equipment	1,208	-	-
Miscellaneous	22,180	40,375	700
Change in interest in net assets of Gibault Foundation, Inc. and Gibault Care, Inc.	284,058	-	-
Net profit from Gibault Ventures, Inc.	11,869	-	-
Total revenues	<u>11,302,565</u>	<u>1,735,687</u>	<u>1,874,951</u>
	<u>12,918,676</u>	<u>1,933,274</u>	<u>1,874,951</u>
Net assets released from restrictions			
Satisfaction of restrictions	36,955	-	20
Total unrestricted support and revenues	<u>12,955,631</u>	<u>1,933,274</u>	<u>1,874,971</u>
Expenses			
Program, services, general/administrative & fundraising expenses	12,895,153	416,102	1,857,664
Cost of sales	-	-	-
Interest expenses	255	185,238	50,317
Board expenses	21,965	-	-
Transfers to Gibault, Inc.	-	1,014,866	-
Income taxes	-	-	-
Total expenses	<u>12,917,373</u>	<u>1,616,206</u>	<u>1,907,981</u>
Increase (decrease) in unrestricted net assets	<u>38,258</u>	<u>317,068</u>	<u>(33,010)</u>
Changes in temporarily restricted assets			
Contributions	34,717	(16,879)	20
Change in interest in net assets of Gibault Foundation, Inc.	(16,879)	-	-
Net assets released from restrictions	(36,955)	-	(20)
Increase (decrease) in temporarily restricted net assets	<u>(19,117)</u>	<u>(16,879)</u>	<u>-</u>
Changes in permanently restricted assets			
Contributions	-	636	-
Change in interest in net assets of Gibault Foundation, Inc.	636	-	-
Increase in permanently restricted net assets	<u>636</u>	<u>636</u>	<u>-</u>
INCREASE (DECREASE) IN NET ASSETS	<u>19,777</u>	<u>300,825</u>	<u>(33,010)</u>
Net assets at beginning of year	<u>18,898,290</u>	<u>12,893,394</u>	<u>(96,288)</u>
Net assets at end of year	<u>\$ 18,918,067</u>	<u>\$ 13,194,219</u>	<u>\$ (129,298)</u>

The accompanying notes are an integral part of these statements.

<u>Gibault Ventures, Inc.</u>	<u>Eliminations</u>	<u>Consolidated Total</u>	<u>2008 Consolidated Total</u>
\$ -	\$ -	\$ 122,036	\$ 124,059
-	1,014,866	-	-
-	-	628,651	700,897
-	-	48,145	44,760
<u>-</u>	<u>1,014,866</u>	<u>798,832</u>	<u>869,716</u>
-	-	10,247,813	10,658,523
-	-	1,792,953	319,788
359,924	-	359,924	315,377
697	-	1,108,732	(1,385,609)
3,610	825,000	92,324	20,145
-	-	369,246	368,826
-	-	936	122
-	110,000	-	-
-	-	10,116	5,017
-	-	1,208	-
42	-	63,297	40,898
-	284,058	-	-
-	11,869	-	-
<u>364,273</u>	<u>1,230,927</u>	<u>14,046,549</u>	<u>10,343,087</u>
<u>364,273</u>	<u>2,245,793</u>	<u>14,845,381</u>	<u>11,212,803</u>
-	-	36,975	86,597
<u>364,273</u>	<u>2,245,793</u>	<u>14,882,356</u>	<u>11,299,400</u>
9,318	935,000	14,243,237	13,186,921
339,130	-	339,130	303,640
-	-	235,810	206,199
-	-	21,965	22,448
-	1,014,866	-	-
3,956	-	3,956	1,679
<u>352,404</u>	<u>1,949,866</u>	<u>14,844,098</u>	<u>13,720,887</u>
<u>11,869</u>	<u>295,927</u>	<u>38,258</u>	<u>(2,421,487)</u>
-	-	17,858	108,317
-	(16,879)	-	-
-	-	(36,975)	(86,597)
<u>-</u>	<u>(16,879)</u>	<u>(19,117)</u>	<u>21,720</u>
-	-	636	1,179
-	636	-	-
<u>-</u>	<u>636</u>	<u>636</u>	<u>1,179</u>
11,869	279,684	19,777	(2,398,588)
(47,382)	12,749,724	18,898,290	21,296,878
<u>\$ (35,513)</u>	<u>\$ 13,029,408</u>	<u>\$ 18,918,067</u>	<u>\$ 18,898,290</u>

**GIBAULT, INC., GIBAULT FOUNDATION, INC.,
GIBAULT CARE, INC. AND GIBAULT VENTURES, INC.**

Consolidating Statements of Cash Flows

(with summarized financial information for the year ended December 31, 2008)

For the year ended December 31,

	2009		
	<u>Gibault, Inc.</u>	<u>Gibault Foundation, Inc.</u>	<u>Gibault Care, Inc.</u>
Cash flows from operating activities:			
Increase (decrease) in net assets:	\$ 19,777	\$ 300,825	\$ (33,010)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:			
(Gain) loss on disposal of equipment	(1,208)	-	-
(Gain) loss on sales of investments	67,449	278,208	-
Net unrealized (gains) losses on investments	(265,098)	(936,331)	-
Change in interest in net assets of Gibault Foundation, Inc. and Gibault Care, Inc.	(267,815)	-	-
Change in investment in Gibault Ventures, Inc.	(150,241)	-	-
Depreciation & amortization	417,407	347,214	68,502
Increase in cash surrender value of life insurance policies	-	(10,116)	-
Change in assets and liabilities:			
Accounts receivable	765,923	-	72,697
Accrued interest receivable	1,271	5,413	-
Contributions receivable	27,226	59,057	-
Inventories	7,157	-	-
Prepaid expenses	(113,420)	-	(2,597)
Deferred income taxes	-	-	-
Accounts payable	(99,679)	37,682	62,867
Accrued compensation and other liabilities	(62,243)	(15)	(9,505)
Annuity liability	-	(29,204)	-
Estimated health insurance liability	32,300	-	-
Net cash provided by operating activities	<u>378,806</u>	<u>52,733</u>	<u>158,954</u>
Cash flows from investing activities:			
Proceeds from sales of equipment	9,000	-	-
Proceeds from sale of investments	682,891	2,053,676	-
Purchases of investments	(728,384)	(1,957,594)	-
Expenditures for land, buildings and equipment	(110,559)	-	(120,713)
Net cash used by investing activities	<u>(147,052)</u>	<u>96,082</u>	<u>(120,713)</u>
Cash flows from financing activities:			
Repayments of long-term obligations	-	-	(61,808)
Proceeds from long-term obligations	-	-	-
Repayment of bonds payable	-	(142,537)	-
Contributed capital	-	-	-
Net cash provided by financing activities	<u>-</u>	<u>(142,537)</u>	<u>(61,808)</u>
NET INCREASE (DECREASE) IN CASH	231,754	6,278	(23,567)
Cash at beginning of year	<u>535,818</u>	<u>36,303</u>	<u>98,207</u>
Cash at end of year	<u>\$ 767,572</u>	<u>\$ 42,581</u>	<u>\$ 74,640</u>

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

Cash paid during the year for interest	\$ 255	\$ 185,752	\$ 50,317
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No cash was paid for income taxes during the year

The accompanying notes are an integral part of these statements.

<u>Gibault Ventures, Inc.</u>			<u>2008 Consolidated Total</u>	
	<u>Eliminations</u>	<u>Consolidated Total</u>		<u>Consolidated Total</u>
\$ 11,869	\$ 279,684	\$ 19,777	\$ (2,398,588)	
-	-	(1,208)	-	
-	-	345,657	(87,046)	
-	-	(1,201,429)	1,776,179	
-	(267,815)	-	-	
-	(150,241)	-	-	
2,943	-	836,066	813,892	
-	-	(10,116)	(5,017)	
(1,954)	262,127	574,539	(22,312)	
-	-	6,684	4,986	
-	-	86,283	(283,854)	
(28,461)	-	(21,304)	39,134	
-	-	(116,017)	31,995	
3,957	-	3,957	1,679	
(88,199)	(262,127)	174,798	125,052	
1,624	-	(70,139)	155,213	
-	-	(29,204)	13,611	
-	-	32,300	(9,300)	
<u>(98,221)</u>	<u>(138,372)</u>	<u>630,644</u>	<u>155,624</u>	
-	-	9,000	-	
-	-	2,736,567	2,764,442	
-	-	(2,685,978)	(2,717,145)	
(42,147)	-	(273,419)	(2,302,827)	
<u>(42,147)</u>	<u>-</u>	<u>(213,830)</u>	<u>(2,255,530)</u>	
-	-	(61,808)	-	
-	-	-	2,000,000	
-	-	(142,537)	(137,200)	
138,372	138,372	-	-	
<u>138,372</u>	<u>138,372</u>	<u>(204,345)</u>	<u>1,862,800</u>	
(1,996)	-	212,469	(237,106)	
88,795	-	759,123	996,229	
<u>\$ 86,799</u>	<u>\$ -</u>	<u>\$ 971,592</u>	<u>\$ 759,123</u>	
\$ -	\$ -	\$ 236,324	\$ 205,035	

**GIBAULT, INC., GIBAULT FOUNDATION, INC.,
GIBAULT CARE, INC. AND GIBAULT VENTURES, INC.**

Consolidating Statements of Cash Flows

(with summarized financial information for the year ended December 31, 2008)

For the year ended December 31, 2009

DISCLOSURE OF ACCOUNTING POLICY:

Cash, as used in the statement of cash flows, is the amount reported as "cash" in the consolidated balance sheet, which includes cash on hand and all checking accounts.

The accompanying notes are an integral part of these statements.

**GIBAULT, INC., GIBAULT FOUNDATION, INC.,
GIBAULT CARE, INC. AND GIBAULT VENTURES, INC.**

Notes to Consolidating Financial Statements

December 31, 2009

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Gibault, Inc. operates a residential treatment facility in Terre Haute, Indiana for delinquent and pre-delinquent boys and girls ages 8 to 18 years at time of admission. Gibault, Inc. also operates group homes in Springfield, Ohio, Shelbyville, Indiana and Terre Haute, Indiana. Gibault, Inc. provides treatment services and is reimbursed from State and County Agencies at negotiated per diem rates. Gibault, Inc. also provides psychiatric treatment to clients through its PRTF program. Fees for these services are charged to Indiana Medicaid program. Additionally in 2008, Gibault, Inc. purchased and began operating a youth center in northern Indiana, which provides daycare and after school programs for youth. The youth center is doing business as Jasper County Youth Center.

The Gibault Foundation, Inc. was organized at the direction of the board of trustees for Gibault, Inc. for the purpose of providing support to Gibault, Inc. During 1989, a portion of Gibault, Inc.'s investments were gifted to the Foundation. In January 1990, Gibault, Inc. gifted all of its land, land improvements, buildings and the related bonds payable to the Foundation. The membership of The Gibault Foundation, Inc. shall consist of one class, namely the members of the Foundation's board of directors.

In 2001, Gibault Counseling, Inc. was established to provide behavioral health counseling treatment and therapy services. Gibault Counseling, Inc. began operations in November 2002. Gibault Counseling, Inc. receives payment for these services from third party payers which includes Medicaid and individuals receiving counseling. Gibault Counseling, Inc. is governed by a board of directors which is approved by the board of directors of Gibault, Inc. During 2007, Gibault Counseling, Inc. ceased operations. During 2008, Gibault Counseling, Inc. was renamed Gibault Care, Inc., d/b/a McGivney Health Care Center. Additionally, the exempt purpose of the organization was amended to include long-term residential care to persons with chronic illness or disability in a health care center (formerly referred to as a nursing home). On October 31, 2008, Gibault Care, Inc. purchased and began operating a nursing home in Carmel, Indiana.

In 2005, Gibault Ventures, Inc., d/b/a Top of the Hill Auto Sales, was established. The Corporation sells used automobiles to the general public for profit and to Gibault, Inc. for use in its operations. The profits are to be used to subsidize Gibault, Inc.'s operations. Gibault, Inc. owns 100% of the outstanding stock of the Corporation and its board of directors consists of employees of Gibault, Inc.

In 2009, Summit Academy, Inc. was established to operate a fully accredited, charter school under the laws of the State of Indiana. Summit Academy, Inc. was established as a 501(c)(3) organization under the internal revenue code. The corporation's board of directors and officers are employees of Gibault, Inc. In 2009, the corporation had no activity other than incorporation. As a result, the Corporation was not included on any of the consolidating financial statements for 2009.

Consolidation Policy

The accompanying consolidated financial statements include the accounts of Gibault, Inc., The Gibault Foundation, Inc., Gibault Care, Inc. and Gibault Ventures, Inc. Inter-entity transactions and balances have been eliminated in consolidation.

Comparative Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2008, from which the summarized information was derived.

Support and Expenses

Contributions received are measured at their fair values and are reported as an increase in net assets. Gifts of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activity as net assets released from restrictions.

**GIBAULT, INC., GIBAULT FOUNDATION, INC.,
GIBAULT CARE, INC. AND GIBAULT VENTURES, INC.**

Notes to Consolidating Financial Statements - Continued

December 31, 2009

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES - continued

Donated securities are recorded as contributions at their estimated fair values at the date of donation. Only those in-kind contributions for which a market value can be objectively determined are recorded as revenue.

Expenses are recorded when incurred in accordance with the accrual basis of accounting.

Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Accounts Receivable

Trade receivables and notes receivables are carried at their estimated collectible amounts. Trade receivables do not bear interest because they are created from established per diem rates with various state agencies under contract. Trade receivables are periodically evaluated for collectibility based on conversations with representatives from the various state agencies.

Allowance for Doubtful Accounts

The allowance for doubtful accounts for Gibault, Inc., Gibault Care, Inc. and Gibault Ventures, Inc. is zero at December 31, 2009. The direct write-off method is used for recognizing bad debts, which would not be materially different from the allowance method that is called for by generally accepted accounting principles. Balances that are outstanding after management has used reasonable collection efforts are written off using the direct write-off method.

Inventory Valuation

Inventories of Gibault, Inc., which consist of provisions and supplies, are recorded at the lower of cost or market determined by using the first in, first out (FIFO) method.

Vehicle inventory of Gibault Ventures, Inc. is valued at cost. Cost includes the original purchase price plus repair costs to prepare vehicle for sale.

Investments

Investments in marketable securities are stated at fair market value.

Derivatives

Mortgage-backed securities are recorded at fair value using quoted market prices. Realized gains and losses are recognized when payments are received. The organization does not engage in the trading of derivatives. Mortgage-backed securities are purchased and held as part of the organizations portfolio to achieve investment return.

Land, Buildings and Equipment

Land, buildings, and equipment owned at April 1, 1975 are recorded at appraised value. Property purchased after April 1, 1975 is recorded at cost. Donated property is recorded at fair value on the date of gift.

Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives, principally on a straight-line basis. Gibault Ventures, Inc. records depreciation using accelerated methods.

Deferred Income Taxes

Deferred taxes are provided in accordance with FASB ASC 740, "Accounting for Income Taxes". Deferred taxes are provided for accumulated temporary differences due to basis differences for assets and liabilities for financial reporting and income tax purposes, including alternative minimum taxes. The temporary difference is due to net operating loss carryforward.

**GIBALT, INC., GIBALT FOUNDATION, INC.,
GIBALT CARE, INC. AND GIBALT VENTURES, INC.**

Notes to Consolidating Financial Statements - Continued

December 31, 2009

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES - continued

Advertising Costs

Advertising costs are expensed as incurred and amounted to \$12,593 for the year ended December 31, 2009.

Subsequent Events

Management has evaluated subsequent events through April 12, 2010, the date which the financial statements were available for issue and concluded nothing occurred requiring adjustment to the financial statements or disclosure in the notes to the financial statements.

NOTE 2 - ACCOUNTS RECEIVABLE

Accounts receivable at December 31, 2009 consist of the following:

Per diem	\$ 1,076,875
Other	62,360
Patient revenue	<u>161,804</u>
	<u>\$ 1,301,039</u>

NOTE 3 - INVESTMENTS

Investments are held in agency accounts and are carried at fair value. The cost and fair values of investment securities are as follows at December 31:

	<u>2009</u>		<u>2008</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Cash equivalents	\$ 387,934	\$ 387,934	\$ 798,407	\$ 798,407
Municipal bonds	153,180	142,357	-	-
Mortgages, note contracts	3,190	3,465	5,056	5,176
U.S. Government obligations	2,673,782	2,787,793	3,171,707	3,398,843
Corporate bonds	860,857	875,506	591,956	574,626
Common stock	<u>4,393,531</u>	<u>4,661,576</u>	<u>4,301,595</u>	<u>3,276,397</u>
	<u>\$ 8,472,474</u>	<u>\$ 8,858,631</u>	<u>\$ 8,868,721</u>	<u>\$ 8,053,449</u>

The following schedule summarizes the investment return and its classification in the statement of activities for the year ended December 31,:

	<u>2009</u>			<u>2008</u>
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Interest and dividend income	\$ 252,959	\$ -	\$ -	\$ 252,959
Realized gains based on original cost	(345,657)	-	-	(345,657)
Net unrealized losses	<u>1,201,430</u>	<u>-</u>	<u>-</u>	<u>1,201,430</u>
Total investment return	<u>\$ 1,108,732</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,108,732</u>
				<u>\$ (1,385,609)</u>

NOTE 4 - FAIR VALUE MEASUREMENT

Assets measured at fair value on a recurring basis at December 31, 2009 are as follows:

	<u>Based on</u>		
<u>Assets</u>	<u>Quoted Prices In Active Markets</u>	<u>Other Observable Units</u>	<u>Unobservable Inputs</u>
Contributions receivable	\$ -	\$ -	\$ 197,571

**GIBAULT, INC., GIBAULT FOUNDATION, INC.,
GIBAULT CARE, INC. AND GIBAULT VENTURES, INC.**

Notes to Consolidating Financial Statements - Continued

December 31, 2009

NOTE 4 - FAIR VALUE MEASUREMENT - continued

<u>Assets</u>	<u>Based on</u>		
	<u>Quoted Prices In Active Markets</u>	<u>Other Observable Units</u>	<u>Unobservable Inputs</u>
Cash equivalents	\$ 387,934	\$ -	\$ -
Mortgages, note contracts	-	3,465	-
U.S. Government obligations	2,787,793	-	-
Corporate bonds	-	875,506	-
Common stock	4,661,576	-	-
Municipal bonds	-	142,357	-
	<u>\$ 7,837,303</u>	<u>\$ 1,021,328</u>	<u>\$ 197,571</u>
 <u>Liabilities</u>			
Annuity liabilities	\$ -	\$ -	\$ 559,830

Assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (level 3) are as follows:

Contributions receivable

Balance at December 31, 2008	\$ 283,854
Establishment of gift or bequest and adjustments	177,657
Receipts on prior year receivable	(263,940)
Balance at December 31, 2009	\$ 197,571

Annuity liabilities

Balance at December 31, 2008	\$ 589,034
Change in value of annuities	(29,204)
Balance at December 31, 2009	\$ 559,830

In 2009, realized losses of \$345,657 and unrealized gains of \$1,201,430 are reported in the statements of changes in net assets available as investment income (loss).

Following is a description of the valuation methodologies used for assets at fair value.

For all *cash equivalents*, *United States government obligations* and *common stocks*, fair value is determined by reference to quoted market prices. The *corporate bonds* and *mortgage, note contracts* are valued based on yields currently available on comparable securities of issuers with similar credit ratings.

Contributions receivable were recorded at expected future cash inflows determined primarily by subsequent cash receipts received after year end and documentation received from the executor of a donor's estate indicating the expected amount Gibault Foundation was to receive. Annuity liability is recorded at estimated fair value. The fair value is determined using the Internal Revenue Service applicable 7520 rate in the month the annuity agreement was initiated. Additionally, the IRS life expectancy tables are used for obtaining the estimated life expectancy of the donors. Each year the annuity obligations are revalued using the current life expectancy factors. The change in value of the obligations is attributable to the revaluation of the annuity liabilities using the current mortality tables. The change is included in the change in temporarily restricted net assets.

Assets measured at fair value on a non-recurring basis comprised the following:

<u>Description</u>	<u>Fair Value at December 31, 2009</u>
Medicaid beds	\$ 650,000
Goodwill	100

**GIBAULT, INC., GIBAULT FOUNDATION, INC.,
GIBAULT CARE, INC. AND GIBAULT VENTURES, INC.**

Notes to Consolidating Financial Statements - Continued

December 31, 2009

NOTE 4 - FAIR VALUE MEASUREMENT - continued

Fair value was determined as follows:

	Based on	
	Other Observable Inputs	Unobservable Inputs
Medicaid beds	\$ -	\$ 650,000
Goodwill	-	100
	\$ -	\$ 650,100

The fair value of medicaid beds and goodwill is determined based on the discounted expected future cash inflows expected over future periods. These amounts were recorded as the purchase amount at the closing of the nursing home purchased by Gibault Care, Inc. in October 2008.

NOTE 5 - PROMISE TO GIVE

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. The allowance for uncollectible promises to give is \$0. All promises to give were thought to be collectible.

Unconditional promises to give are expected to be received as follows:

Due in less than one year	\$ 197,571
Due in one to five years	-
Due in more than five years	-

NOTE 6 - LAND, BUILDINGS AND EQUIPMENT

Land, buildings and equipment and accumulated depreciation balances are summarized as follows:

	Cost or Appraisal December 31, 2009	Accumulated Depreciation December 31, 2009
Land	\$ 1,006,200	\$ -
Land improvements	1,227,025	1,054,235
Buildings	18,741,471	8,225,788
Leasehold improvements	1,826,975	627,424
Equipment	3,921,630	3,482,600
Vehicles	258,342	120,655
	\$ 26,981,643	\$ 13,510,702

Depreciation expense in 2009 was \$806,065.

NOTE 7 - INTANGIBLE ASSETS

As part of the purchase of Gibault Care, Inc. during 2008, the company acquired intangible assets of \$740,000. Of that amount, \$650,000 has been assigned to Medicaid beds; such intangible assets are not subject to amortization. The \$89,900 balance of acquired intangibles has been assigned to a non-compete agreement, which is subject to periodic amortization over the estimated useful life of 3 years. Goodwill of \$100, which is not subject to amortization, arose in connection with the acquisition.

Following is a summary of non-goodwill intangibles at December 31, 2009:

Intangibles subject to amortization:	
Non-compete agreement	\$ 89,900
Less accumulated amortization	(44,983)
	44,917

**GIBAULT, INC., GIBAULT FOUNDATION, INC.,
GIBAULT CARE, INC. AND GIBAULT VENTURES, INC.**

Notes to Consolidating Financial Statements - Continued

December 31, 2009

NOTE 7 - INTANGIBLE ASSETS - continued

Intangibles not subject to amortization:

Medicaid beds	\$ 650,000
Goodwill	<u>100</u>
	<u>650,100</u>
	<u>\$ 695,017</u>

Amortization expense for 2009 was \$30,000; estimated amortization expense for each of the ensuing years through December 31, 2011 is, respectively, \$29,967 and \$14,950.

NOTE 8 - RETIREMENT PLAN

Gibault, Inc. has a defined contribution retirement plan for the purpose of providing retirement benefits for employees meeting certain eligibility requirements. Contributions are based on 6% of eligible salaries and are funded as accrued. Total pension expense amounted to \$217,602 for the year ended December 31, 2009. During the year ended December 31, 2009, management elected to stop employer contributions.

NOTE 9 - TAX STATUS

Gibault, Inc., Gibault Foundation, Inc., and Gibault Care, Inc. are exempt from federal and state income taxes under section 501(c)(3) of the Internal Revenue Code.

Gibault Ventures, Inc. is a for-profit corporation subject to federal and state income taxes.

NOTE 10 - ECONOMIC DEVELOPMENT REVENUE BONDS

In December 2002, Gibault, Inc. and Gibault Foundation, Inc. contracted to issue a series of economic development revenue bonds in an amount up to \$5,000,000. As of December 31, 2006, Gibault, Inc. and Gibault Foundation, Inc. have issued all of the bonds. Principal and interest payments of \$152,723 are to be made semi-annually over a twenty-five year period with interest accruing on the unpaid principal balance. The interest rate will then be adjusted based on a formula as defined in the bond document. The interest rate was adjusted to 4.3255% in December 2007 and will adjust every fifth year that follows. The bonds are secured by land, improvements and buildings owned by Gibault, Inc. and Gibault Foundation, Inc.

Maturities of the bonds for the five years following December 31, 2009 are as follows:

2010	\$ 148,779
2011	155,284
2012	162,065
2013	169,160
2014	176,556

NOTE 11 - LINE OF CREDIT

During 2009, Gibault, Inc. renewed its line of credit agreement with a local bank for \$1,500,000, to be drawn upon as needed. The principal is due on demand or October 13, 2010, if no demand is made. Interest is to be paid monthly at the prime rate as published in the Wall Street Journal. At December 31, 2009 the rate was 3.25%. Gibault, Inc. had \$250,000 of borrowings from this line of credit during the year, all of which were repaid during the year. The line of credit is secured by investments held in a trust account at the same bank. Interest expense paid on the line of credit during 2009 totaled \$255.

NOTE 12 - NOTES PAYABLE

During 2008, Gibault Care, Inc. obtained a note payable from a local financial institution for \$2,000,000 for the purchase of a nursing home in Carmel, Indiana. Gibault Care, Inc. is to make six consecutive interest payments beginning in November 2008 on the unpaid principal balance. Beginning May 30, 2009, sixty consecutive monthly principal and interest payments are to be made on the note. Interest is calculated on the unpaid principal balance at the prime rate of the local financial institution less .75 percentage points. The rate at December 31, 2009 was 2.50%.

**GIBAULT, INC., GIBAULT FOUNDATION, INC.,
GIBAULT CARE, INC. AND GIBAULT VENTURES, INC.**

Notes to Consolidating Financial Statements - Continued

December 31, 2009

NOTE 12 - NOTES PAYABLE - continued

The interest rate is adjustable monthly. The note is secured by \$2,300,000 investments of the Gibault Foundation, Inc. held at the same financial institution. The note is being repaid under a loan amortization of approximately 17 years instead of the terms of the note with the anticipation of refinancing the note for an additional period.

Repayments on long-term obligations for each of the five years following 2009 are:

2010	\$ 94,955
2011	97,390
2012	99,764
2013	102,445
2014	1,543,638
Thereafter	-

NOTE 13 - TEMPORARILY RESTRICTED NET ASSETS

During the year ended December 31, 2009, temporarily restricted net assets were released from restrictions by incurring expenses satisfying the restricted purposes specified by the donors.

Temporarily restricted net assets were used to accomplish the following purposes:

Recreation equipment	\$ 5,575
Various programs	21,949
Residential	2,725
Education needs	<u>6,726</u>
Total net assets released from restrictions	\$ <u>36,975</u>

Temporarily restricted net assets are available for the following purposes:

Programs	\$ 500
Bibles	275
Annuity agreements	79,952
Phraselator	2,300
Education needs	168
Supplies	600
Purchase of a golf cart	<u>700</u>
	\$ <u>84,495</u>

NOTE 14 - PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted assets of \$29,803 are restricted to investments in perpetuity, the income from which is expendable to support Gibault, Inc.'s operations.

NOTE 15 - OTHER RESTRICTIONS

The board of directors of the Gibault Foundation, Inc. have designated \$6,300,076 of unrestricted net assets as additional endowment funds. The earnings from these assets are available to be used to support Gibault, Inc.

NOTE 16 - OPERATING LEASES - LESSEE

Gibault, Inc. leases copiers under an operating lease. The lease agreement provides for a minimum monthly payment of \$3,101 for sixty months. Gibault, Inc. will be charged an additional monthly fee of \$.009 on each impression above 58,000. Rent expense for the year ended December 31, 2009, was \$37,432.

Gibault, Inc. leases copiers under an operating lease at its Springfield, Ohio campus location. The lease provides for monthly payments of \$249 for forty-eight months. Rent expense for the year ended December 31, 2009 was \$6,296.

**GIBAULT, INC., GIBAULT FOUNDATION, INC.,
GIBAULT CARE, INC. AND GIBAULT VENTURES, INC.**

Notes to Consolidating Financial Statements - Continued

December 31, 2009

NOTE 16 - OPERATING LEASES - LESSEE - continued

Gibault, Inc. leases copiers under an operating lease at its Shelbyville, Indiana location. The lease provides for monthly payments of \$349 for sixty months. Gibault, Inc. will be charged an additional monthly fee of \$.0129 on each impression above 4,000. Rent expense for the year ended December 31, 2009 was \$8,211.

Future minimum rental payments under operating leases are as follows:

2010	\$ 38,607
2011	21,707
2012	-
2013	-
2014	-
Thereafter	-

NOTE 17 - CONCENTRATION OF CREDIT RISK

Gibault, Inc. grants credit to those entities it provides services for, most of whom are some type of county or state governmental agency.

Gibault, Inc. routinely has deposits throughout the year in Indiana financial institutions in amounts that exceed the limits of insurance provided by the Federal Deposit Insurance Corporation.

NOTE 18 - MAJOR CUSTOMERS AND CONTRIBUTIONS

During the year ended December 31, 2009, three entities accounted for \$5,983,909 or 58% of the consolidated per diem revenue of Gibault, Inc. and consolidated subsidiaries. Additionally, the accounts receivable balance for per diem for these three counties represented 65.5% of the total consolidated accounts receivable balance at December 31, 2009.

During the year ended December 31, 2009, one bequest accounted for \$190,943 or 25% of the consolidated public support of Gibault, Inc. and consolidated subsidiaries.

NOTE 19 - BEQUESTS AND ANNUITIES

The Gibault Foundation, Inc. is the beneficiary of thirty-eight bequests. The bequests are not included in the financial statements since the bequests are revocable at the discretion of the grantors.

The Gibault Foundation, Inc. is also the holder of twelve charitable gift annuities. A charitable gift annuity is an arrangement in which the donor contributes assets to an organization in exchange for a promise by the organization to pay a fixed amount for a specified period of time to the donor or to individuals or organizations designated by the donor. The assets received are recorded as temporarily restricted net assets net of the present value of the future cash flows of the annuity payment liability. The value of charitable gift annuity assets at December 31, 2009 are \$79,952 (net of the annuity liability of \$90,592).

In March 2002, Gibault Foundation, Inc. purchased real estate for cash of \$120,000 and issuance of a two-life annuity contract. The annuity contract requires the Foundation to pay the annuitants \$5,000 per month for ten years or until the second annuitant dies. After ten years, if either or both annuitants survive, the Foundation will pay \$4,000 per month until the second annuitant dies. Upon closing of this real estate transaction, the annuitants relinquished all rights with regard to the real estate. The property was recorded by the Foundation at the present value of the annuity payments, plus the \$120,000 cash paid. The Foundation also recorded an annuity liability for the present value of the annuity payments owed the annuitants. At December 31, 2009 present value of the annuity payments was \$469,238.

The Gibault Foundation, Inc. is the beneficiary of forty-four life insurance policies. The Foundation has recorded the cash surrender value of these policies at December 31, 2009 of \$62,690.

**GIBAULT, INC., GIBAULT FOUNDATION, INC.,
GIBAULT CARE, INC. AND GIBAULT VENTURES, INC.**

Notes to Consolidating Financial Statements - Continued

December 31, 2009

NOTE 20 - GRANTS

Federal and state grants received during 2009 are as follows:

Department of Agriculture school breakfast program and national school lunch program passed through the Indiana Department of Education	\$ 170,541
Department of Education Chapter I - financial assistance to meet special education needs of disadvantaged children - operated by local education agencies	162,406
Department of Education, Division of School Finance and Educational Information - textbook reimbursement	4,689
Jasper County, Indiana - CASA program grant	<u>31,610</u>
	\$ <u>369,246</u>

NOTE 21 - COMMITMENTS

In November 2003, Gibault, Inc. contracted with the Board of Clark County Commissioners, Clark County, Ohio to operate an existing children's residential center in Springfield, Ohio. Gibault, Inc. will lease the facilities for \$1 per year starting January 1, 2004 through December 31, 2007, with an option to extend the lease for one to four years. The facility accommodates up to twenty-four clients. Clark County will pay Gibault, Inc. an initial per diem rate of \$180 per day, per client. The per diem rate is adjusted annually as established in the contract. For the year ended December 31, 2009, the per diem rate was \$196 per day. Clark County guaranteed Gibault, Inc. a minimum monthly placement of five clients.

All capital improvements are to be approved by Clark County. If Clark County declines to renew this agreement after the initial four year term, or if Clark County terminates the agreement for cause, then they shall reimburse Gibault, Inc. its depreciated book value of any leasehold improvements, provided such leasehold improvements were agreed to by Clark County prior to its implementation. If Gibault, Inc. declines to renew after the initial four year term, then it surrenders all interest in its leasehold improvements.

During 2009, Gibault, Inc. and the Board of Clark County Commissioners agreed mutually to cease operations of residential services at the Springfield, Ohio location. Both parties have mutually agreed to eliminate the minimum monthly placement requirement of the contract as a result of cessation of the residential services. All other aspects of the contract continue. Gibault, Inc. continues to operate the visitation program at the facility.

NOTE 22 - RELATED PARTY TRANSACTIONS

During the year ended December 31, 2009, Gibault, Inc. purchased twenty-four vehicles from Gibault Ventures, Inc. The gross purchase price was \$161,974. The cost of these vehicles was \$149,260. Gibault, Inc. traded in twenty vehicles on these purchases and received a trade in allowance of 97,201 and paid cash of \$64,773.

NOTE 23 - INCOME TAXES

The deferred tax asset included in the consolidating balance sheet results from the net operating loss carryforward from Gibault Ventures, Inc. Federal income tax expense of \$3,956 consists of the recognition of part of the deferred tax asset resulting from the net operating losses carried forward from prior years. The prior year operating losses were used to reduce current year operating profit. The valuation allowance for the deferred tax asset is zero. The net operating loss carryforward was thought to be realizable in future years. The net operating losses can be carried forward as follows:

<u>Year of loss</u>	<u>Loss</u>	<u>Carryforward Expires</u>
2005	\$ 33,158	2025
2006	13,451	2026

**GIBALT, INC., GIBALT FOUNDATION, INC.,
GIBALT CARE, INC. AND GIBALT VENTURES, INC.**

Notes to Consolidating Financial Statements - Continued

December 31, 2009

NOTE 24 - ENDOWMENT FUND

Gibault Foundation, Inc. has an endowment consisting of unrestricted board-designated and permanently restricted assets. When the Foundation receives gifts from donors restricted as endowment funds, the Foundation records these gifts as permanently restricted assets to be held in perpetuity. Additionally, in accordance with established policy, when an unrestricted bequest is received by Gibault, Inc. or Gibault Foundation, Inc., the gift is deposited into the Foundation endowment fund as a board designated endowment fund. The board designated endowment funds and the investment earnings on the permanently restricted endowment funds are to be used to support the programs and operations of Gibault, Inc.

The assets in the endowment fund are maintained in two trust accounts and in-house as investments in Series E and EE government savings bonds. The Foundation's board has established an investment policy for the investment of the endowment funds. The purpose of endowment fund is to generate and invest income from operations and to supply cash for the daily expenses with a sufficient surplus to maintain a reserve balance equivalent to 30 to 45 days of operating expenses. The policy also details the investment portfolio allocation percentages for which the endowment funds may be invested.

In accordance with established policy, at least annually, the endowment fund is to transfer to Gibault, Inc., the investment earnings, net of applicable fees. These funds are to be used to support the programs and operations of Gibault, Inc. Additionally, as needed, additional appropriations may be approved by the Foundation's board to be transferred to Gibault, Inc. for operations.

For the year ended December 31, 2009, the Foundation had the following endowment related activities:

	Board Designated Endowment Funds <u>Unrestricted</u>	Permanently Restricted
Endowment Net Assets, Beginning of year	\$ 6,361,492	\$ 29,167
Investment return:		
Investment income (loss)	179,066	-
Realized gain (loss)	<u>(242,339)</u>	<u>-</u>
Total investment return	(63,273)	-
Contributions	180,489	636
Appropriation of endowment funds for expenditure	<u>(178,632)</u>	<u>-</u>
Endowment net assets, end of year	\$ <u>6,300,076</u>	\$ <u>29,803</u>

NOTE 25 - CONTINGENCIES

Gibault, Inc. is the defendant in two lawsuits, one of which is from a former employee for breach of contract and one is from a former client for sexual assault while at Gibault, Inc. In both cases, Gibault, Inc. has insurance coverage in place to cover losses in excess of the deductible. Subsequent to year end, the case with the former employee was settled for \$4,000. Additionally, in the case of the former client, Gibault, Inc.'s attorney was in the process of negotiating settlement of the case. As of the date of auditor's report, the settlement has not yet been finalized. No accrual has been made for these amounts in the December 31, 2009 financial statements.

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Sackrider & Company
Incorporated

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
ON SUPPLEMENTAL INFORMATION

Board of Directors
Gibault, Inc., Gibault Foundation, Inc., Gibault
Care, Inc., and Gibault Ventures, Inc.
Terre Haute, Indiana

Our audit was made for the purpose of forming an opinion on the basic consolidating financial statements taken as a whole of Gibault, Inc., Gibault Foundation, Inc., Gibault Care, Inc., and Gibault Ventures, Inc. for the year ended December 31, 2009, which are presented in the preceding section of this report. The statement of functional expenses - Gibault, Inc. and the statement of functional expenses - Gibault Care, Inc. for the year ended December 31, 2009 presented hereinafter is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the audit procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Sackrider & Company, Inc.

Terre Haute, Indiana
April 12, 2010

**GIBAULT, INC., GIBAULT FOUNDATION, INC.,
GIBAULT COUNSELING, INC. AND GIBAULT VENTURES, INC.**

**Statement of Functional Expenses -
Gibault, Inc.**

Year ended December 31, 2009

Program, Services and Administrative Expenses

	<u>CARE</u>	<u>Aspergers</u>	<u>Education</u>	<u>PRTF</u>	<u>Group Home</u>	<u>ISIS</u>
Personnel costs						
Salaries	\$ 724,328	\$ 679,306	\$ 583,357	\$ 1,042,858	\$ 138,326	\$ 310,070
Employee health insurance	107,165	74,285	69,163	111,137	33,302	50,845
Payroll taxes	59,301	55,420	44,908	83,932	11,956	25,925
Employee pension	19,207	13,181	25,876	11,715	7,808	9,846
	<u>910,001</u>	<u>822,192</u>	<u>723,304</u>	<u>1,249,642</u>	<u>191,392</u>	<u>396,686</u>
Advertising	-	-	-	-	-	-
Allowances/honor jobs - clients	8,802	2,027	1,181	2,680	1,762	3,080
Athletic and other equipment	-	-	-	-	-	-
Awards and recognition	539	1,188	6,995	640	-	124
Bad debt expense	-	-	-	-	-	-
Bank fees	-	-	-	-	-	-
Chapter I expenses	-	-	134,970	-	-	-
Clinical supplies	-	-	-	-	-	46
Clothing	7,307	990	407	5,750	12	2,262
Commissary	1,121	135	-	571	111	37
Computer/software supplies	-	-	5,485	-	-	-
Contracted services	1,645	10,986	4,339	60,940	-	-
Copier lease payments	-	-	-	3,789	-	-
Depreciation	-	-	-	-	-	-
Directors fund	-	-	1,199	-	-	-
Donor Development	-	-	-	-	-	-
Exhibit fees	-	-	-	-	-	-
Furnishings and linens	3,753	1,233	-	1,071	-	1,017
Gas and oil	2,018	4,445	25	566	1,328	1,509
Health care	-	327	-	-	-	-
Household supplies	15,620	4,722	2,104	12,712	1,388	6,728
Insurance	-	-	-	-	-	-
Lease payments	-	-	-	-	-	-
Maintenance supplies and contracts	-	-	6,539	-	198	-
Miscellaneous	-	-	1,702	-	-	307
Office supplies	2,787	2,356	3,010	7,762	78	1,321
Outings and special events	8,764	3,568	3,387	3,610	249	2,666
Parent classes	-	-	-	-	-	-
Personal hygiene supplies	3,107	481	32	1,510	-	419
Postage	224	21	-	72	-	50
Printing and publications	-	-	-	-	-	-
Professional development fees	19	-	72	-	-	-
Provisions	558	1,274	3,191	408	290	285
Recreational supplies	276	682	-	573	-	100
Sick leave buy back	-	-	-	-	-	-
School supplies	-	99	25,282	60	57	-
Scholarships/Tuition	-	-	-	-	-	-
Staff development	80	110	1,298	-	-	285
Staff travel	4,194	1,653	488	2,429	222	1,273
Student travel	-	-	-	302	-	-
Telephone	970	595	350	350	1,503	595
Utilities	-	-	-	-	1,483	-
Vehicle repairs	-	-	-	-	-	-
	<u>\$ 971,785</u>	<u>\$ 859,084</u>	<u>\$ 925,360</u>	<u>\$ 1,355,437</u>	<u>\$ 200,073</u>	<u>\$ 418,790</u>

Aftercare	Ohio Campus	Ohio Visitation	Shelbyville	Foster Care	JCYC	CASA
\$ -	\$ 396,826	\$ 51,817	\$ 338,786	\$ 15,262	\$ 272,777	\$ 12,500
1,728	37,119	6,260	48,789	1,423	8,486	-
-	35,850	4,728	27,904	998	23,418	1,037
-	11,274	825	6,192	508	6,183	-
1,728	481,069	63,630	421,671	18,191	310,864	13,537
150	-	-	-	360	514	-
-	1,271	-	2,725	-	-	-
-	-	-	-	-	120	-
-	-	-	-	-	75	373
-	-	-	-	-	-	-
-	-	-	-	-	7	-
-	26,436	-	-	-	-	-
-	-	-	731	-	-	-
-	1,925	-	3,709	-	-	-
-	2,836	-	379	-	64	-
-	-	-	-	-	110	-
-	9,463	-	722	-	-	1,000
-	5,147	1,149	8,211	-	5,659	1,500
-	31,785	-	10,079	-	484	-
-	966	-	(39)	-	36	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
416	298	990	1,180	-	5,837	-
2,238	-	38	7,762	993	777	68
-	1,440	-	106	144	-	-
-	7,571	481	4,196	-	5,283	-
-	20,111	-	-	-	-	950
-	-	-	-	-	1,161	1,200
-	16,549	555	9,031	14	20,391	-
-	-	-	718	-	825	-
-	3,864	28	3,330	961	815	1,690
-	1,957	287	1,216	-	115	445
-	-	-	-	-	1,656	-
-	37	-	414	-	-	-
-	1,195	92	1,503	11	95	605
1,963	-	-	-	-	1,119	-
-	3,459	-	117	-	337	-
-	52,205	-	19,559	-	28,082	152
-	304	52	261	-	495	-
-	-	-	-	-	-	-
-	412	1,283	144	-	5,182	-
-	-	-	1,057	-	-	-
-	1,551	95	722	2,432	4,726	720
1,573	7,956	370	1,638	3,324	938	1,877
-	-	-	6	-	-	-
990	5,715	550	8,482	489	2,430	600
-	50,142	-	15,379	-	14,353	500
-	6,268	-	2,308	-	1,084	-
\$ 9,058	\$ 741,932	\$ 69,600	\$ 527,317	\$ 26,919	\$ 413,634	\$ 25,217

**GIBAULT, INC., GIBAULT FOUNDATION, INC.,
GIBAULT COUNSELING, INC. AND GIBAULT VENTURES, INC.**

**Statement of Functional Expenses -
Gibault, Inc.-Continued**

Year ended December 31, 2009

Program, Services and Administrative Expenses

	<u>Program Support</u>	<u>Support Services</u>	<u>Marketing</u>	<u>General Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Personnel costs						
Salaries	\$ 949,119	\$ 560,190	\$ 197,307	\$ 597,367	\$ 128,298	\$ 6,998,494
Employee health insurance	87,583	127,446	27,708	68,026	22,066	882,531
Payroll taxes	75,546	42,415	15,791	44,263	9,963	563,355
Employee pension	37,433	20,246	9,906	28,592	6,901	215,693
	<u>1,149,681</u>	<u>750,297</u>	<u>250,712</u>	<u>738,248</u>	<u>167,228</u>	<u>8,660,073</u>
Advertising	-	-	3,020	8,549	-	12,593
Allowances/honor jobs - clients	5,260	-	-	-	-	28,788
Athletic and other equipment	4,687	-	-	16,327	-	21,134
Awards and recognition	418	154	1,411	3,021	5,103	20,041
Bad debt expense	-	41,610	-	27,925	-	69,535
Bank fees	-	5,000	-	-	-	5,007
Chapter I expenses	-	-	-	-	-	161,406
Clinical supplies	576	-	-	-	-	1,353
Clothing	209	(1,339)	-	-	-	21,232
Commissary	30	6,746	-	-	-	12,030
Computer/software supplies	-	-	240	18,494	1,525	25,854
Contracted services	15,978	196,897	-	5,550	2,838	310,358
Copier lease payments	13,788	-	6,428	6,268	-	51,939
Depreciation	-	375,059	-	-	-	417,407
Directors fund	1,787	487	622	4,001	217	9,276
Donor Development	-	-	-	-	3,232	3,232
Exhibit fees	-	-	2,545	-	-	2,545
Furnishings and linens	2,209	207	-	663	-	18,874
Gas and oil	14,276	19,059	3,370	5,832	2,669	66,973
Health care	-	17,848	-	-	-	19,865
Household supplies	4,160	20,544	-	1,795	-	87,304
Insurance	-	257,911	-	-	7,805	286,777
Lease payments	-	799,494	-	36,795	-	838,650
Maintenance supplies and contracts	-	206,699	-	-	854	260,830
Miscellaneous	-	228	-	38,428	-	42,208
Office supplies	9,107	4,267	2,536	12,033	3,745	59,690
Outings and special events	2,892	-	-	-	10,347	39,503
Parent classes	-	-	-	-	-	1,656
Personal hygiene supplies	15	(197)	-	-	-	5,818
Postage	1	21,537	1,593	277	23,297	50,573
Printing and publications	-	-	1,838	346	33,671	38,937
Professional development fees	214	22,940	-	795	143	28,096
Provisions	723	384,787	-	343	-	491,857
Recreational supplies	519	-	-	-	-	3,262
Sick leave buy back	-	11,795	-	-	-	11,795
School supplies	-	309	-	-	-	32,828
Scholarships	-	-	3,037	-	-	4,094
Staff development	3,764	2,766	1,203	6,905	199	26,856
Staff travel	3,926	4,634	8,807	7,161	3,410	55,873
Student travel	-	-	-	-	-	308
Telephone	20,756	16,001	1,205	9,623	630	71,834
Utilities	-	352,943	-	39,622	-	474,422
Vehicle repairs	160	32,749	-	(102)	-	42,467
	<u>\$ 1,255,136</u>	<u>\$ 3,551,432</u>	<u>\$ 288,567</u>	<u>\$ 988,899</u>	<u>\$ 266,913</u>	<u>\$ 12,895,153</u>

**GIBAULT, INC., GIBAULT FOUNDATION, INC.,
GIBAULT COUNSELING, INC. AND GIBAULT VENTURES, INC.**

**Statement of Functional Expenses -
Gibault Care, Inc.**

Year ended December 31, 2009

	Program, Services and Administrative Expenses		
	Program Services	Management & General	Total
Personnel costs			
Salaries	\$ 982,143	\$ -	\$ 982,143
Employee health insurance	39,764	-	39,764
Payroll taxes	84,633	-	84,633
Employee pension	1,976	-	1,976
	1,108,516	-	1,108,516
Advertising	7,561	-	7,561
Assessments	132,893	-	132,893
Athletic and other equipment	6,996	-	6,996
Bad debt expense	6,342	-	6,342
Computer/software supplies	3,022	-	3,022
Contracted services	29,936	21,991	51,927
Depreciation and amortization	68,502	-	68,502
Directors fund	-	2,455	2,455
Drug testing	130	-	130
Dues and subscriptions	-	2,932	2,932
Fees and licenses	200	-	200
Furnishings and linens	805	-	805
Health care	23,207	-	23,207
Household supplies	3,632	-	3,632
Insurance	22,160	-	22,160
Maintenance supplies and contracts	115,743	-	115,743
Management fees	26,116	50,000	76,116
Medical supplies	47,054	-	47,054
Miscellaneous	-	33	33
Office supplies	-	4,435	4,435
Penalties	-	18,400	18,400
Postage	-	161	161
Printing and publications	-	67	67
Provisions	84,244	-	84,244
Property taxes	-	3,502	3,502
Recreation supplies	2,364	-	2,364
Staff development	-	1,213	1,213
Staff travel	-	7,458	7,458
Telephone	-	4,811	4,811
Utilities	45,302	-	45,302
Vehicle repairs	5,481	-	5,481
	\$ 1,740,206	\$ 117,458	\$ 1,857,664

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Trustees and Board of Directors
Gibault, Inc., Gibault Foundation, Inc., Gibault
Care, Inc., and Gibault Ventures, Inc.
Terre Haute, Indiana

We have audited the financial statements of Gibault, Inc., Gibault Foundation, Inc., Gibault Care, Inc., and Gibault Ventures, Inc. as of and for the year ended December 31, 2009, and have issued our report thereon dated April 12, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Gibault, Inc., Gibault Foundation, Inc., Gibault Care, Inc., and Gibault Ventures, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Gibault, Inc., Gibault Foundation, Inc., Gibault Care, Inc., and Gibault Ventures, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Gibault, Inc., Gibault Foundation, Inc., Gibault Care, Inc., and Gibault Ventures, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the audit committee, Board of Trustees/Directors, and is not intended to be and should not be used by anyone other than these specified parties.

Sackrider + Company, Inc.

Terre Haute, Indiana
April 12, 2010

**Gibault, Inc., The Gibault
Foundation, Inc., Gibault
Care, Inc., Gibault Ventures, Inc. and
Summit Academy of Vigo County, Inc.**

**Consolidating Financial Statements and Report
of Independent Certified Public Accountants**

December 31, 2010

CONTENTS

	PAGE
REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS	1.
FINANCIAL STATEMENTS	
Consolidating Balance Sheets	2.
Consolidating Statements of Activities	3.
Consolidating Statements of Cash Flows	4-5.
Notes to Consolidating Financial Statements	6-16.
SUPPLEMENTAL INFORMATION	
Statement of Functional Expenses - Gibault, Inc.	17-18.
Statement of Functional Expenses - Gibault Care, Inc.	19.
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	20-21.

Sackrider & Company, Inc.
Certified Public Accountants
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Sackrider & Company
Incorporated

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
Gibault, Inc., The Gibault Foundation, Inc.,
Gibault Care, Inc., Gibault Ventures, Inc.
and Summit Academy of Vigo County, Inc.
Terre Haute, Indiana

We have audited the accompanying consolidating balance sheet of Gibault, Inc., The Gibault Foundation, Inc., Gibault Care, Inc., Gibault Ventures, Inc., and Summit Academy of Vigo County, Inc. as of December 31, 2010, and the related consolidating statements of activities, functional expenses and cash flows for the year then ended. These consolidating financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these consolidating financial statements based on our audit. The prior year summarized comparative information has been derived from Gibault, Inc., The Gibault Foundation, Inc., Gibault Care, Inc., Gibault Ventures, Inc. and Summit Academy of Vigo County, Inc.'s 2009 consolidated financial statements and, in our report dated April 12, 2010, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 consolidating financial statements. An audit also includes assessing the accounting principles used and the 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 consolidating financial statements referred to above present fairly, in all material respects, the financial position of Gibault, Inc., The Gibault Foundation, Inc., Gibault Care, Inc., Gibault Ventures, Inc. and Summit Academy of Vigo County, Inc. as of December 31, 2010, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 26, 2011, on our consideration of Gibault, Inc., The Gibault Foundation, Inc., Gibault Care, Inc., Gibault Ventures, Inc. and Summit Academy of Vigo County, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Terre Haute, Indiana
April 26, 2011

Sackrider & Company, Inc.

**GIBAULT, INC., THE GIBAULT FOUNDATION, INC.,
GIBAULT CARE, INC., GIBAULT VENTURES, INC.
AND SUMMIT ACADEMY OF VIGO COUNTY, INC.**

**Consolidating Balance Sheet
(with summarized financial information for the year ended December 31, 2009)**

December 31,

	2010		
	Gibault, Inc.	The Gibault Foundation, Inc.	Gibault Care, Inc.
ASSETS			
Cash	\$ 611,148	\$ 37,632	\$ 74,075
Investments	1,922,412	7,369,743	-
Investments in other assets	5,000	-	-
Accounts receivable - net	1,893,494	-	135,114
Contributions receivable	179,879	31,000	-
Accrued interest receivable	8,228	36,282	-
Inventories	69,230	-	-
Cash surrender value of life insurance	-	70,951	-
Prepaid expenses	162,082	-	21,301
Notes receivable	-	-	-
Interest in net assets of The Gibault Foundation, Inc., Gibault Care, Inc., and Summit Academy of Vigo County, Inc.	12,924,365	-	-
Investment in Gibault Ventures, Inc.	318,051	-	-
Land, buildings and equipment - at cost, less accumulated depreciation	1,955,607	9,750,377	1,152,004
Intangible assets less accumulated amortization	-	-	665,017
Deferred income taxes	-	-	-
Total assets	\$ 20,049,496	\$ 17,295,985	\$ 2,047,511
LIABILITIES AND NET ASSETS			
Accounts payable	\$ 219,610	\$ 200,495	\$ 245,140
Accrued compensation and other liabilities	392,720	21,637	38,062
Annuity liability	-	532,960	-
Estimated health insurance liability	93,000	-	-
Notes payable	-	-	1,851,289
Bonds payable	-	3,510,152	-
Total liabilities	705,330	4,265,244	2,134,491
Shareholders' equity			
Common stock, no par value, 1000 shares authorized, issued, and outstanding	-	-	-
Contributed capital	-	-	-
Accumulated deficit	-	-	-
Net assets			
Unrestricted	19,220,974	12,913,955	(86,980)
Temporarily restricted	92,737	86,331	-
Permanently restricted	30,455	30,455	-
Total net assets	19,344,166	13,030,741	(86,980)
Total liabilities and net assets	\$ 20,049,496	\$ 17,295,985	\$ 2,047,511

The accompanying notes are an integral part of these statements.

<u>Gibault Ventures, Inc.</u>	<u>Summit Academy of Vigo County, Inc.</u>	<u>Eliminations</u>	<u>Consolidated Total</u>	<u>2009 Consolidated Total</u>
\$ 129,708	\$ -	\$ -	\$ 852,563	\$ 971,592
-	-	-	9,292,155	8,858,631
-	-	-	5,000	5,000
3,548	-	426,437	1,605,719	1,301,039
-	-	-	210,879	197,571
-	-	-	44,510	47,620
36,992	-	-	106,222	128,169
-	-	-	70,951	62,690
-	-	-	183,383	173,367
10,154	-	-	10,154	7,913
-	-	12,924,365	-	-
-	-	318,051	-	-
132,755	-	-	12,990,743	13,470,941
-	-	-	665,017	695,017
6,922	-	-	6,922	11,652
<u>\$ 320,079</u>	<u>\$ -</u>	<u>\$ 13,668,853</u>	<u>\$ 26,044,218</u>	<u>\$ 25,931,202</u>
\$ 428	\$ 19,396	\$ 426,437	\$ 258,632	\$ 229,884
1,600	-	-	454,019	513,307
-	-	-	532,960	559,830
-	-	-	93,000	113,000
-	-	-	1,851,289	1,938,192
-	-	-	3,510,152	3,658,922
2,028	19,396	426,437	6,700,052	7,013,135
1,000	-	1,000	-	-
338,372	-	338,372	-	-
(21,321)	-	(21,321)	-	-
318,051	-	318,051	-	-
-	(19,396)	12,807,579	19,220,974	18,803,769
-	-	86,331	92,737	84,495
-	-	30,455	30,455	29,803
-	(19,396)	12,924,365	19,344,166	18,918,067
<u>\$ 320,079</u>	<u>\$ -</u>	<u>\$ 13,668,853</u>	<u>\$ 26,044,218</u>	<u>\$ 25,931,202</u>

**GIBAULT, INC., THE GIBAULT FOUNDATION, INC.,
GIBAULT CARE, INC., GIBAULT VENTURES, INC.
AND SUMMIT ACADEMY OF VIGO COUNTY, INC.**

**Consolidating Statements of Activities
(with summarized financial information for the year ended December 31, 2009)**

For the Year Ended December 31,

	2010		
	Gibault, Inc.	The Gibault Foundation, Inc.	Gibault Care, Inc.
Changes in unrestricted net assets:			
Support and revenue:			
Public support:			
Knights of Columbus-assessments	\$ 124,820	\$ -	\$ -
Transfers from The Gibault Foundation, Inc.	1,097,326	-	-
Transfers from Gibault, Inc.	-	-	76,082
Contributions-other	631,707	12,215	-
Fundraising	39,219	-	-
Total public support	<u>1,893,072</u>	<u>12,215</u>	<u>76,082</u>
Revenue:			
Per diem	9,119,433	-	-
Patient fees	-	-	1,683,188
Sales	-	-	-
Investment income	167,349	625,495	86
Rental income	7,536	825,000	76,703
Other:			
Grants	313,883	-	-
Reimbursements	-	-	-
Administrative fees from related parties	110,000	-	-
Increase in cash surrender value of life insurance policies	-	8,261	-
Gain on disposal of property and equipment	9,445	-	-
Miscellaneous	3,726	47,188	128
Change in interest in net assets of The Gibault Foundation, Inc., Gibault Care, Inc. and Summit Academy of Vigo County, Inc.	(146,888)	-	-
Net profit from Gibault Ventures, Inc.	14,192	-	-
Total revenues	<u>9,598,676</u>	<u>1,505,944</u>	<u>1,760,105</u>
	<u>11,491,748</u>	<u>1,518,159</u>	<u>1,836,187</u>
Net assets released from restrictions:			
Satisfaction of restrictions	110,399	-	835
Total unrestricted support and revenues	<u>11,602,147</u>	<u>1,518,159</u>	<u>1,837,022</u>
Expenses:			
Program, services, general/administrative & fundraising expenses	11,096,198	414,549	1,749,843
Cost of sales	-	-	-
Interest expenses	-	176,794	44,161
Board expenses	12,662	-	-
Transfers to Gibault, Inc.	-	1,097,326	-
Transfers to Gibault Care, Inc.	76,082	-	-
Income taxes	-	-	-
Total expenses	<u>11,184,942</u>	<u>1,688,669</u>	<u>1,794,004</u>
Increase (decrease) in unrestricted net assets	<u>417,205</u>	<u>(170,510)</u>	<u>43,018</u>
Changes in temporarily restricted assets:			
Contributions	112,961	6,380	135
Change in interest in net assets of The Gibault Foundation, Inc. and Gibault Care, Inc.	5,680	-	-
Net assets released from restrictions	(110,399)	-	(835)
Increase (decrease) in temporarily restricted net assets	<u>8,242</u>	<u>6,380</u>	<u>(700)</u>
Changes in permanently restricted assets:			
Contributions	-	652	-
Change in interest in net assets of The Gibault Foundation, Inc.	652	-	-
Increase in permanently restricted net assets	<u>652</u>	<u>652</u>	<u>-</u>
INCREASE (DECREASE) IN NET ASSETS	<u>426,099</u>	<u>(163,478)</u>	<u>42,318</u>
Net assets at beginning of year	<u>18,918,067</u>	<u>13,194,219</u>	<u>(129,298)</u>
Net assets at end of year	<u>\$ 19,344,166</u>	<u>\$ 13,030,741</u>	<u>\$ (86,980)</u>

The accompanying notes are an integral part of these statements.

<u>Gibault Ventures, Inc.</u>	<u>Summit Academy of Vigo County, Inc.</u>	<u>Eliminations</u>	<u>Consolidated Total</u>	<u>2009 Consolidated Total</u>
\$ -	\$ -	\$ -	\$ 124,820	\$ 122,036
-	-	1,097,326	-	-
-	-	76,082	-	-
-	-	-	643,922	628,651
-	-	-	39,219	48,145
-	-	1,173,408	807,961	798,832
-	-	-	9,119,433	10,247,813
-	-	-	1,683,188	1,792,953
366,097	-	-	366,097	359,924
1,220	-	-	794,150	1,108,732
7,995	-	825,000	92,234	92,324
-	-	-	313,883	369,246
-	-	-	-	936
-	-	110,000	-	-
-	-	-	8,261	10,116
-	-	-	9,445	1,208
61	-	-	51,103	63,297
-	-	(146,888)	-	-
-	-	14,192	-	-
375,373	-	802,304	12,437,794	14,046,549
375,373	-	1,975,712	13,245,755	14,845,381
-	-	-	111,234	36,975
375,373	-	1,975,712	13,356,989	14,882,356
9,930	19,396	935,000	12,354,916	14,243,237
346,520	-	-	346,520	339,130
-	-	-	220,955	235,810
-	-	-	12,662	21,965
-	-	1,097,326	-	-
-	-	76,082	-	-
4,731	-	-	4,731	3,956
361,181	19,396	2,108,408	12,939,784	14,844,098
14,192	(19,396)	(132,696)	417,205	38,258
-	-	-	119,476	17,858
-	-	5,680	-	-
-	-	-	(111,234)	(36,975)
-	-	5,680	8,242	(19,117)
-	-	-	652	636
-	-	652	-	-
-	-	652	652	636
14,192	(19,396)	(126,364)	426,099	19,777
(35,513)	-	13,029,408	18,918,067	18,898,290
\$ (21,321)	\$ (19,396)	\$ 12,903,044	\$ 19,344,166	\$ 18,918,067

**GIBAULT, INC., THE GIBAULT FOUNDATION, INC.,
GIBAULT CARE, INC., GIBAULT VENTURES, INC.
AND SUMMIT ACADEMY OF VIGO COUNTY, INC.**

**Consolidating Statements of Cash Flows
(with summarized financial information for the year ended December 31, 2009)**

For the Year Ended December 31,

	2010		
	<u>Gibault, Inc.</u>	<u>The Gibault Foundation, Inc.</u>	<u>Gibault Care, Inc.</u>
Cash flows from operating activities:			
Increase (decrease) in net assets	\$ 426,099	\$ (163,478)	\$ 42,318
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:			
(Gain) loss on disposal of equipment	(9,445)	-	-
(Gain) loss on sales of investments	(4,672)	266,802	-
Net unrealized (gains) losses on investments	(113,889)	(700,527)	-
Gifts of investments	(3,454)	(1,137)	-
Change in interest in net assets of The Gibault Foundation, Inc., Gibault Care, Inc., and Summit Academy of Vigo County, Inc.	140,556	-	-
Change in investment in Gibault Ventures, Inc.	(14,192)	-	-
Depreciation & amortization	376,484	344,123	75,023
Increase in cash surrender value of life insurance policies	-	(8,261)	-
Change in assets and liabilities:			
Accounts receivable	(407,934)	-	26,691
Accrued interest receivable	511	2,599	-
Contributions receivable	(173,251)	159,943	-
Inventories	(3,891)	-	-
Prepaid expenses	(17,555)	-	7,539
Deferred income taxes	-	-	-
Accounts payable	18,213	99,595	(28,415)
Accrued compensation and other liabilities	(44,273)	3,949	(18,940)
Annuity liability	-	(26,870)	-
Estimated health insurance liability	(20,000)	-	-
Net cash provided by operating activities	<u>149,307</u>	<u>(23,262)</u>	<u>104,216</u>
Cash flows from investing activities:			
Proceeds from sales of equipment	16,214	-	-
Proceeds from sale of investments	461,378	2,434,887	-
Purchases of investments	(505,109)	(2,267,804)	-
Expenditures for land, buildings and equipment	(278,214)	-	(17,878)
Net cash used by investing activities	<u>(305,731)</u>	<u>167,083</u>	<u>(17,878)</u>
Cash flows from financing activities:			
Repayments of long-term obligations	-	-	(86,903)
Proceeds from long-term obligations	-	-	-
Repayment of bonds payable	-	(148,770)	-
Contributed capital	-	-	-
Net cash provided by financing activities	<u>-</u>	<u>(148,770)</u>	<u>(86,903)</u>
NET INCREASE (DECREASE) IN CASH	(156,424)	(4,949)	(565)
Cash at beginning of year	<u>767,572</u>	<u>42,581</u>	<u>74,640</u>
Cash at end of year	\$ <u>611,148</u>	\$ <u>37,632</u>	\$ <u>74,075</u>

The accompanying notes are an integral part of these statements.

<u>Gibault Ventures, Inc.</u>		<u>Summit Academy of Vigo County, Inc.</u>		<u>Eliminations</u>	<u>Consolidated Total</u>	<u>2009 Consolidated Total</u>			
\$	14,192	\$	(19,396)	\$	(126,364)	\$	426,099	\$	19,777
	-		-		-		(9,445)		(1,208)
	-		-		-		262,130		345,657
	-		-		-		(814,416)		(1,201,429)
	-		-		-		(4,591)		-
	-		-		140,556		-		-
	-		-		(14,192)		-		-
	3,891		-		-		799,521		836,066
	-		-		-		(8,261)		(10,116)
	(5,036)		-		79,360		(306,919)		574,539
	-		-		-		3,110		6,684
	-		-		-		(13,308)		86,283
	25,838		-		-		21,947		(21,304)
	-		-		-		(10,016)		(116,017)
	4,731		-		-		4,731		3,957
	(682)		19,396		(79,360)		28,747		174,798
	(25)		-		-		(59,289)		(70,139)
	-		-		-		(26,870)		(29,204)
	-		-		-		(20,000)		32,300
	<u>42,909</u>		<u>-</u>		<u>-</u>		<u>273,170</u>		<u>630,644</u>
	-		-		-		16,214		9,000
	-		-		-		2,896,265		2,736,567
	-		-		-		(2,772,913)		(2,685,978)
	-		-		-		(296,092)		(273,419)
	-		-		-		(156,526)		(213,830)
	-		-		-		(86,903)		(61,808)
	-		-		-		-		-
	-		-		-		(148,770)		(142,537)
	-		-		-		-		-
	-		-		-		(235,673)		(204,345)
	<u>42,909</u>		<u>-</u>		<u>-</u>		<u>(119,029)</u>		<u>212,469</u>
	<u>86,799</u>		<u>-</u>		<u>-</u>		<u>971,592</u>		<u>759,123</u>
\$	<u>129,708</u>	\$	<u>-</u>	\$	<u>-</u>	\$	<u>852,563</u>	\$	<u>971,592</u>

GIBAULT, INC., THE GIBAULT FOUNDATION, INC.,
GIBAULT CARE, INC., GIBAULT VENTURES, INC.
AND SUMMIT ACADEMY OF VIGO COUNTY, INC.

Consolidating Statements of Cash Flows - Continued
(with summarized financial information for the year ended December 31, 2009)

For the Year Ended December 31,

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

	2010		
	<u>Gibault, Inc.</u>	<u>The Gibault Foundation, Inc.</u>	<u>Gibault Care, Inc.</u>
Cash paid during the year for interest	\$ -	\$ 177,330	\$ 44,161

No cash was paid for income taxes during the year.

NONCASH INVESTING AND FINANCING ACTIVITY:

During the year ended December 31, 2010, Gibault, Inc. received donated stock of \$3,454.

During the year ended December 31, 2010, The Gibault Foundation, Inc. received donated stock valued at \$1,137.

DISCLOSURE OF ACCOUNTING POLICY:

Cash, as used in the statement of cash flows, is the amount reported as "cash" in the consolidated balance sheet, which includes cash on hand and all checking accounts.

The accompanying notes are an integral part of these statements.

<u>Gibault</u>	<u>Summit Academy</u>						<u>2009</u>
<u>Ventures, Inc.</u>	<u>of Vigo County, Inc.</u>	<u>Eliminations</u>	<u>Consolidated Total</u>				<u>Consolidated Total</u>
\$ -	\$ -	\$ -	\$ 221,491	\$			\$ 236,324

**GIBAULT, INC., THE GIBAULT FOUNDATION, INC.,
GIBAULT CARE, INC., GIBAULT VENTURES, INC.
AND SUMMIT ACADEMY OF VIGO COUNTY, INC.**

Notes to Consolidating Financial Statements

December 31, 2010

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Gibault, Inc. operates a residential treatment facility in Terre Haute, Indiana for delinquent and pre-delinquent boys and girls ages 8 to 18 years at time of admission. Gibault, Inc. also provides various programs in Springfield, Ohio, Shelbyville, Indiana, New Castle, Indiana, Rensselaer, Indiana and Terre Haute, Indiana. Gibault, Inc. provides treatment services and is reimbursed from State and County Agencies at negotiated per diem rates. Gibault, Inc. also provides psychiatric treatment to clients through its PRTF program. Fees for these services are charged to Indiana Medicaid program. Additionally in 2010, Gibault, Inc. assumed management of Henry County Youth Center in New Castle, Indiana. This facility provides daily youth programs as well as detention and residential treatment services.

The Gibault Foundation, Inc. was organized at the direction of the board of trustees for Gibault, Inc. for the purpose of providing support to Gibault, Inc. During 1989, a portion of Gibault, Inc.'s investments were gifted to the Foundation. In January 1990, Gibault, Inc. gifted all of its land, land improvements, buildings and the related bonds payable to the Foundation. The membership of The Gibault Foundation, Inc. shall consist of one class, namely the members of the Foundation's board of directors.

In 2001, Gibault Counseling, Inc. was established to provide behavioral health counseling treatment and therapy services. Gibault Counseling, Inc. began operations in November 2002. Gibault Counseling, Inc. receives payment for these services from third party payers which includes Medicaid and individuals receiving counseling. Gibault Counseling, Inc. is governed by a board of directors which is approved by the board of directors of Gibault, Inc. During 2007, Gibault Counseling, Inc. ceased operations. During 2008, Gibault Counseling, Inc. was renamed Gibault Care, Inc., d/b/a McGivney Health Care Center. Additionally, the exempt purpose of the organization was amended to include long-term residential care to persons with chronic illness or disability in a health care center (formerly referred to as a nursing home). On October 31, 2008, Gibault Care, Inc. purchased and began operating a nursing home in Carmel, Indiana.

In 2005, Gibault Ventures, Inc., d/b/a Top of the Hill Auto Sales, was established. The Corporation sells used automobiles to the general public for profit and to Gibault, Inc. for use in its operations. The profits are to be used to subsidize Gibault, Inc.'s operations. Gibault, Inc. owns 100% of the outstanding stock of the Corporation and its board of directors consists of employees of Gibault, Inc.

In 2009, Summit Academy of Vigo County, Inc. was established to operate a fully accredited, charter school under the laws of the State of Indiana. Summit Academy of Vigo County, Inc. was established as a 501(c)(3) organization under the internal revenue code. The corporation's board of directors and officers are employees of Gibault, Inc. In 2009, the corporation had no activity other than incorporation. As a result, the Corporation was not included on any of the consolidating financial statements for 2009. In 2010, the Corporation began seeking a charter to begin operations. As of December 31, 2010, the Corporation had not received a charter.

Consolidation Policy

The accompanying consolidated financial statements include the accounts of Gibault, Inc., The Gibault Foundation, Inc., Gibault Care, Inc., Gibault Ventures, Inc. and Summit Academy of Vigo County, Inc. Inter-entity transactions and balances have been eliminated in consolidation.

Comparative Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2009, from which the summarized information was derived.

Support and Expenses

Contributions received are measured at their fair values and are reported as an increase in net assets. Gifts of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated

GIBAULT, INC., THE GIBAULT FOUNDATION, INC.,
GIBAULT CARE, INC., GIBAULT VENTURES, INC.
AND SUMMIT ACADEMY OF VIGO COUNTY, INC.

Notes to Consolidating Financial Statements - Continued

December 31, 2010

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES - continued

time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activity as net assets released from restrictions.

Donated securities are recorded as contributions at their estimated fair values at the date of donation. Only those in-kind contributions for which a market value can be objectively determined are recorded as revenue.

Expenses are recorded when incurred in accordance with the accrual basis of accounting.

Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Accounts Receivable

Trade receivables and notes receivables are carried at their estimated collectible amounts. Trade receivables do not bear interest because they are created from established per diem rates with various state agencies under contract. Trade receivables are periodically evaluated for collectibility based on conversations with representatives from the various state agencies.

Allowance for Doubtful Accounts

The allowance for doubtful accounts for Gibault, Inc., Gibault Care, Inc. and Gibault Ventures, Inc. is zero at December 31, 2010. The direct write-off method is used for recognizing bad debts, which would not be materially different from the allowance method that is called for by generally accepted accounting principles. Balances that are outstanding after management has used reasonable collection efforts are written off using the direct write-off method.

Inventory Valuation

Inventories of Gibault, Inc., which consist of provisions and supplies, are recorded at the lower of cost or market determined by using the first in, first out (FIFO) method.

Vehicle inventory of Gibault Ventures, Inc. is valued at cost. Cost includes the original purchase price plus repair costs to prepare vehicle for sale.

Investments

Investments in marketable securities are stated at fair market value.

Derivatives

Mortgage-backed securities are recorded at fair value using quoted market prices. Realized gains and losses are recognized when payments are received. The organization does not engage in the trading of derivatives. Mortgage-backed securities are purchased and held as part of the organizations portfolio to achieve investment return.

Land, Buildings and Equipment

Land, buildings, and equipment owned at April 1, 1975 are recorded at appraised value. Property purchased after April 1, 1975 is recorded at cost. Donated property is recorded at fair value on the date of gift.

Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives, principally on a straight-line basis. Gibault Ventures, Inc. records depreciation using accelerated methods.

**GIBAULT, INC., THE GIBAULT FOUNDATION, INC.,
GIBAULT CARE, INC., GIBAULT VENTURES, INC.
AND SUMMIT ACADEMY OF VIGO COUNTY, INC.**

Notes to Consolidating Financial Statements - Continued

December 31, 2010

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES - continued

Deferred Income Taxes

Deferred taxes are provided in accordance with FASB ASC 740, "Accounting for Income Taxes". Deferred taxes are provided for accumulated temporary differences due to basis differences for assets and liabilities for financial reporting and income tax purposes, including alternative minimum taxes. The temporary difference is due to net operating loss carryforward.

Advertising Costs

Advertising costs are expensed as incurred and amounted to \$16,630 for the year ended December 31, 2010.

Subsequent Events

Management has evaluated subsequent events through April 26, 2011, the date which the financial statements were available for issue and concluded nothing occurred requiring adjustment to the financial statements or disclosure in the notes to the financial statements.

NOTE 2 - ACCOUNTS RECEIVABLE

Accounts receivable at December 31, 2010 consist of the following:

Per diem	\$ 1,396,278
Other	74,327
Patient revenue	<u>135,114</u>
	<u>\$ 1,605,719</u>

NOTE 3 - INVESTMENTS

Investments are held in agency accounts and are carried at fair value. The cost and fair values of investment securities are as follows at December 31:

	<u>2010</u>		<u>2009</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Cash equivalents	\$ 516,750	\$ 516,750	\$ 387,934	\$ 387,934
Municipal bonds	253,180	253,834	153,180	142,357
Mortgages, note contracts	54,851	54,750	3,190	3,465
U.S. Government obligations	2,478,563	2,599,006	2,673,782	2,787,793
Corporate bonds	1,123,451	1,147,822	860,857	875,506
Common stock	<u>3,664,788</u>	<u>4,719,993</u>	<u>4,393,531</u>	<u>4,661,576</u>
	<u>\$ 8,091,583</u>	<u>\$ 9,292,155</u>	<u>\$ 8,472,474</u>	<u>\$ 8,858,631</u>

The following schedule summarizes the investment return and its classification in the Statement of Activities for the year ended December 31,:

	<u>2010</u>			<u>2009</u>
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	
Interest and dividend income	\$ 241,864	\$ -	\$ -	\$ 241,864
Realized losses based on original cost	(262,130)	-	-	(345,657)
Net unrealized gains	<u>814,416</u>	<u>-</u>	<u>-</u>	<u>1,201,430</u>
Total investment return	<u>\$ 794,150</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,108,732</u>

**GIBAULT, INC., THE GIBAULT FOUNDATION, INC.,
GIBAULT CARE, INC., GIBAULT VENTURES, INC.
AND SUMMIT ACADEMY OF VIGO COUNTY, INC.**

Notes to Consolidating Financial Statements - Continued

December 31, 2010

NOTE 4- FAIR VALUE MEASUREMENT

Assets measured at fair value on a recurring basis at December 31, 2010 are as follows:

	Based on		
	Quoted Prices In Active Markets	Other Observable Inputs	Unobservable Inputs
<u>Assets</u>			
Contributions receivable	\$ -	\$ -	\$ 210,879
Cash equivalents	516,750	-	-
Mortgages, note contracts	-	54,750	-
U.S. Government obligations	2,599,006	-	-
Corporate bonds	-	1,147,822	-
Common stock	4,719,993	-	-
Municipal bonds	-	253,834	-
	<u>\$ 7,835,749</u>	<u>\$ 1,456,406</u>	<u>\$ 210,879</u>
<u>Liabilities</u>			
Annuity liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 532,960</u>

Assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (level 3) are as follows:

<u>Contributions receivable</u>	
Balance at December 31, 2009	\$ 197,571
Establishment of gift or bequest and adjustments	220,785
Receipts on prior year receivable	(207,477)
Balance at December 31, 2010	\$ <u>210,879</u>
<u>Annuity liabilities</u>	
Balance at December 31, 2009	\$ 559,830
Change in value of annuities	(26,870)
Balance at December 31, 2010	\$ <u>532,960</u>

In 2010, realized losses of \$262,130 and unrealized gains of \$814,416 are reported in the Statements of Changes in Net Assets Available as investment income (loss).

Following is a description of the valuation methodologies used for assets at fair value.

For all *cash equivalents*, *United States government obligations* and *common stocks*, fair value is determined by reference to quoted market prices. The *corporate bonds* and *mortgage, note contracts* are valued based on yields currently available on comparable securities of issuers with similar credit ratings.

Contributions receivable were recorded at expected future cash inflows determined primarily by subsequent cash receipts received after year end and documentation received from the executor of a donor's estate indicating the expected amount The Gibault Foundation, Inc. was to receive. Annuity liability is recorded at estimated fair value. The fair value is determined using the Internal Revenue Service applicable 7520 rate in the month the annuity agreement was initiated. Additionally, the IRS life expectancy tables are used for obtaining the estimated life expectancy of the donors. Each year the annuity obligations are revalued using the current life expectancy factors. The change in value of the obligations is attributable to the revaluation of the annuity liabilities using the current mortality tables. The change is included in the change in temporarily restricted net assets.

**GIBAULT, INC., THE GIBAULT FOUNDATION, INC.,
GIBAULT CARE, INC., GIBAULT VENTURES, INC.
AND SUMMIT ACADEMY OF VIGO COUNTY, INC.**

Notes to Consolidating Financial Statements - Continued

December 31, 2010

NOTE 4 - FAIR VALUE MEASUREMENT - continued

Assets measured at fair value on a non-recurring basis comprised the following:

<u>Description</u>	<u>Fair Value at December 31, 2010</u>
Medicaid beds	\$ 650,000
Goodwill	100

Fair value was determined as follows:

	<u>Based on</u>	
	<u>Other Observable Inputs</u>	<u>Unobservable Inputs</u>
Medicaid beds	\$ -	\$ 650,000
Goodwill	-	100
	<u>\$ -</u>	<u>\$ 650,100</u>

The fair value of Medicaid beds and goodwill is determined based on the discounted expected future cash inflows expected over future periods. These amounts were recorded as the purchase amount at the closing of the nursing home purchased by Gibault Care, Inc. in October 2008.

NOTE 5 - PROMISE TO GIVE

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. The allowance for uncollectible promises to give is \$0. All promises to give were thought to be collectible.

Unconditional promises to give are expected to be received as follows:

Due in less than one year	\$ 210,879
Due in one to five years	-
Due in more than five years	-

NOTE 6 - LAND, BUILDINGS AND EQUIPMENT

Land, buildings and equipment and accumulated depreciation balances are summarized as follows:

	<u>Cost or Appraisal December 31, 2010</u>	<u>Accumulated Depreciation December 31, 2010</u>
Land	\$ 1,006,200	\$ -
Land improvements	1,227,025	1,089,808
Buildings	18,828,568	8,652,826
Leasehold improvements	1,839,595	701,416
Furniture and fixtures	13,358	13,358
Equipment	3,931,114	3,575,155
Vehicles	<u>298,049</u>	<u>120,603</u>
	<u>\$ 27,143,909</u>	<u>\$ 14,153,166</u>

Depreciation expense in 2010 was \$769,522.

GIBAULT, INC., THE GIBAULT FOUNDATION, INC.,
GIBAULT CARE, INC., GIBAULT VENTURES, INC.
AND SUMMIT ACADEMY OF VIGO COUNTY, INC.

Notes to Consolidating Financial Statements - Continued

December 31, 2010

NOTE 7 - INTANGIBLE ASSETS

As part of the purchase of Gibault Care, Inc. during 2008, the company acquired intangible assets of \$740,000. Of that amount, \$650,000 has been assigned to Medicaid beds; such intangible assets are not subject to amortization. The \$89,900 balance of acquired intangibles has been assigned to a non-compete agreement, which is subject to periodic amortization over the estimated useful life of 3 years. Goodwill of \$100, which is not subject to amortization, arose in connection with the acquisition.

The following is a summary of non-goodwill intangibles at December 31, 2010:

Intangibles subject to amortization:	
Non-compete agreement	\$ 89,900
Less accumulated amortization	<u>(74,983)</u>
	14,917
Intangibles not subject to amortization:	
Medicaid beds	650,000
Goodwill	<u>100</u>
	<u>650,100</u>
	\$ <u>665,017</u>

Amortization expense for 2010 was \$30,000; estimated amortization expense for the year ending December 31, 2011 is \$14,917.

NOTE 8 - RETIREMENT PLAN

Gibault, Inc. has a defined contribution retirement plan for the purpose of providing retirement benefits for employees meeting certain eligibility requirements. Contributions are based on 6% of eligible salaries and are funded as accrued. Total pension expense amounted to \$702 for the year ended December 31, 2010. During the year ended December 31, 2009, management elected to stop employer contributions.

NOTE 9 - TAX STATUS

Gibault, Inc., The Gibault Foundation, Inc., and Gibault Care, Inc. are exempt from federal and state income taxes under section 501(c)(3) of the Internal Revenue Code.

Gibault Ventures, Inc. is a for-profit corporation subject to federal and state income taxes.

Summit Academy of Vigo County, Inc. has not been awarded at tax status by the IRS as of December 31, 2010. The application for exempt status under section 501 (c)(3) of the Internal Revenue Code has been placed on suspension until the school's charter can be provided to the IRS.

NOTE 10 - ECONOMIC DEVELOPMENT REVENUE BONDS

In December 2002, Gibault, Inc. and The Gibault Foundation, Inc. contracted to issue a series of economic development revenue bonds in an amount up to \$5,000,000. As of December 31, 2006, Gibault, Inc. and The Gibault Foundation, Inc. have issued all of the bonds. Principal and interest payments of \$152,723 are to be made semi-annually over a twenty-five year period with interest accruing on the unpaid principal balance. The interest rate will then be adjusted based on a formula as defined in the bond document. The interest rate was adjusted to 4.3255% in December 2007 and will adjust every fifth year that follows. The bonds are secured by land, improvements and buildings owned by Gibault, Inc. and The Gibault Foundation, Inc.

**GIBAULT, INC., THE GIBAULT FOUNDATION, INC.,
GIBAULT CARE, INC., GIBAULT VENTURES, INC.
AND SUMMIT ACADEMY OF VIGO COUNTY, INC.**

Notes to Consolidating Financial Statements - Continued

December 31, 2010

NOTE 10 - ECONOMIC DEVELOPMENT REVENUE BONDS - continued

Maturities of the bonds for the five years following December 31, 2010 are as follows:

2011	\$ 155,284
2012	162,065
2013	169,160
2014	176,556
2015	184,275

NOTE 11 - LINE OF CREDIT

During 2010, Gibault, Inc. renewed its line of credit agreement with a local bank for \$1,500,000, to be drawn upon as needed. The principal is due on demand or October 13, 2011, if no demand is made. Interest is to be paid monthly at the prime rate as published in the Wall Street Journal. At December 31, 2010 the rate was 3.05%. Gibault, Inc. had no borrowings from this line of credit during the year. The line of credit is secured by investments held in a trust account at the same bank. Interest expense paid on the line of credit during 2010 totaled \$0.

NOTE 12 - NOTES PAYABLE

During 2008, Gibault Care, Inc. obtained a note payable from a local financial institution for \$2,000,000 for the purchase of a nursing home in Carmel, Indiana. Gibault Care, Inc. is to make six consecutive interest payments beginning in November 2008 on the unpaid principal balance. Beginning May 30, 2009, sixty consecutive monthly principal and interest payments are to be made on the note. Interest is calculated on the unpaid principal balance at the prime rate of the local financial institution less .75 percentage points. The rate at December 31, 2010 was 2.50%.

The interest rate is adjustable monthly. The note is secured by \$2,300,000 investments of The Gibault Foundation, Inc. held at the same financial institution. The note is being repaid under a loan amortization of approximately 17 years instead of the terms of the note with the anticipation of refinancing the note for an additional period.

Repayments on long-term obligations for each of the five years following 2010 are:

2011	\$ 105,448
2012	99,764
2013	102,445
2014	1,543,632
2015	-
Thereafter	-

NOTE 13 - TEMPORARILY RESTRICTED NET ASSETS

During the year ended December 31, 2010, temporarily restricted net assets were released from restrictions by incurring expenses satisfying the restricted purposes specified by the donors.

Temporarily restricted net assets were used to accomplish the following purposes:

Recreation equipment	\$ 405
Various programs	71,619
Residential	33,510
Education needs	<u>5,700</u>
Total net assets released from restrictions	<u>\$ 111,234</u>

GIBAULT, INC., THE GIBAULT FOUNDATION, INC.,
GIBAULT CARE, INC., GIBAULT VENTURES, INC.
AND SUMMIT ACADEMY OF VIGO COUNTY, INC.

Notes to Consolidating Financial Statements - Continued

December 31, 2010

NOTE 13 - TEMPORARILY RESTRICTED NET ASSETS - continued

Temporarily restricted net assets are available for the following purposes:

Programs	\$ 1,453
Bibles	275
Annuity agreements	86,331
Phraselator	2,300
Education needs	318
Supplies	600
Residential updates	<u>1,460</u>
	\$ <u>92,737</u>

NOTE 14 - PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted assets of \$30,455 are restricted to investments in perpetuity, the income from which is expendable to support Gibault, Inc.'s operations.

NOTE 15 - OTHER RESTRICTIONS

The board of directors of The Gibault Foundation, Inc. have designated \$5,973,889 of unrestricted net assets as additional endowment funds. The earnings from these assets are available to be used to support Gibault, Inc.

NOTE 16 - OPERATING LEASES - LESSEE

Gibault, Inc. leases copiers under an operating lease. The lease agreement provides for a minimum monthly payment of \$3,101 for sixty months. Gibault, Inc. will be charged an additional monthly fee of \$.009 on each impression above 58,000. Rent expense for the year ended December 31, 2010, was \$51,450.

Gibault, Inc. leases copiers under an operating lease at its Springfield, Ohio campus location. The lease provides for monthly payments of \$249 for forty-eight months. Rent expense for the year ended December 31, 2010 was \$6,483.

Gibault, Inc. leases copiers under an operating lease at its Shelbyville, Indiana location. The lease provides for monthly payments of \$349 for sixty months. Gibault, Inc. will be charged an additional monthly fee of \$.0129 on each impression above 4,000. Rent expense for the year ended December 31, 2010 was \$10,317.

Future minimum rental payments under operating leases are as follows:

2011	\$ 21,707
2012	-
2013	-
2014	-
2015	-
Thereafter	-

NOTE 17 - CONCENTRATION OF CREDIT RISK

Gibault, Inc. grants credit to those entities it provides services for, most of whom are some type of county or state governmental agency.

Gibault, Inc. routinely has deposits throughout the year in Indiana financial institutions in amounts that exceed the limits of insurance provided by the Federal Deposit Insurance Corporation.

GIBAULT, INC., THE GIBAULT FOUNDATION, INC.,
GIBAULT CARE, INC., GIBAULT VENTURES, INC.
AND SUMMIT ACADEMY OF VIGO COUNTY, INC.

Notes to Consolidating Financial Statements - Continued

December 31, 2010

NOTE 18 - MAJOR CUSTOMERS AND CONTRIBUTIONS

During the year ended December 31, 2010, three entities accounted for \$5,401,685 or 59% of the consolidated per diem revenue of Gibault, Inc. and consolidated subsidiaries. Additionally, the accounts receivable balance for per diem for these four counties represented 57.6% of the total consolidated accounts receivable balance at December 31, 2010.

During the year ended December 31, 2010, one bequest accounted for \$178,000 or 22% of the consolidated public support of Gibault, Inc. and consolidated subsidiaries.

NOTE 19 - BEQUESTS AND ANNUITIES

The Gibault Foundation, Inc. is the beneficiary of thirty-eight bequests. The bequests are not included in the financial statements since the bequests are revocable at the discretion of the grantors.

The Gibault Foundation, Inc. is also the holder of fourteen charitable gift annuities. A charitable gift annuity is an arrangement in which the donor contributes assets to an organization in exchange for a promise by the organization to pay a fixed amount for a specified period of time to the donor or to individuals or organizations designated by the donor. The assets received are recorded as temporarily restricted net assets net of the present value of the future cash flows of the annuity payment liability. The value of charitable gift annuity assets at December 31, 2010 are \$86,331 (net of the annuity liability of \$89,099).

In March 2002, The Gibault Foundation, Inc. purchased real estate for cash of \$120,000 and issuance of a two-life annuity contract. The annuity contract requires the Foundation to pay the annuitants \$5,000 per month for ten years or until the second annuitant dies. After ten years, if either or both annuitants survive, the Foundation will pay \$4,000 per month until the second annuitant dies. Upon closing of this real estate transaction, the annuitants relinquished all rights with regard to the real estate. The property was recorded by the Foundation at the present value of the annuity payments, plus the \$120,000 cash paid. The Foundation also recorded an annuity liability for the present value of the annuity payments owed the annuitants. At December 31, 2010 present value of the annuity payments was \$443,861.

The Gibault Foundation, Inc. is the beneficiary of forty-four life insurance policies. The Foundation has recorded the cash surrender value of these policies at December 31, 2010 of \$70,951.

NOTE 20 - GRANTS

Federal and state grants received during 2010 are as follows:

Unrestricted

Department of Agriculture school breakfast program and national school lunch program passed through the Indiana Department of Education	\$ 188,426
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Department of Education Chapter I - financial assistance to meet special education needs of disadvantaged children operated by local education agencies	<u>125,456</u> 313,882
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Temporarily restricted

Jasper County, Indiana - CASA program grant	<u>38,995</u>
	\$ <u>352,877</u>

NOTE 21 - COMMITMENTS

In November 2003, Gibault, Inc. contracted with the Board of Clark County Commissioners, Clark County, Ohio to operate an existing children's residential center in Springfield, Ohio. Gibault, Inc. will lease the facilities for \$1 per year starting January 1, 2004 through December 31, 2007, with an option to extend the lease for one to four years. The facility accommodates up to twenty-four clients. Clark County guaranteed Gibault, Inc. a minimum monthly placement of five clients at an annually negotiated rate.

**GIBAULT, INC., THE GIBAULT FOUNDATION, INC.,
GIBAULT CARE, INC., GIBAULT VENTURES, INC.
AND SUMMIT ACADEMY OF VIGO COUNTY, INC.**

Notes to Consolidating Financial Statements - Continued

December 31, 2010

NOTE 21 - COMMITMENTS - continued

During 2009, Gibault, Inc. and the Board of Clark County Commissioners agreed mutually to cease operations of residential services at the Springfield, Ohio location. Both parties have mutually agreed to eliminate the minimum monthly placement requirement of the contract as a result of cessation of the residential services. All other aspects of the contract continue. Gibault, Inc. continues to operate the visitation program at the facility.

All capital improvements are to be approved by Clark County. If Clark County declines to renew this agreement after the initial four year term, or if Clark County terminates the agreement for cause, then they shall reimburse Gibault, Inc. its depreciated book value of any leasehold improvements, provided such leasehold improvements were agreed to by Clark County prior to its implementation. If Gibault, Inc. declines to renew after the initial four year term, then it surrenders all interest in its leasehold improvements.

NOTE 22 - RELATED PARTY TRANSACTIONS

During the year ended December 31, 2010, Gibault, Inc. purchased twenty-four vehicles from Gibault Ventures, Inc. The gross purchase price was \$216,796. The cost of these vehicles was \$202,124. Gibault, Inc. traded in twenty vehicles on these purchases and received a trade in allowance of \$84,560 and paid cash of \$132,236.

NOTE 23 - INCOME TAXES

The deferred tax asset included in the consolidating balance sheet results from the net operating loss carryforward from Gibault Ventures, Inc. Federal income tax expense of \$4,731 consists of the recognition of part of the deferred tax asset resulting from the net operating losses carried forward from prior years. The prior year operating losses were used to reduce current year operating profit. The valuation allowance for the deferred tax asset is zero. The net operating loss carryforward was thought to be realizable in future years. The net operating losses can be carried forward as follows:

<u>Year of loss</u>	<u>Loss</u>	<u>Carryforward Expires</u>
2005	\$ 14,236	2025
2006	13,451	2026

Gibault, Inc.'s, The Gibault Foundation, Inc.'s, Gibault Care, Inc.'s and Summit Academy of Vigo County, Inc.'s information returns and Gibault Venture, Inc.'s income tax returns are subject to examination by the appropriate taxing jurisdictions. As of December 31, 2010, the Organization's federal and state tax returns for the last three years are open for examination as each year's returns remain open for examination for three years.

NOTE 24 - ENDOWMENT FUND

The Gibault Foundation, Inc. has an endowment consisting of unrestricted board-designated and permanently restricted assets. When the Foundation receives gifts from donors restricted as endowment funds, the Foundation records these gifts as permanently restricted assets to be held in perpetuity. Additionally, in accordance with established policy, when an unrestricted bequest is received by Gibault, Inc. or The Gibault Foundation, Inc., the gift is deposited into the Foundation endowment fund as a board designated endowment fund. The board designated endowment funds and the investment earnings on the permanently restricted endowment funds are to be used to support the programs and operations of Gibault, Inc.

The assets in the endowment fund are maintained in two trust accounts and in-house as investments in Series E and EE government savings bonds. The Foundation's board has established an investment policy for the investment of the endowment funds. The purpose of endowment fund is to generate and invest income from operations and to supply cash for the daily expenses with a sufficient surplus to maintain a reserve balance equivalent to 30 to 45 days of operating expenses. The policy also details the investment portfolio allocation percentages for which the endowment funds may be invested.

GIBAULT, INC., THE GIBAULT FOUNDATION, INC.,
 GIBAULT CARE, INC., GIBAULT VENTURES, INC.
 AND SUMMIT ACADEMY OF VIGO COUNTY, INC.

Notes to Consolidating Financial Statements - Continued

December 31, 2010

NOTE 24 - ENDOWMENT FUND - continued

In accordance with established policy, at least annually, the endowment fund is to transfer to Gibault, Inc., the investment earnings, net of applicable fees. These funds are to be used to support the programs and operations of Gibault, Inc. Additionally, as needed, additional appropriations may be approved by the Foundation's board to be transferred to Gibault, Inc. for operations.

For the year ended December 31, 2010, The Gibault Foundation, Inc. had the following endowment related activities:

	Board Designated Endowment Funds <u>Unrestricted</u>	Permanently <u>Restricted</u>
Endowment principle, beginning of year	\$ 6,300,076	\$ 29,803
Investment return:		
Investment income (loss)	171,944	-
Realized gain (loss)	<u>(277,684)</u>	<u>-</u>
Total investment return	(105,740)	-
Contributions	40,906	652
Appropriation of endowment funds for expenditure	<u>(261,353)</u>	<u>-</u>
Endowment principle, end of year	\$ <u>5,973,889</u>	\$ <u>30,455</u>

**GIBAULT, INC., THE GIBAULT FOUNDATION, INC.,
GIBAULT CARE, INC., GIBAULT VENTURES, INC.
AND SUMMIT ACADEMY OF VIGO COUNTY, INC.**

Statement of Functional Expenses - Gibault, Inc.

Year Ended December 31, 2010

Program, Services and Administrative Expenses

	<u>CARE</u>	<u>Aspergers</u>	<u>Education</u>	<u>PRTF</u>	<u>Group Home</u>	<u>ISIS</u>
Personnel costs						
Salaries	\$ 615,920	\$ 318,857	\$ 534,104	\$ 1,196,672	\$ -	\$ 166,084
Employee health insurance	62,051	48,715	51,037	109,509	-	12,008
Payroll taxes	47,628	25,345	40,574	91,880	-	12,868
Employee pension	-	-	-	-	-	-
	<u>725,599</u>	<u>392,917</u>	<u>625,715</u>	<u>1,398,061</u>	<u>-</u>	<u>190,960</u>
Advertising	-	-	-	-	-	-
Allowances/honor jobs - clients	9,603	849	309	3,200	-	1,540
Athletic and other equipment	1,101	-	-	923	-	-
Awards and recognition	302	905	7,916	973	-	443
Bad debt expense	-	-	-	-	-	-
Bank fees	-	-	-	-	-	-
Chapter I expenses	-	-	124,256	-	-	-
Clinical supplies	-	-	-	817	-	-
Clothing	9,975	423	-	7,458	-	1,801
Commissary	459	85	328	326	-	65
Computer/software supplies	-	-	-	-	-	-
Contracted services	315	3,780	5,873	59,940	-	105
Copier lease payments	-	-	-	4,321	-	-
Depreciation	-	-	-	-	-	-
Directors fund	-	-	525	-	-	-
Donor Development	-	-	-	-	-	-
Exhibit fees	-	-	-	-	-	-
Furnishings and linens	2,711	96	743	3,395	-	244
Gas and oil	3,763	1,827	26	446	-	745
Health care	-	-	-	-	-	-
Household supplies	13,124	2,863	1,902	15,529	-	4,058
Insurance	-	-	-	-	-	-
Lease payments	-	-	-	-	-	-
Maintenance supplies and contracts	-	-	19,140	-	1,376	-
Miscellaneous	375	917	1,341	441	-	150
Office supplies	2,603	872	2,121	6,666	-	1,067
Outings and special events	4,332	1,396	1,732	4,297	-	719
Parent classes	-	-	-	-	-	-
Personal hygiene supplies	6,359	213	75	1,999	-	350
Postage	214	-	-	39	-	140
Printing and publications	-	-	-	-	-	-
Professional development fees	-	-	144	-	-	-
Provisions	731	54	1,598	615	-	324
Recreational supplies	337	190	-	733	-	28
School supplies	-	58	18,108	434	-	-
Scholarships/Tuition	-	-	-	-	-	-
Staff development	-	454	951	25	-	-
Staff travel	3,504	790	411	1,090	-	941
Student travel	-	-	-	-	-	-
Telephone	465	385	540	825	1,421	245
Utilities	-	-	-	-	1,584	-
Vehicle repairs	-	-	-	-	-	-
	<u>\$ 785,872</u>	<u>\$ 409,074</u>	<u>\$ 813,754</u>	<u>\$ 1,512,553</u>	<u>\$ 4,381</u>	<u>\$ 203,925</u>

Aftercare	Ohio Campus	Ohio Visitation	Shelbyville	Foster Care	JCYC	HCYC
\$ -	\$ (2,513)	\$ 46,657	\$ 274,583	\$ 31,070	\$ 260,796	\$ 629,672
-	(1,721)	11,620	23,726	5,460	7,009	27,046
-	133	4,313	21,668	2,408	20,173	45,430
-	-	702	-	-	-	-
-	(4,101)	63,292	319,977	38,938	287,978	702,148
833	-	-	3,041	111	240	2,923
-	-	-	2,313	-	-	1,065
-	-	-	9	-	-	3,518
-	-	30	26	-	50	-
-	-	-	-	-	29,664	-
-	-	-	-	-	11	-
-	-	-	-	-	-	-
-	538	-	908	-	-	582
-	-	-	1,250	-	-	1,229
-	-	-	705	-	9	1,767
-	-	-	-	-	-	-
-	500	-	555	-	1,230	10,625
-	-	6,483	10,317	-	8,528	3,310
-	-	30,789	8,075	-	1,862	631
-	-	-	395	-	53	-
-	-	-	-	-	-	-
600	-	-	-	-	-	-
-	-	1,290	631	24	1,295	354
1,758	-	90	5,406	1,524	709	7,448
-	-	-	-	-	-	36,213
-	-	1,092	3,138	-	5,605	15,202
-	-	1,498	-	-	-	27,776
-	-	-	-	-	218	-
-	287	1,242	9,602	112	7,981	32,123
-	-	50	216	-	5,735	44
-	-	647	1,605	362	494	2,649
-	-	317	749	-	86	647
-	-	-	-	-	194	-
-	-	-	411	-	-	(753)
-	-	100	942	88	(322)	308
-	-	-	219	-	2	571
-	-	165	267	-	-	370
-	-	-	13,460	-	27,799	44,503
-	-	511	72	-	470	174
-	-	641	-	-	839	210
-	-	-	621	-	-	-
-	-	264	33	147	1,583	(12)
741	-	213	434	3,277	109	1,441
-	-	-	11	-	-	-
430	-	-	7,320	540	2,724	6,059
-	-	-	17,090	-	14,448	53,441
-	-	-	2,404	-	367	2,518
\$ 4,362	\$ (2,776)	\$ 108,714	\$ 412,202	\$ 45,123	\$ 399,961	\$ 959,084

**GIBAULT, INC., THE GIBAULT FOUNDATION, INC.,
GIBAULT CARE, INC. AND GIBAULT VENTURES, INC.
AND SUMMIT ACADEMY OF VIGO COUNTY, INC.**

Statement of Functional Expenses - Gibault, Inc.-Continued

Year Ended December 31, 2010

	Program, Services and Administrative Expenses						Total
	CASA	Program Support	Support Services	Marketing	General Administrative	Fundraising	
Personnel costs							
Salaries	\$ 18,750	\$ 856,530	\$ 501,918	\$ 171,896	\$ 604,161	\$ 97,052	\$ 6,322,209
Employee health insurance	3,052	83,248	56,891	16,210	41,384	11,100	568,345
Payroll taxes	1,500	66,165	44,245	13,274	43,442	7,097	488,143
Employee pension	-	-	-	-	-	-	702
	<u>23,302</u>	<u>1,005,943</u>	<u>603,054</u>	<u>201,380</u>	<u>688,987</u>	<u>115,249</u>	<u>7,379,399</u>
Advertising	1,344	-	611	651	6,876	-	16,630
Allowances/honor jobs - clients	-	4,140	4,769	-	-	-	27,788
Athletic and other equipment	250	650	230	-	12,492	-	19,173
Awards and recognition	385	25	32	1,090	48,541	942	61,660
Bad debt expense	-	-	25,950	-	-	-	55,614
Bank fees	-	-	5,267	-	-	-	5,278
Chapter I expenses	-	-	-	-	-	-	124,256
Clinical supplies	-	191	-	-	-	-	3,036
Clothing	-	664	(3,635)	-	-	-	19,165
Commissary	-	210	3,628	-	-	-	7,582
Computer/software supplies	-	-	-	-	999	1,310	2,309
Contracted services	1,000	8,924	151,945	-	1,784	3,852	250,428
Copier lease payments	750	18,408	4,920	5,902	5,986	-	68,925
Depreciation	-	-	335,127	-	-	-	376,484
Directors fund	-	2,479	71	950	4,025	542	9,040
Donor Development	-	-	-	-	-	4,411	4,411
Exhibit fees	165	-	-	2,050	-	-	2,815
Furnishings and linens	-	1,141	929	-	1,020	-	13,873
Gas and oil	165	13,512	19,800	3,572	5,081	1,322	67,194
Health care	-	-	24,362	-	-	-	60,575
Household supplies	-	3,180	24,466	-	399	-	90,558
Insurance	1,000	-	185,070	-	-	10,239	225,583
Lease payments	1,200	-	800,532	-	31,680	-	833,630
Maintenance supplies and contracts	-	-	103,513	-	4,170	843	180,389
Miscellaneous	-	4,816	924	-	37,282	300	52,591
Office supplies	528	6,158	334	361	10,629	3,430	40,526
Outings and special events	1,504	896	-	19	150	10,109	26,953
Parent classes	-	-	-	-	-	-	194
Personal hygiene supplies	-	2	(773)	-	-	-	7,883
Postage	761	22	11,447	232	84	20,155	34,210
Printing and publications	126	-	-	1,008	1	34,618	36,545
Professional development fees	100	343	13,979	10	1,788	113	17,279
Provisions	1	-	272,785	-	-	-	361,870
Recreational supplies	-	3,523	-	-	-	-	6,038
School supplies	-	-	98	-	-	-	20,388
Scholarships	-	-	-	-	-	-	621
Staff development	1,021	1,465	2,519	863	7,525	-	16,838
Staff travel	1,793	1,299	2,687	13,118	4,200	1,479	37,527
Student travel	-	-	-	-	-	-	11
Telephone	600	21,893	18,020	1,035	11,003	595	74,100
Utilities	1,000	-	313,353	-	19,357	-	420,273
Vehicle repairs	-	-	31,181	-	86	-	36,556
	<u>\$ 36,995</u>	<u>\$ 1,099,884</u>	<u>\$ 2,957,195</u>	<u>\$ 232,241</u>	<u>\$ 904,145</u>	<u>\$ 209,509</u>	<u>\$ 11,096,198</u>

**GIBAULT, INC., THE GIBAULT FOUNDATION, INC.,
GIBAULT CARE, INC., GIBAULT VENTURES, INC.
AND SUMMIT ACADEMY OF VIGO COUNTY, INC.**

Statement of Functional Expenses - Gibault Care, Inc.

Year Ended December 31, 2010

	Program, Services and Administrative Expenses		
	Program Services	Management & General	Total
Personnel costs			
Salaries	\$ 943,915	\$ -	\$ 943,915
Employee health insurance	52,630	-	52,630
Payroll taxes	83,194	-	83,194
Employee pension	-	-	-
	1,079,739	-	1,079,739
Advertising	5,226	-	5,226
Assessments	119,822	-	119,822
Athletic and other equipment	8,392	-	8,392
Awards & Recognition	-	400	400
Bad debt expense	32,619	-	32,619
Contracted services	15,837	19,247	35,084
Depreciation and amortization	75,023	-	75,023
Directors fund	-	409	409
Drug testing	78	-	78
Dues and subscriptions	-	662	662
Fees and licenses	357	-	357
Furnishings and linens	76	-	76
Health care	10,400	-	10,400
Household supplies	3,373	-	3,373
Insurance	73,089	-	73,089
Maintenance supplies and contracts	44,348	-	44,348
Management fees	10,576	50,000	60,576
Medical supplies	60,062	-	60,062
Miscellaneous	(542)	-	(542)
Office supplies	-	3,682	3,682
Postage	-	300	300
Printing and publications	-	5	5
Provisions	68,722	-	68,722
Property taxes	-	7,880	7,880
Recreation supplies	1,345	-	1,345
Staff development	-	942	942
Staff travel	-	4,950	4,950
Telephone	-	5,648	5,648
Utilities	46,033	-	46,033
Vehicle repairs	1,143	-	1,143
	\$ 1,655,718	\$ 94,125	\$ 1,749,843

Sackrider & Company, Inc.
Certified Public Accountants
1925 Wabash Avenue
Terre Haute, IN 47807
(812) 232-9492 Fax: (812) 232-4308
E-Mail: contact@sackrider.com
Web: www.sackrider.com

Sackrider & Company

incorporated

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors
Gibault, Inc., The Gibault Foundation, Inc., Gibault
Care, Inc., Gibault Ventures, Inc., and Summit
Academy of Vigo County, Inc.
Terre Haute, Indiana

We have audited the financial statements of Gibault, Inc., The Gibault Foundation, Inc., Gibault Care, Inc., Gibault Ventures, Inc. and Summit Academy of Vigo County, Inc. as of and for the year ended December 31, 2010, and have issued our report thereon dated April 26, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Gibault, Inc., The Gibault Foundation, Inc., Gibault Care, Inc., Gibault Ventures, Inc. and Summit Academy of Vigo County, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Gibault, Inc., The Gibault Foundation, Inc., Gibault Care, Inc., and Gibault Ventures, Inc. and Summit Academy of Vigo County, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Gibault, Inc., The Gibault Foundation, Inc., Gibault Care, Inc., Gibault Ventures, Inc., and Summit Academy of Vigo County, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of Gibault, Inc., The Gibault Foundation, Inc., Gibault Care, Inc., Gibault Ventures, Inc., and Summit Academy of Vigo County, Inc. in a separate letter dated April 26, 2011.

This report is intended solely for the information and use of management, the internal affairs committee, Board of Directors, and is not intended to be and should not be used by anyone other than these specified parties.

Sacksteder + Company, Inc.

Terre Haute, Indiana
April 26, 2011

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SACKRIDER & COMPANY, INC.
SUBJECT TO FINAL REVIEW

**Gibault, Inc., The Gibault
Foundation, Inc., Gibault
Care, Inc., Gibault Ventures, Inc. and
Summit Academy of Vigo County, Inc.**

**Consolidating Financial Statements and Report
of Independent Certified Public Accountants**

December 31, 2011

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SACKRIDER & COMPANY, INC.
SUBJECT TO FINAL REVIEW

CONTENTS

	PAGE
REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS	1-2.
FINANCIAL STATEMENTS	
Consolidating Balance Sheets	3.
Consolidating Statements of Activities	4.
Consolidating Statements of Cash Flows	5-6.
Notes to Consolidating Financial Statements	7-16.
SUPPLEMENTAL INFORMATION	
Statement of Functional Expenses - Gibault, Inc.	17-18.
Statement of Functional Expenses - Gibault Care, Inc.	19.
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	20-21.

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SACKRIDER & COMPANY, INC.
SUBJECT TO FINAL REVIEW

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
Gibault, Inc., The Gibault Foundation, Inc.,
Gibault Care, Inc., Gibault Ventures, Inc.
and Summit Academy of Vigo County, Inc.
Terre Haute, Indiana

We have audited the accompanying consolidating balance sheet of Gibault, Inc., The Gibault Foundation, Inc., Gibault Care, Inc., Gibault Ventures, Inc., and Summit Academy of Vigo County, Inc. as of December 31, 2011, and the related consolidating statements of activities and cash flows for the year then ended. These consolidating financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these consolidating financial statements based on our audit. The prior year summarized comparative information has been derived from Gibault, Inc., The Gibault Foundation, Inc., Gibault Care, Inc., Gibault Ventures, Inc. and Summit Academy of Vigo County, Inc.'s 2010 consolidating financial statements and, in our report dated April 26, 2011, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 consolidating financial statements. An audit also includes assessing the accounting principles used and the 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 consolidating financial statements referred to above present fairly, in all material respects, the financial position of Gibault, Inc., The Gibault Foundation, Inc., Gibault Care, Inc., Gibault Ventures, Inc. and Summit Academy of Vigo County, Inc. as of December 31, 2011, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated April _____, 2012, on our consideration of Gibault, Inc., The Gibault Foundation, Inc., Gibault Care, Inc., Gibault Ventures, Inc. and Summit Academy of Vigo County, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying statements of functional expenses are presented for purposes of additional analysis and are not a required part of the consolidating financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the

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auditing procedures applied in the audit of the financial statements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidating financial statements as a whole.

SACKRIDER & COMPANY, INC.

SUBJECT TO FINAL REVIEW

Terre Haute, Indiana

GIBAULT, INC., THE GIBAULT FOUNDATION, INC.,
GIBAULT CARE, INC., GIBAULT VENTURES, INC.
AND SUMMIT ACADEMY OF VIGO COUNTY, INC.

Consolidating Balance Sheet
(with summarized financial information for the year ended December 31, 2010)

December 31,

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SACKRIDER & COMPANY, INC.
SUBJECT TO FINAL REVIEW

	2011		
	Gibault, Inc.	The Gibault Foundation, Inc.	Gibault Care, Inc.
ASSETS			
Cash	\$ 279,074	\$ 12,983	\$ 63,282
Investments	1,968,654	7,233,683	-
Investments in other assets	5,000	-	-
Accounts receivable - net	1,114,646	-	192,123
Due from related party	448,257	-	-
Contributions receivable	19,657	-	-
Accrued interest receivable	7,680	31,837	-
Inventories	56,554	-	-
Cash surrender value of life insurance	-	107,307	-
Prepaid expenses	144,205	-	13,683
Notes receivable	-	-	-
Interest in net assets of The Gibault Foundation, Inc., Gibault Care, Inc., and Summit Academy of Vigo County, Inc.	12,659,870	-	-
Investment in Gibault Ventures, Inc.	325,335	-	-
Land, buildings and equipment - at cost, less accumulated depreciation	1,921,856	9,396,931	1,124,015
Intangible assets less accumulated amortization	-	-	650,100
Deferred income taxes	-	-	-
Total assets	\$ 18,950,788	\$ 16,782,741	\$ 2,043,203
LIABILITIES AND NET ASSETS			
Accounts payable	\$ 119,648	\$ -	\$ 48,063
Due to related party	-	290,977	138,280
Accrued compensation and other liabilities	357,481	17,893	61,022
Annuity liability	-	486,805	-
Estimated health insurance liability	53,000	-	-
Notes payable	200,000	-	1,745,761
Bonds payable	-	3,354,877	-
Total liabilities	730,129	4,150,552	1,993,126
Shareholders' equity			
Common stock, no par value, 1000 shares authorized, issued, and outstanding	-	-	-
Contributed capital	-	-	-
Accumulated deficit	-	-	-
Net assets			
Unrestricted	18,113,438	12,536,428	50,077
Temporarily restricted	76,766	65,306	-
Permanently restricted	30,455	30,455	-
Total net assets	18,220,659	12,632,189	50,077
Total liabilities and net assets	\$ 18,950,788	\$ 16,782,741	\$ 2,043,203

The accompanying notes are an integral part of these statements.

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SUBJECT TO FINAL REVIEW

Gibault Ventures, Inc.	Summit Academy of Vigo County, Inc.	Eliminations	Consolidated Total	2010 Consolidated Total
\$ 158,076	\$ -	\$ -	\$ 513,415	\$ 852,563
-	-	-	9,202,337	9,292,155
-	-	-	5,000	5,000
-	-	-	1,306,769	1,605,719
5,158	-	453,415	-	-
-	-	-	19,657	210,879
-	-	-	39,517	44,510
24,230	-	-	80,784	106,222
-	-	-	107,307	70,951
-	-	-	157,888	183,383
7,972	-	-	7,972	10,154
-	-	12,659,870	-	-
-	-	325,335	-	-
128,908	-	-	12,571,710	12,990,743
-	-	-	650,100	665,017
4,494	-	-	4,494	6,922
<u>\$ 328,838</u>	<u>\$ -</u>	<u>\$ 13,438,620</u>	<u>\$ 24,666,950</u>	<u>\$ 26,044,218</u>
\$ -	\$ -	\$ -	\$ 167,711	\$ 258,632
1,762	22,396	453,415	-	-
1,741	-	-	438,137	454,019
-	-	-	486,805	532,960
-	-	-	53,000	93,000
-	-	-	1,945,761	1,851,289
-	-	-	3,354,877	3,510,152
3,503	22,396	453,415	6,446,291	6,700,052
1,000	-	1,000	-	-
338,372	-	338,372	-	-
(14,037)	-	(14,037)	-	-
325,335	-	325,335	-	-
-	(22,396)	12,564,109	18,113,438	19,220,974
-	-	65,306	76,766	92,737
-	-	30,455	30,455	30,455
-	(22,396)	12,659,870	18,220,659	19,344,166
<u>\$ 328,838</u>	<u>\$ -</u>	<u>\$ 13,438,620</u>	<u>\$ 24,666,950</u>	<u>\$ 26,044,218</u>

**GIBAULT, INC., THE GIBAULT FOUNDATION, INC.,
GIBAULT CARE, INC., GIBAULT VENTURES, INC.
AND SUMMIT ACADEMY OF VIGO COUNTY, INC.**

Consolidating Statements of Activities
(with summarized financial information for the year ended December 31, 2011)
For the Year Ended December 31, 2011

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SACKRIDER & COMPANY, INC.
SUBJECT TO FINAL REVIEW

	Gibault, Inc.	The Gibault Foundation, Inc.	Gibault Care, Inc.
Changes in unrestricted net assets:			
Support and revenue:			
Public support:			
Knights of Columbus-assessments	\$ 122,850	\$ -	\$ -
Transfers from The Gibault Foundation, Inc.	1,015,129	-	-
Contributions-other	419,090	(3,850)	-
Fundraising	48,033	-	-
Total public support	<u>1,605,102</u>	<u>(3,850)</u>	<u>-</u>
Revenue:			
Per diem	8,192,408	-	-
Clinical services	-	-	308,727
Patient fees	-	-	1,776,198
Sales	-	-	-
Investment income	50,086	184,254	411
Rental income	7,536	825,000	53,712
Other:			
Grants	280,074	-	-
Administrative fees from related parties	110,000	-	-
Increase in cash surrender value of life insurance policies	-	36,356	-
Gain on disposal of property and equipment	-	102,909	-
Miscellaneous	21,953	51,856	31,773
Change in interest in net assets of The Gibault Foundation, Inc., Gibault Care, Inc. and Summit Academy of Vigo County, Inc.	(243,470)	-	-
Net profit from Gibault Ventures, Inc.	7,284	-	-
Total revenues	<u>8,425,871</u>	<u>1,200,375</u>	<u>2,170,821</u>
	<u>10,030,973</u>	<u>1,196,525</u>	<u>2,170,821</u>
Net assets released from restrictions:			
Satisfaction of restrictions	85,510	23,919	37,982
Total unrestricted support and revenues	<u>10,116,483</u>	<u>1,220,444</u>	<u>2,208,803</u>
Expenses:			
Program, services, general/administrative & fundraising expenses	11,212,510	414,900	2,022,177
Cost of sales	-	-	-
Interest expenses	1,169	167,942	49,569
Board expenses	10,340	-	-
Transfers to Gibault, Inc.	-	1,015,129	-
Income taxes	-	-	-
Total expenses	<u>11,224,019</u>	<u>1,597,971</u>	<u>2,071,746</u>
Increase (decrease) in unrestricted net assets	<u>(1,107,536)</u>	<u>(377,527)</u>	<u>137,057</u>
Changes in temporarily restricted assets:			
Contributions	90,564	2,894	37,982
Change in interest in net assets of The Gibault Foundation, Inc. and Gibault Care, Inc.	(21,025)	-	-
Net assets released from restrictions	(85,510)	(23,919)	(37,982)
Increase (decrease) in temporarily restricted net assets	<u>(15,971)</u>	<u>(21,025)</u>	<u>-</u>
Changes in permanently restricted assets:			
Contributions	-	-	-
Increase in permanently restricted net assets	-	-	-
INCREASE (DECREASE) IN NET ASSETS	<u>(1,123,507)</u>	<u>(398,552)</u>	<u>137,057</u>
Net assets at beginning of year	<u>19,344,166</u>	<u>13,030,741</u>	<u>(86,980)</u>
Net assets at end of year	\$ <u>18,220,659</u>	\$ <u>12,632,189</u>	\$ <u>50,077</u>

The accompanying notes are an integral part of these statements.

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SUBJECT TO FINAL REVIEW

<u>Gibault Ventures, Inc.</u>	<u>Summit Academy of Vigo County, Inc.</u>	<u>Eliminations</u>	<u>Consolidated Total</u>	<u>2010 Consolidated Total</u>
\$ -	\$ -	\$ -	\$ 122,850	\$ 124,820
-	-	1,015,129	-	-
-	-	-	415,240	643,922
-	-	-	48,033	39,219
<u>-</u>	<u>-</u>	<u>1,015,129</u>	<u>586,123</u>	<u>807,961</u>
-	-	-	8,192,408	9,119,433
-	-	301,200	7,527	-
-	-	-	1,776,198	1,683,188
144,894	-	-	144,894	366,097
828	-	-	235,579	794,150
10,568	-	825,000	71,816	92,234
-	-	-	280,074	313,883
-	-	110,000	-	-
-	-	-	36,356	8,261
-	-	-	102,909	9,445
34	-	-	105,616	51,103
-	-	(243,470)	-	-
-	-	7,284	-	-
<u>156,324</u>	<u>-</u>	<u>1,000,014</u>	<u>10,953,377</u>	<u>12,437,794</u>
<u>156,324</u>	<u>-</u>	<u>2,015,143</u>	<u>11,539,500</u>	<u>13,245,755</u>
-	-	-	147,411	111,234
<u>156,324</u>	<u>-</u>	<u>2,015,143</u>	<u>11,686,911</u>	<u>13,356,989</u>
8,532	3,000	1,236,200	12,424,919	12,354,916
138,080	-	-	138,080	346,520
-	-	-	218,680	220,955
-	-	-	10,340	12,662
-	-	1,015,129	-	-
2,428	-	-	2,428	4,731
<u>149,040</u>	<u>3,000</u>	<u>2,251,329</u>	<u>12,794,447</u>	<u>12,939,784</u>
<u>7,284</u>	<u>(3,000)</u>	<u>(236,186)</u>	<u>(1,107,536)</u>	<u>417,205</u>
-	-	-	131,440	119,476
-	-	(21,025)	-	-
-	-	-	(147,411)	(111,234)
<u>-</u>	<u>-</u>	<u>(21,025)</u>	<u>(15,971)</u>	<u>8,242</u>
-	-	-	-	652
-	-	-	-	652
7,284	(3,000)	(257,211)	(1,123,507)	426,099
(21,321)	(19,396)	12,903,044	19,344,166	18,918,067
<u>\$ (14,037)</u>	<u>\$ (22,396)</u>	<u>\$ 12,645,833</u>	<u>\$ 18,220,659</u>	<u>\$ 19,344,166</u>

**GIBAULT, INC., THE GIBAULT FOUNDATION, INC.,
GIBAULT CARE, INC., GIBAULT VENTURES, INC.
AND SUMMIT ACADEMY OF VIGO COUNTY, INC.**

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Consolidating Statements of Cash Flows
(with summarized financial information for the year ended December 31, 2010)
For the Year Ended December 31, 2010

SACKRIDER & COMPANY, INC.

SUBJECT TO FINAL REVIEW

	2011		
	<u>Gibault, Inc.</u>	<u>The Gibault Foundation, Inc.</u>	<u>Gibault Care, Inc.</u>
Cash flows from operating activities:			
Increase (decrease) in net assets	\$ (1,123,507)	\$ (398,552)	\$ 137,057
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:			
(Gain) loss on disposal of equipment	-	(102,909)	-
(Gain) loss on sales of investments	(51,217)	(143,709)	-
Net unrealized (gains) losses on investments	46,134	139,756	-
Gifts of investments	-	(4,388)	-
Change in interest in net assets of The Gibault Foundation, Inc., Gibault Care, Inc., and Summit Academy of Vigo County, Inc.	264,495	-	-
Change in investment in Gibault Ventures, Inc.	(7,284)	-	-
Depreciation & amortization	348,065	341,111	67,773
Increase in cash surrender value of life insurance policies	-	(36,356)	-
Change in assets and liabilities:			
Accounts receivable	336,302	-	(57,009)
Due from Related Party	(25,368)	-	-
Accrued interest receivable	548	4,445	-
Contributions receivable	179,879	31,000	-
Inventories	12,676	-	-
Prepaid expenses	17,877	-	7,618
Deferred income taxes	-	-	-
Accounts payable	(99,962)	-	9,041
Due to Related Party	-	90,482	(67,838)
Accrued compensation and other liabilities	(35,239)	(3,744)	22,960
Annuity liability	-	(46,155)	-
Estimated health insurance liability	(40,000)	-	-
Net cash provided by operating activities	<u>(176,601)</u>	<u>(129,019)</u>	<u>119,602</u>
Cash flows from investing activities:			
Proceeds from sales of equipment	-	115,243	36,500
Proceeds from sale of investments	1,147,826	4,299,224	-
Purchases of investments	(1,188,985)	(4,154,823)	-
Expenditures for land, buildings and equipment	(314,314)	-	(61,367)
Net cash used by investing activities	<u>(355,473)</u>	<u>259,644</u>	<u>(24,867)</u>
Cash flows from financing activities:			
Repayments of long-term obligations	(300,000)	-	(105,528)
Proceeds from long-term obligations	500,000	-	-
Repayment of bonds payable	-	(155,274)	-
Net cash provided by financing activities	<u>200,000</u>	<u>(155,274)</u>	<u>(105,528)</u>
NET INCREASE (DECREASE) IN CASH	(332,074)	(24,649)	(10,793)
Cash at beginning of year	<u>611,148</u>	<u>37,632</u>	<u>74,075</u>
Cash at end of year	<u>\$ 279,074</u>	<u>\$ 12,983</u>	<u>\$ 63,282</u>

The accompanying notes are an integral part of these statements.

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SACKRIDER & COMPANY, INC.
SUBJECT TO FINAL REVIEW

<u>Gibault Ventures, Inc.</u>	<u>Summit Academy of Vigo County, Inc.</u>	<u>Eliminations</u>	<u>Consolidated Total</u>	<u>2010 Consolidated Total</u>
\$ 7,284	\$ (3,000)	\$ (257,211)	\$ (1,123,507)	\$ 426,099
-	-	-	(102,909)	(9,445)
-	-	-	(194,926)	262,130
-	-	-	185,890	(814,416)
-	-	-	(4,388)	(4,591)
-	-	264,495	-	-
-	-	(7,284)	-	-
3,847	-	-	760,796	799,521
-	-	-	(36,356)	(8,261)
2,182	-	-	281,475	(306,919)
(1,610)	-	(26,978)	-	-
-	-	-	4,993	3,110
-	-	-	210,879	(13,308)
12,762	-	-	25,438	21,947
-	-	-	25,495	(10,016)
2,428	-	-	2,428	4,731
-	3,000	3,000	(90,921)	28,747
1,334	-	23,978	-	-
141	-	-	(15,882)	(59,289)
-	-	-	(46,155)	(26,870)
-	-	-	(40,000)	(20,000)
<u>28,368</u>	<u>-</u>	<u>-</u>	<u>(157,650)</u>	<u>273,170</u>
-	-	-	151,743	16,214
-	-	-	5,447,050	2,896,265
-	-	-	(5,343,808)	(2,772,913)
-	-	-	(375,681)	(296,092)
-	-	-	<u>(120,696)</u>	<u>(156,526)</u>
-	-	-	(405,528)	(86,903)
-	-	-	500,000	-
-	-	-	(155,274)	(148,770)
-	-	-	<u>(60,802)</u>	<u>(235,673)</u>
28,368	-	-	(339,148)	(119,029)
<u>129,708</u>	<u>-</u>	<u>-</u>	<u>852,563</u>	<u>971,592</u>
<u>\$ 158,076</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 513,415</u>	<u>\$ 852,563</u>

GIBAULT, INC., THE GIBAULT FOUNDATION, INC.,
GIBAULT CARE, INC., GIBAULT VENTURES, INC.
AND SUMMIT ACADEMY OF VIGO COUNTY, INC.

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Consolidating Statements of Cash Flows ~~Consider & Company, Inc.~~
(with summarized financial information for the year ended December 31, 2010)
SACRIDER & COMPANY, INC.
SUBJECT TO FINAL REVIEW

For the Year Ended December 31.

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

	2011		
	<u>Gibault, Inc.</u>	<u>The Gibault Foundation, Inc.</u>	<u>Gibault Care, Inc.</u>
Cash paid during the year for interest	\$ 1,169	\$ 168,502	\$ 49,569

No cash was paid for income taxes during the year.

NONCASH INVESTING AND FINANCING ACTIVITY:

During the year ended December 31, 2011, Gibault, Inc. traded in vehicles with a total book value of \$35,383 on the purchase of new vehicles.

During the year ended December 31, 2011, The Gibault Foundation, Inc. received donated stock valued at \$4,388.

During the year ended December 31, 2010, Gibault, Inc. received donated stock of \$3,454.

During the year ended December 31, 2010, The Gibault Foundation, Inc. received donated stock valued at \$1,137.

DISCLOSURE OF ACCOUNTING POLICY:

Cash, as used in the statement of cash flows, is the amount reported as "cash" in the consolidated balance sheet, which includes cash on hand and all checking accounts.

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SUBJECT TO FINAL REVIEW

<u>Gibault</u>	<u>Summit Academy</u>					<u>2010</u>
<u>Ventures, Inc.</u>	<u>of Vigo County, Inc.</u>	<u>Eliminations</u>	<u>Consolidated Total</u>		<u>Consolidated Total</u>	
\$ -	\$ -	\$ -	\$ 219,240	\$		\$ 221,491

GIBAULT, INC., THE GIBAULT FOUNDATION, INC.
GIBAULT CARE, INC., GIBAULT VENTURES, INC.
AND SUMMIT ACADEMY OF VIGO COUNTY, INC.

Notes to Consolidating Financial Statements

December 31, 2011

SACKRIDER & COMPANY, INC.

SUBJECT TO FINAL REVIEW

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Gibault, Inc. operates a residential treatment facility in Terre Haute, Indiana for delinquent and pre-delinquent boys and girls ages 8 to 18 years at time of admission. Gibault, Inc. also provides various programs in Springfield, Ohio, Shelbyville, Indiana, New Castle, Indiana, Rensselaer, Indiana and Terre Haute, Indiana. Gibault, Inc. provides treatment services and is reimbursed from State and County Agencies at negotiated per diem rates. Gibault, Inc. also provides psychiatric treatment to clients through its PRTF program. Fees for these services are charged to Indiana Medicaid program. Additionally in 2010, Gibault, Inc. assumed management of Henry County Youth Center in New Castle, Indiana. This facility provides daily youth programs as well as detention and residential treatment services.

The Gibault Foundation, Inc. was organized at the direction of the board of trustees for Gibault, Inc. for the purpose of providing support to Gibault, Inc. During 1989, a portion of Gibault, Inc.'s investments were gifted to the Foundation. In January 1990, Gibault, Inc. gifted all of its land, land improvements, buildings and the related bonds payable to the Foundation. The membership of The Gibault Foundation, Inc. shall consist of one class, namely the members of the Foundation's board of directors.

In 2001, Gibault Counseling, Inc. was established to provide behavioral health counseling treatment and therapy services. Gibault Counseling, Inc. began operations in November 2002. Gibault Counseling, Inc. receives payment for these services from third party payers which includes Medicaid and individuals receiving counseling. Gibault Counseling, Inc. is governed by a board of directors which is approved by the board of directors of Gibault, Inc. During 2007, Gibault Counseling, Inc. ceased operations. During 2008, Gibault Counseling, Inc. was renamed Gibault Care, Inc., d/b/a McGivney Health Care Center. Additionally, the exempt purpose of the organization was amended to include long-term residential care to persons with chronic illness or disability in a health care center (formerly referred to as a nursing home). On October 31, 2008, Gibault Care, Inc. purchased and began operating a nursing home in Carmel, Indiana.

In 2005, Gibault Ventures, Inc., d/b/a Top of the Hill Auto Sales, was established. The Corporation sells used automobiles to the general public for profit and to Gibault, Inc. for use in its operations. The profits are to be used to subsidize Gibault, Inc.'s operations. Gibault, Inc. owns 100% of the outstanding stock of the Corporation and its board of directors consists of employees of Gibault, Inc.

In 2009, Summit Academy of Vigo County, Inc. was established to operate a fully accredited, charter school under the laws of the State of Indiana. Summit Academy of Vigo County, Inc. has filed an application to obtain 501(c)(3) status under the internal revenue code. The corporation's board of directors and officers are employees of Gibault, Inc. As of December 31, 2011, the Corporation had not received a charter. As a result of not receiving its charter, the Internal Revenue Service has not yet granted the Summit Academy of Vigo County, Inc. 501 (c)(3) status.

Consolidation Policy

The accompanying consolidated financial statements include the accounts of Gibault, Inc., The Gibault Foundation, Inc., Gibault Care, Inc., Gibault Ventures, Inc. and Summit Academy of Vigo County, Inc. Inter-entity transactions and balances have been eliminated in consolidation.

Comparative Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2010, from which the summarized information was derived.

Support and Expenses

Contributions received are measured at their fair values and are reported as an increase in net assets. Gifts of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated

GIBALT, INC., THE GIBALT FOUNDATION, INC.
GIBALT CARE, INC., GIBALT VENTURES, INC.
AND SUMMIT ACADEMY OF VIGO COUNTY, INC.

Notes to Consolidating Financial Statements

December 31, 2011

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SAGKRIER & COMPANY, INC.
SUBJECT TO FINAL REVIEW

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES - continued

time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activity as net assets released from restrictions.

Donated securities are recorded as contributions at their estimated fair values at the date of donation. Only those in-kind contributions for which a market value can be objectively determined are recorded as revenue.

Expenses are recorded when incurred in accordance with the accrual basis of accounting.

Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Accounts Receivable

Trade receivables and notes receivables are carried at their estimated collectible amounts. Trade receivables do not bear interest because they are created from established per diem rates with various state agencies under contract. Trade receivables are periodically evaluated for collectability based on conversations with representatives from the various state agencies.

Allowance for Doubtful Accounts

The allowance for doubtful accounts for Gibault, Inc., Gibault Care, Inc. and Gibault Ventures, Inc. is zero at December 31, 2011. The direct write-off method is used for recognizing bad debts, which would not be materially different from the allowance method that is called for by generally accepted accounting principles. Balances that are outstanding after management has used reasonable collection efforts are written off using the direct write-off method.

Inventory Valuation

Inventories of Gibault, Inc., which consist of provisions and supplies, are recorded at the lower of cost or market determined by using the first in, first out (FIFO) method.

Vehicle inventory of Gibault Ventures, Inc. is valued at cost. Cost includes the original purchase price plus repair costs to prepare vehicle for sale.

Investments

Investments in marketable securities are stated at fair market value.

Derivatives

Mortgage-backed securities are recorded at fair value using quoted market prices. Realized gains and losses are recognized when payments are received. The organization does not engage in the trading of derivatives. Mortgage-backed securities are purchased and held as part of the organizations portfolio to achieve investment return.

Land, Buildings and Equipment

Land, buildings, and equipment owned at April 1, 1975 are recorded at appraised value. Property purchased after April 1, 1975 is recorded at cost. Donated property is recorded at fair value on the date of gift.

Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives, principally on a straight-line basis. Gibault Ventures, Inc. records depreciation using accelerated methods.

GIBAULT, INC., THE GIBAULT FOUNDATION, INC.
 GIBAULT CARE, INC., GIBAULT VENTURES, INC.
 AND SUMMIT ACADEMY OF VIGO COUNTY, INC.

Notes to Consolidating Financial Statements

December 31, 2011

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SUBJECT TO FINAL REVIEW

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES - continued

Deferred Income Taxes

Deferred taxes are provided in accordance with FASB ASC 740, "Accounting for Income Taxes". Deferred taxes are provided for accumulated temporary differences due to basis differences for assets and liabilities for financial reporting and income tax purposes, including alternative minimum taxes. The temporary difference is due to net operating loss carryforward.

Advertising Costs

Advertising costs are expensed as incurred and amounted to \$19,252 for the year ended December 31, 2011.

Subsequent Events

Management has evaluated subsequent events through _____, the date which the financial statements were available for issue and concluded nothing occurred requiring adjustment to the financial statements or disclosure in the notes to the financial statements.

NOTE 2 - ACCOUNTS RECEIVABLE

Accounts receivable at December 31, 2011 consist of the following:

Per diem	\$ 1,043,078
Other	71,568
Patient revenue	<u>192,123</u>
	\$ <u>1,306,769</u>

NOTE 3 - INVESTMENTS

Investments are held in agency accounts and are carried at fair value. The cost and fair values of investment securities are as follows at December 31:

	2011		2010	
	Cost	Fair Value	Cost	Fair Value
Cash equivalents	\$ 128,697	\$ 128,697	\$ 516,750	\$ 516,750
Municipal bonds	341,244	370,771	253,180	253,834
Other fixed income	183,644	183,809	54,851	54,750
U.S. Government obligations	2,611,718	2,733,646	2,478,563	2,599,006
Corporate bonds	1,099,515	1,132,903	1,123,451	1,147,822
Common stock	3,450,565	4,230,916	3,664,788	4,719,993
Mutual funds	<u>372,407</u>	<u>421,595</u>	-	-
	\$ <u>8,187,790</u>	\$ <u>9,202,337</u>	\$ <u>8,091,583</u>	\$ <u>9,292,155</u>

The following schedule summarizes the investment return and its classification in the Statement of Activities for the year ended December 31,:

	2011				2010 Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	
Interest and dividend income	\$ 226,679	\$ -	\$ -	\$ 226,679	\$ 241,864
Realized gains (losses) based on original cost	194,926	-	-	194,926	(262,130)
Net unrealized gains (losses)	(186,026)	-	-	(186,026)	<u>814,416</u>
Total investment return	\$ <u>235,579</u>	\$ -	\$ -	\$ <u>235,579</u>	\$ <u>794,150</u>

GIBAULT, INC., THE GIBAULT FOUNDATION, INC.
 GIBAULT CARE, INC., GIBAULT VENTURES, INC.
 AND SUMMIT ACADEMY OF VIGO COUNTY, INC.

Notes to Consolidating Financial Statements

December 31, 2011

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SUBJECT TO FINAL REVIEW

NOTE 4- FAIR VALUE MEASUREMENT

Assets measured at fair value on a recurring basis at December 31, 2011 are as follows:

	Based on		
	Quoted Prices In Active Markets	Other Observable Inputs	Unobservable Inputs
<u>Assets</u>			
Cash equivalents	\$ 128,697	\$ -	\$ -
Equities:			
Consumer discretionary	561,055	-	-
Consumer staples	411,567	-	-
Energy	549,877	-	-
Financials	522,787	-	-
Health care	498,450	-	-
Industrials	517,081	-	-
Information technology	929,150	-	-
Materials	240,948	-	-
International equity mutual funds	421,595	-	-
U.S. Government obligations	2,733,646	-	-
Corporate bonds	-	1,132,904	-
Asset and mortgage-backed securities	-	38,998	-
Municipal bonds	-	370,771	-
Other fixed income securities	-	144,811	-
	\$ <u>7,514,853</u>	\$ <u>1,687,484</u>	\$ <u>-</u>

In 2011, realized gains of \$194,926 and unrealized losses of \$186,026 are reported in the Statements of Changes in Net Assets Available as investment income.

Following is a description of the valuation methodologies used for assets at fair value.

For all *cash equivalents, United States government obligations, equities and mutual funds* fair value is determined by reference to quoted market prices. The *corporate bonds, asset and mortgage backed securities, municipal bonds and other fixed income securities* are valued based on yields currently available on comparable securities of issuers with similar credit ratings.

Assets measured at fair value on a non-recurring basis comprised the following:

<u>Description</u>	Fair Value at <u>December 31, 2011</u>
Medicaid beds	\$ 650,000
Goodwill	100

Fair value was determined as follows:

	Based on	
	Other Observable Inputs	Unobservable Inputs
Medicaid beds	\$ -	\$ 650,000
Goodwill	-	100
	\$ <u>-</u>	\$ <u>650,100</u>

GIBAULT, INC., THE GIBAULT FOUNDATION, INC.
 GIBAULT CARE, INC., GIBAULT VENTURES, INC.
 AND SUMMIT ACADEMY OF VIGO COUNTY, INC.

Notes to Consolidating Financial Statements

December 31, 2011

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SUBJECT TO FINAL REVIEW

NOTE 4 - FAIR VALUE MEASUREMENT - continued

The fair value of Medicaid beds and goodwill is determined based on the discounted expected future cash inflows expected over future periods. These amounts were recorded as the purchase amount at the closing of the nursing home purchased by Gibault Care, Inc. in October 2008.

NOTE 5 - PROMISE TO GIVE

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. The allowance for uncollectible promises to give is \$0. All promises to give were thought to be collectible.

Unconditional promises to give are expected to be received as follows:

Due in less than one year	\$ 19,657
Due in one to five years	-
Due in more than five years	-

NOTE 6 - LAND, BUILDINGS AND EQUIPMENT

Land, buildings and equipment and accumulated depreciation balances are summarized as follows:

	Cost or Appraisal December 31, 2011	Accumulated Depreciation December 31, 2011
Land	\$ 969,700	\$ -
Land improvements	1,227,025	1,124,131
Buildings	18,641,591	8,826,689
Leasehold improvements	1,844,023	774,998
Equipment	2,918,673	2,436,538
Vehicles	<u>308,178</u>	<u>175,124</u>
	\$ <u>25,909,190</u>	\$ <u>13,337,480</u>

Depreciation expense in 2011 was \$745,880.

NOTE 7 - INTANGIBLE ASSETS

As part of the purchase of Gibault Care, Inc. during 2008, the company acquired intangible assets of \$740,000. Of that amount, \$650,000 has been assigned to Medicaid beds; such intangible assets are not subject to amortization. The \$89,900 balance of acquired intangibles has been assigned to a non-compete agreement, which is subject to periodic amortization over the estimated useful life of 3 years. Goodwill of \$100, which is not subject to amortization, arose in connection with the acquisition.

The following is a summary of non-goodwill intangibles at December 31, 2011:

Intangibles subject to amortization:	
Non-compete agreement	\$ 89,900
Less accumulated amortization	<u>(89,900)</u>
	-
Intangibles not subject to amortization:	
Medicaid beds	650,000
Goodwill	<u>100</u>
	<u>650,100</u>
	\$ <u>650,100</u>

Amortization expense for 2011 was \$14,917; estimated amortization expense for the year ending December 31, 2012 is \$0.

GIBAULT, INC., THE GIBAULT FOUNDATION, INC.,
GIBAULT CARE, INC., GIBAULT VENTURES, INC.
AND SUMMIT ACADEMY OF VIGO COUNTY, INC.

Notes to Consolidating Financial Statements

December 31, 2011

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SUBJECT TO FINAL REVIEW

NOTE 8 - RETIREMENT PLAN

Gibault, Inc. has a defined contribution retirement plan for the purpose of providing retirement benefits for employees meeting certain eligibility requirements. Contributions are based on 6% of eligible salaries and are funded as accrued. Total pension expense amounted to \$4,470 for the year ended December 31, 2011. During the year ended December 31, 2009, management elected to stop employer contributions. Effective January 1, 2011, Gibault, Inc. terminated the plan.

Effective January 1, 2011, Gibault, Inc. established a new 403(b) Thrift Plan. The plan allows eligible employees to contribute to the plan through salary reduction and for employer matching contributions as determined annually by Gibault, Inc.'s board of directors. There were no matching contributions during 2011.

NOTE 9 - TAX STATUS

Gibault, Inc., The Gibault Foundation, Inc., and Gibault Care, Inc. are exempt from federal and state income taxes under section 501(c)(3) of the Internal Revenue Code.

Gibault Ventures, Inc. is a for-profit corporation subject to federal and state income taxes.

Summit Academy of Vigo County, Inc. has not been awarded at tax status by the IRS as of December 31, 2011. The application for exempt status under section 501 (c)(3) of the Internal Revenue Code has been placed on suspension until the school's charter can be provided to the IRS.

NOTE 10 - ECONOMIC DEVELOPMENT REVENUE BONDS

In December 2002, Gibault, Inc. and The Gibault Foundation, Inc. contracted to issue a series of economic development revenue bonds in an amount up to \$5,000,000. As of December 31, 2006, Gibault, Inc. and The Gibault Foundation, Inc. have issued all of the bonds. Principal and interest payments of \$152,723 are to be made semi-annually over a twenty-five year period with interest accruing on the unpaid principal balance. The interest rate will then be adjusted based on a formula as defined in the bond document. The interest rate was adjusted to 4.3255% in December 2007 and will adjust every fifth year that follows. The bonds are secured by land, improvements and buildings owned by Gibault, Inc. and The Gibault Foundation, Inc.

Maturities of the bonds for the five years following December 31, 2011 are as follows:

2012	\$ 162,064
2013	169,159
2014	176,555
2015	184,274
2016	192,322

NOTE 11 - LINE OF CREDIT

During 2011, Gibault, Inc. renewed its line of credit agreement with a local bank for \$1,500,000, to be drawn upon as needed. The principal is due on demand or October 13, 2012, if no demand is made. Interest is to be paid monthly at the prime rate as published in the Wall Street Journal. At December 31, 2011 the rate was 3.05%. The line of credit is secured by investments held in a trust account at the same bank. Interest expense paid on the line of credit during 2011 totaled \$712. At December 31, 2011, the outstanding balance was \$200,000.

NOTE 12 - NOTES PAYABLE

During 2008, Gibault Care, Inc. obtained a note payable from a local financial institution for \$2,000,000 for the purchase of a nursing home in Carmel, Indiana. Gibault Care, Inc. is to make six consecutive interest payments beginning in November 2008 on the unpaid principal balance. Beginning May 30, 2009, sixty consecutive monthly principal and interest payments are to be made on the note. Interest is calculated on the unpaid principal balance at the prime rate of the local financial institution less .75 percentage points. The rate at December 31, 2011 was 2.50%.

GIBAULT, INC., THE GIBAULT FOUNDATION, INC.
 GIBAULT CARE, INC., GIBAULT VENTURES, INC.
 AND SUMMIT ACADEMY OF VIGO COUNTY, INC.

Notes to Consolidating Financial Statements

December 31, 2011

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SUBJECT TO FINAL REVIEW

NOTE 12 - NOTES PAYABLE - continued

The interest rate is adjustable monthly. The note is secured by \$2,300,000 investments of The Gibault Foundation, Inc. held at the same financial institution. The note is being repaid under a loan amortization of approximately 17 years instead of the terms of the note with the anticipation of refinancing the note for an additional period.

Repayments on long-term obligations for each of the five years following 2011 are:

2012	\$ 99,764
2013	102,445
2014	1,543,552
2015	-
2016	-
Thereafter	-

NOTE 13 - TEMPORARILY RESTRICTED NET ASSETS

During the year ended December 31, 2011, temporarily restricted net assets were released from restrictions by incurring expenses satisfying the restricted purposes specified by the donors.

Temporarily restricted net assets were used to accomplish the following purposes:

Generator	\$ 35,524
Various programs	86,668
Renovations of facilities	1,300
Time restrictions satisfied	<u>23,919</u>
Total net assets released from restrictions	\$ <u>147,411</u>

Temporarily restricted net assets are available for the following purposes:

Programs	\$ 577
Bibles	275
Annuity agreements	65,306
Phraselator	2,300
Education needs	4,283
Cribs	2,100
Playground equipment	<u>1,925</u>
	\$ <u>76,766</u>

NOTE 14 - PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted assets of \$30,455 are restricted to investments in perpetuity, the income from which is expendable to support Gibault, Inc.'s operations.

NOTE 15 - OTHER RESTRICTIONS

The board of directors of The Gibault Foundation, Inc. have designated \$6,105,972 of unrestricted net assets as additional endowment funds. The earnings from these assets are available to be used to support Gibault, Inc.

NOTE 16 - CONCENTRATION OF CREDIT RISK

Gibault, Inc. grants credit to those entities it provides services for, most of whom are some type of county or state governmental agency.

Gibault, Inc. routinely has deposits throughout the year in Indiana financial institutions in amounts that exceed the limits of insurance provided by the Federal Deposit Insurance Corporation.

GIBAULT, INC., THE GIBAULT FOUNDATION, INC.
 GIBAULT CARE, INC., GIBAULT VENTURES, INC.
 AND SUMMIT ACADEMY OF VIGO COUNTY, INC.

Notes to Consolidating Financial Statements

December 31, 2011

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SUBJECT TO FINAL REVIEW

NOTE 17 - MAJOR CUSTOMERS AND CONTRIBUTIONS

During the year ended December 31, 2011, two entities accounted for \$5,942,336 or 72% of the consolidated per diem revenue of Gibault, Inc. and consolidated subsidiaries. Additionally, the accounts receivable balance for per diem for these two entities represented 69% of the total consolidated accounts receivable balance at December 31, 2011.

During the year ended December 31, 2011, one donor accounted for \$168,169 or 29% of the consolidated public support of Gibault, Inc. and consolidated subsidiaries.

NOTE 18 - BEQUESTS AND ANNUITIES

The Gibault Foundation, Inc. is also the holder of twelve charitable gift annuities. A charitable gift annuity is an arrangement in which the donor contributes assets to an organization in exchange for a promise by the organization to pay a fixed amount for a specified period of time to the donor or to individuals or organizations designated by the donor. The assets received are recorded as temporarily restricted net assets net of the present value of the future cash flows of the annuity payment liability. The value of charitable gift annuity assets at December 31, 2011 are \$65,306 (net of the annuity liability of \$68,087).

In March 2002, The Gibault Foundation, Inc. purchased real estate for cash of \$120,000 and issuance of a two-life annuity contract. The annuity contract requires the Foundation to pay the annuitants \$5,000 per month for ten years or until the second annuitant dies. After ten years, if either or both annuitants survive, the Foundation will pay \$4,000 per month until the second annuitant dies. Upon closing of this real estate transaction, the annuitants relinquished all rights with regard to the real estate. The property was recorded by the Foundation at the present value of the annuity payments, plus the \$120,000 cash paid. The Foundation also recorded an annuity liability for the present value of the annuity payments owed the annuitants. At December 31, 2011 present value of the annuity payments was \$418,718.

The Gibault Foundation, Inc. is the beneficiary of forty-nine life insurance policies. The Foundation has recorded the cash surrender value of these policies at December 31, 2011 of \$107,307.

NOTE 19 - GRANTS

Federal and state grants received during 2011 are as follows:

Unrestricted

Department of Agriculture school breakfast program and national school lunch program passed through the Indiana Department of Education	\$ 176,341
Department of Education Chapter I - financial assistance to meet special education needs of disadvantaged children operated by local education agencies	83,978
Department of Education, Division of School Finance and Educational Information - textbook reimbursement	3,190
Department of Agriculture food distribution program	2,390
Indiana Department of Education - CHOICE Scholarship	<u>14,175</u>
	280,074

Temporarily restricted

Jasper County, Indiana - CASA program grant	31,852
Newton County, Indiana - CASA program grant	<u>18,764</u>
	\$ <u>330,690</u>

GIBAULT, INC., THE GIBAULT FOUNDATION, INC.
 GIBAULT CARE, INC., GIBAULT VENTURES, INC.
 AND SUMMIT ACADEMY OF VIGO COUNTY, INC.

Notes to Consolidating Financial Statements

December 31, 2011

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SUBJECT TO FINAL REVIEW

NOTE 20 - RELATED PARTY TRANSACTIONS

During the year ended December 31, 2011, Gibault, Inc. purchased twelve vehicles from Gibault Ventures, Inc. The gross purchase price was \$79,188. The cost of these vehicles was \$76,916. Gibault, Inc. traded in nine vehicles on these purchases and received a trade in allowance of \$39,284 and paid cash of \$39,904.

NOTE 21 - INCOME TAXES

The deferred tax asset included in the consolidating balance sheet results from the net operating loss carryforward from Gibault Ventures, Inc. Federal income tax expense of \$2,428 consists of the recognition of part of the deferred tax asset resulting from the net operating losses carried forward from prior years. The prior year operating losses were used to reduce current year operating profit. The valuation allowance for the deferred tax asset is zero. The net operating loss carryforward was thought to be realizable in future years. The net operating losses can be carried forward as follows:

<u>Year of loss</u>	<u>Loss</u>	<u>Carryforward Expires</u>
2005	\$ 4,523	2025
2006	13,451	2026

Gibault, Inc.'s, The Gibault Foundation, Inc.'s, Gibault Care, Inc.'s and Summit Academy of Vigo County, Inc.'s information returns and Gibault Venture, Inc.'s income tax returns are subject to examination by the appropriate taxing jurisdictions. As of December 31, 2011, the Organization's federal and state tax returns for the last three years are open for examination as each year's returns remain open for examination for three years.

NOTE 22 - ENDOWMENT FUND

The Gibault Foundation, Inc. has an endowment consisting of unrestricted board-designated and permanently restricted assets. When the Foundation receives gifts from donors restricted as endowment funds, the Foundation records these gifts as permanently restricted assets to be held in perpetuity. Additionally, in accordance with established policy, when an unrestricted bequest is received by Gibault, Inc. or The Gibault Foundation, Inc., the gift is deposited into the Foundation endowment fund as a board designated endowment fund. The board designated endowment funds and the investment earnings on the permanently restricted endowment funds are to be used to support the programs and operations of Gibault, Inc.

The assets in the endowment fund are maintained in two trust accounts and in-house as investments in Series E and EE government savings bonds. The Foundation's board has established an investment policy for the investment of the endowment funds. The purpose of endowment fund is to generate and invest income from operations and to supply cash for the daily expenses with a sufficient surplus to maintain a reserve balance equivalent to 30 to 45 days of operating expenses. The policy also details the investment portfolio allocation percentages for which the endowment funds may be invested.

In accordance with established policy, at least annually, the endowment fund is to transfer to Gibault, Inc., the investment earnings, net of applicable fees. These funds are to be used to support the programs and operations of Gibault, Inc. Additionally, as needed, additional appropriations may be approved by the Foundation's board to be transferred to Gibault, Inc. for operations.

For the year ended December 31, 2011, The Gibault Foundation, Inc. had the following endowment related activities:

GIBALT, INC., THE GIBALT FOUNDATION, INC.
 GIBALT CARE, INC., GIBALT VENTURES, INC.
 AND SUMMIT ACADEMY OF VIGO COUNTY, INC.

Notes to Consolidating Financial Statements

December 31, 2011

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SUBJECT TO FINAL REVIEW

NOTE 22 - ENDOWMENT FUND - continued

	Board Designated Endowment Funds <u>Unrestricted</u>	Permanently <u>Restricted</u>
Endowment principle, beginning of year	\$ 5,973,889	\$ 30,455
Investment return:		
Investment income (loss)	169,031	-
Realized gain (loss)	\$ <u>121,196</u>	\$ -
Total investment return	290,227	-
Contributions	9,278	-
Appropriation of endowment funds for expenditure	<u>(167,422)</u>	-
Endowment principle, end of year	\$ <u>6,105,972</u>	\$ <u>30,455</u>

GIBALT, INC., THE GIBALT FOUNDATION, INC.,
 GIBALT CARE, INC., GIBALT VENTURES, INC.
 AND SUMMIT ACADEMY OF VIGO COUNTY, INC.

Statement of Functional Expenses - Gibalt, Inc.

Year Ended December 31, 2011

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SACKRIDER & COMPANY, INC.

SUBJECT TO FINAL REVIEW

Program, Services and Administrative Expenses

	CARE	Aspergers	Education	PRTF	Group Home	ISIS
Personnel costs						
Salaries	\$ 550,384	\$ 236,549	\$ 560,145	\$ 1,347,606	\$ -	\$ 109,931
Employee health insurance	23,013	25,060	41,393	85,300	-	7,926
Payroll taxes	49,790	16,861	60,277	131,285	-	8,283
Employee pension	-	-	-	-	-	-
	<u>623,187</u>	<u>278,470</u>	<u>661,815</u>	<u>1,564,191</u>	<u>-</u>	<u>126,140</u>
Advertising	-	-	-	-	-	-
Allowances/honor jobs - clients	4,310	416	445	3,910	-	486
Athletic and other equipment	-	-	-	110	-	-
Awards and recognition	632	391	7,046	1,376	-	281
Bad debt expense	-	-	-	-	-	-
Bank fees	-	-	-	-	-	-
Chapter 1 expenses	-	-	77,378	-	-	-
Clinical supplies	-	-	-	621	-	-
Clothing	7,008	221	-	10,252	-	561
Commissary	747	30	-	190	-	29
Computer/software supplies	-	-	-	-	-	-
Contracted services	-	-	3,005	48,500	-	-
Copier lease payments	-	-	-	2,114	-	-
Depreciation	-	-	-	-	-	-
Directors fund	-	-	1,015	28	-	-
Donor Development	-	-	-	-	-	-
Exhibit fees	-	-	-	-	-	-
Furnishings and linens	2,135	49	83	3,010	-	263
Gas and oil	4,261	1,655	150	1,628	-	362
Health care	-	-	-	-	-	-
Household supplies	12,926	2,516	2,401	18,745	-	2,152
Insurance	-	-	-	-	-	-
Lease payments	-	-	-	-	-	-
Maintenance supplies and contracts	-	-	9,052	-	441	-
Miscellaneous	-	-	1,135	-	-	-
Office supplies	2,488	1,040	3,893	8,879	-	129
Outings and special events	6,302	1,538	2,827	3,796	-	831
Parent classes	-	-	-	-	-	-
Personal hygiene supplies	4,335	265	67	1,817	-	167
Postage	231	-	-	70	-	-
Printing and publications	-	-	-	-	-	-
Professional development fees	6	-	695	30	-	-
Provisions	910	277	37	929	-	145
Recreational supplies	723	306	-	974	-	25
School supplies	21	263	27,587	384	-	-
Scholarships/Tuition	-	-	-	-	-	-
Sick leave	-	-	-	-	-	-
Staff development	170	-	2,590	73	-	-
Staff travel	4,457	376	2,367	2,324	-	558
Student travel	-	-	-	-	-	-
Telephone	1,695	780	485	2,335	1,042	-
Utilities	35,967	2,224	-	68,452	1,230	9,007
Vehicle repairs	-	-	-	-	-	-
	<u>\$ 712,511</u>	<u>\$ 290,817</u>	<u>\$ 804,073</u>	<u>\$ 1,744,738</u>	<u>\$ 2,713</u>	<u>\$ 141,136</u>

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SUBJECT TO FINAL REVIEW

Aftercare	Ohlo Campus	Ohio Visitation	Shelbyville	Foster Care	JCYC	HCYC
\$ -	\$ -	\$ 51,275	\$ 209,750	\$ 9,554	\$ 289,886	\$ 901,973
-	-	4,159	15,373	4,719	7,800	37,499
-	-	5,566	18,242	751	21,830	91,484
-	-	-	-	-	-	-
-	-	61,000	243,365	15,024	319,516	1,030,956
807	-	-	777	-	180	1,806
-	-	-	1,290	-	-	629
-	-	-	-	-	17	916
-	-	358	20	-	-	139
-	-	-	-	-	-	-
-	-	-	-	-	66	-
-	-	-	-	-	-	-
-	-	-	778	-	-	10,621
-	-	-	584	-	-	1,332
-	-	-	64	-	-	2,023
-	-	-	-	-	125	-
-	-	-	1,014	-	360	11,374
-	-	6,550	6,576	-	5,520	6,712
-	29,402	-	7,550	-	2,203	1,770
-	-	-	323	-	-	327
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	2,157	375	-	74	159
1,621	-	476	7,977	571	1,806	15,638
-	-	-	8	-	-	36,639
-	-	-	-	-	-	-
-	-	1,700	2,134	-	8,969	14,191
-	-	1,597	-	-	-	28,891
-	-	-	-	-	-	-
-	-	1,916	10,944	-	7,136	31,262
-	-	-	4,316	-	5,187	933
-	-	-	-	-	-	-
-	-	569	540	-	757	5,171
-	-	840	678	-	3,882	1,838
-	-	-	-	-	489	-
-	-	-	485	-	-	1,528
-	-	100	664	-	(338)	1,017
-	-	-	315	-	315	-
-	-	-	250	-	185	697
-	-	-	10,031	-	35,872	75,579
-	-	-	653	-	-	227
-	-	1,553	-	-	2,175	198
-	-	-	291	-	-	-
-	-	-	-	-	-	-
378	-	354	146	-	1,783	942
950	-	315	452	116	519	3,848
-	-	-	-	-	-	-
855	-	600	6,579	670	3,099	7,785
-	-	-	12,503	-	14,545	84,391
-	-	-	1,828	-	147	8,836
<u>\$ 4,611</u>	<u>\$ 29,402</u>	<u>\$ 80,085</u>	<u>\$ 323,510</u>	<u>\$ 16,381</u>	<u>\$ 414,589</u>	<u>\$ 1,388,375</u>

GIBALT, INC., THE GIBALT FOUNDATION, INC.,
 GIBALT CARE, INC. AND GIBALT VENTURES, INC.
 AND SUMMIT ACADEMY OF VIGO COUNTY, INC.

Statement of Functional Expenses - Gibalt, Inc.-Continued

Year Ended December 31, 2011

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SACKRIDER & COMPANY, INC.

SUBJECT TO FINAL REVIEW

Program, Services and Administrative Expenses

	CASA	Odyssey House	Program Support	Support Services	Marketing	General Administrative	Fundraising	Total
Personnel costs								
Salaries	\$ 27,950	\$ 1,660	\$ 530,753	\$ 485,451	\$ 211,177	\$ 603,953	\$ 93,181	\$ 6,221,178
Employee health insurance	2,714	-	26,257	22,725	12,025	32,208	8,850	357,021
Payroll taxes	1,786	107	39,627	40,840	15,476	49,848	6,402	558,455
Employee pension	-	-	-	4,470	-	-	-	4,470
	<u>32,450</u>	<u>1,767</u>	<u>596,637</u>	<u>553,486</u>	<u>238,678</u>	<u>686,009</u>	<u>108,433</u>	<u>7,141,124</u>
Advertising	1,573	7	525	-	1,025	6,424	-	13,124
Allowances/honor jobs - clients	-	-	11,860	2,531	-	-	-	25,877
Athletic and other equipment	300	530	-	686	-	18,033	-	20,592
Awards and recognition	180	-	-	-	-	2,859	692	13,974
Bad debt expense	-	-	-	45,712	-	-	-	45,712
Bank fees	-	-	-	4,384	-	25	-	4,475
Chapter I expenses	-	-	-	-	-	-	-	77,378
Clinical supplies	-	-	(98)	-	-	-	-	11,922
Clothing	-	-	236	(1,345)	-	-	-	18,849
Commissary	-	-	63	1,331	-	-	-	4,477
Computer/software supplies	-	-	-	-	-	5,930	1,705	7,760
Contracted services	1,000	-	304,975	165,197	-	4,318	52	539,795
Copier lease payments	1,075	-	20,584	-	6,030	5,528	-	60,689
Depreciation	-	-	-	307,140	-	-	-	348,065
Directors fund	-	-	1,996	9	352	3,527	364	7,941
Donor Development	-	-	-	-	-	-	4,476	4,476
Exhibit fees	-	-	-	-	193	-	-	193
Furnishings and linens	-	1,152	1,461	5,285	-	962	-	17,165
Gas and oil	134	-	17,909	12,831	4,297	8,127	1,979	81,422
Health care	-	-	104	29,126	-	-	-	65,877
Household supplies	-	340	3,255	12,322	-	345	-	81,996
Insurance	1,000	-	-	279,353	-	-	6,054	316,895
Lease payments	1,200	-	-	798,841	-	30,000	-	830,041
Maintenance supplies and contracts	-	359	-	100,506	-	2,814	838	165,268
Miscellaneous	-	-	1,057	577	-	34,088	-	47,293
Office supplies	465	-	7,832	1,837	427	11,733	1,726	47,486
Outings and special events	1,152	-	827	-	269	(43)	8,361	33,098
Parent classes	-	-	-	-	-	-	-	489
Personal hygiene supplies	-	66	-	27	-	-	-	8,757
Postage	633	-	48	12,686	79	599	22,312	38,101
Printing and publications	-	-	-	-	2,520	-	32,123	35,273
Professional development fees	850	311	624	18,540	250	2,055	21	24,514
Provisions	-	212	24	240,089	-	-	-	364,105
Recreational supplies	-	-	6,555	-	-	-	-	9,463
School supplies	-	-	-	110	-	-	-	32,291
Scholarships	-	-	-	-	-	-	-	291
Sick leave	-	-	-	12,467	-	-	-	12,467
Staff development	901	275	3,089	2,908	1,122	7,400	-	22,131
Staff travel	1,048	-	2,387	14,552	5,438	4,431	2,478	46,616
Student travel	-	-	18	-	-	-	-	18
Telephone	600	-	18,305	14,549	1,560	31,725	1,475	94,139
Utilities	1,000	542	-	198,520	-	20,936	-	449,317
Vehicle repairs	-	-	30	30,733	-	-	-	41,574
	<u>\$ 45,561</u>	<u>\$ 5,561</u>	<u>\$ 1,000,303</u>	<u>\$ 2,864,990</u>	<u>\$ 262,240</u>	<u>\$ 887,825</u>	<u>\$ 193,089</u>	<u>\$ 11,212,510</u>

GIBAULT, INC., THE GIBAULT FOUNDATION, INC.,
GIBAULT CARE, INC., GIBAULT VENTURES, INC.
AND SUMMIT ACADEMY OF VIGO COUNTY, INC.
SACKRIDER & COMPANY, INC.
Statement of Functional Expenses - Gibault Care, Inc.
SUBJECT TO FINAL REVIEW

Year Ended December 31, 2011

	<u>Program, Services and Administrative Expenses</u>		
	<u>Program Services</u>	<u>Management & General</u>	<u>Total</u>
Personnel costs			
Salaries	\$ 1,216,995	\$ -	\$ 1,216,995
Employee health insurance	91,131	-	91,131
Payroll taxes	102,764	-	102,764
Employee pension	-	-	-
	<u>1,410,890</u>	<u>-</u>	<u>1,410,890</u>
Advertising	6,128	-	6,128
Assessments	111,970	-	111,970
Athletic and other equipment	7,326	-	7,326
Awards & Recognition	-	190	190
Bad debt expense	5,315	-	5,315
Contracted services	11,843	22,523	34,366
Depreciation and amortization	67,773	-	67,773
Directors fund	-	(360)	(360)
Drug testing	500	-	500
Dues and subscriptions	-	614	614
Fees and licenses	223	-	223
Furnishings and linens	2,071	-	2,071
Health care	8,800	-	8,800
Household supplies	10,051	-	10,051
Insurance	41,284	-	41,284
Maintenance supplies and contracts	45,764	-	45,764
Management fees	10,682	50,000	60,682
Medical supplies	53,006	-	53,006
Miscellaneous	1,194	-	1,194
Office supplies	-	2,698	2,698
Postage	-	184	184
Printing and publications	-	5	5
Provisions	68,335	-	68,335
Property taxes	-	20,859	20,859
Recreation supplies	720	-	720
Staff development	-	508	508
Staff travel	-	7,651	7,651
Telephone	-	6,297	6,297
Utilities	45,757	-	45,757
Vehicle repairs	1,376	-	1,376
	<u>\$ 1,911,008</u>	<u>\$ 111,169</u>	<u>\$ 2,022,177</u>

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SACKRIDER & COMPANY, INC.
SUBJECT TO FINAL REVIEW

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT
AUDITING STANDARDS***

Board of Directors
Gibault, Inc., The Gibault Foundation, Inc., Gibault
Care, Inc., Gibault Ventures, Inc., and Summit
Academy of Vigo County, Inc.
Terre Haute, Indiana

We have audited the consolidating financial statements of Gibault, Inc., The Gibault Foundation, Inc., Gibault Care, Inc., Gibault Ventures, Inc. and Summit Academy of Vigo County, Inc. as of and for the year ended December 31, 2011, and have issued our report thereon dated . We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Gibault, Inc., The Gibault Foundation, Inc., Gibault Care, Inc., Gibault Ventures, Inc. and Summit Academy of Vigo County, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the consolidating financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Gibault, Inc., The Gibault Foundation, Inc., Gibault Care, Inc., and Gibault Ventures, Inc. and Summit Academy of Vigo County, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Gibault, Inc., The Gibault Foundation, Inc., Gibault Care, Inc., Gibault Ventures, Inc., and Summit Academy of Vigo County, Inc.'s consolidating financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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We noted certain matters that we reported to management of Gibault, Inc., The Gibault Foundation, Inc., Gibault Ventures, Inc., and Summit Academy of Vigo County, Inc. in a separate letter dated _____

SACKRIDER & COMPANY, INC.

SUBJECT TO FINAL REVIEW

This report is intended solely for the information and use of management, the internal affairs committee, Board of Directors, and is not intended to be and should not be used by anyone other than these specified parties.

Terre Haute, Indiana

ATTACHMENT 23
OPERATOR FINANCIALS

**Gibault, Inc., Gibault Foundation, Inc.,
Gibault Care, Inc. and Gibault
Ventures, Inc.**

**Consolidating Financial Statements and
Report of Independent Certified
Public Accountants**

December 31, 2008

CONTENTS

	PAGE
REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS	1.
FINANCIAL STATEMENTS	
Consolidating Balance Sheets	2.
Consolidating Statements of Activities	3.
Consolidating Statements of Cash Flows	4-5.
Notes to Consolidating Financial Statements	6-14.
SUPPLEMENTAL INFORMATION	
Report of Independent Certified Public Accountants on Supplemental Information	15.
Statement of Functional Expenses-Gibault, Inc.	16-17.
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	18-19.

Sackrider & Company, Inc.
Certified Public Accountants
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Sackrider & Company
Incorporated

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Trustees and Board
of Directors
Gibault, Inc., Gibault Foundation, Inc., Gibault
Care, Inc., and Gibault Ventures, Inc.
Terre Haute, Indiana

We have audited the accompanying consolidating balance sheet of Gibault, Inc., Gibault Foundation, Inc., Gibault Care, Inc., and Gibault Ventures, Inc. as of December 31, 2008, and the related consolidating statements of activities and cash flows for the year then ended. These consolidating financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these consolidating financial statements based on our audit. Information for the year ended December 31, 2007 is presented for comparative purposes only and was extracted from the consolidating financial statements for that year, on which an unqualified opinion dated May 5, 2008 was expressed.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 consolidating financial statements. An audit also includes assessing the accounting principles used and the 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 consolidating financial statements referred to above present fairly, in all material respects, the financial position of Gibault, Inc., Gibault Foundation, Inc., Gibault Care, Inc., and Gibault Ventures, Inc. as of December 31, 2008, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 14, 2009, on our consideration of Gibault, Inc., Gibault Foundation, Inc., Gibault Care, Inc. and Gibault Ventures, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Terre Haute, Indiana
April 14, 2009

Sackrider & Company, Inc.

**GIBAULT, INC., GIBAULT FOUNDATION, INC.,
GIBAULT CARE, INC. AND GIBAULT VENTURES, INC.**

Consolidating Balance Sheet

(with summarized financial information for the year ended December 31, 2007)

December 31,

	2008			
	Gibault, Inc.	Gibault Foundation, Inc.	Gibault Care, Inc.	Gibault Ventures, Inc.
ASSETS				
Cash	\$ 535,818	\$ 36,303	\$ 98,207	\$ 88,795
Investments	1,513,526	6,539,923	-	-
Investments in other assets	5,000	-	-	-
Accounts receivable - net	2,251,483	-	234,501	6,712
Contributions receivable	33,854	250,000	-	-
Accrued interest receivable	10,010	44,294	-	-
Inventories	72,496	-	-	34,369
Cash surrender value of life insurance	-	52,574	-	-
Prepaid expenses	31,107	-	26,243	-
Interest in net assets of Gibault Foundation, Inc. and Gibault Care, Inc.	12,797,106	-	-	-
Investment in Gibault Ventures, Inc.	153,618	-	-	-
Land, buildings, and equipment - at cost, less accumulated depreciation	2,375,284	10,441,714	1,096,939	97,442
Intangible assets less accumulated amortization	-	-	725,017	-
Deferred income taxes	-	-	-	15,609
Total assets	\$ 19,779,302	\$ 17,364,808	\$ 2,180,907	\$ 242,927
LIABILITIES AND NET ASSETS				
Accounts payable	\$ 301,076	\$ 63,218	\$ 210,688	\$ 89,309
Accrued compensation and other liabilities	499,236	17,703	66,507	-
Annuity liability	-	589,034	-	-
Estimated health insurance liability	80,700	-	-	-
Notes payable	-	-	2,000,000	-
Bonds payable	-	3,801,459	-	-
Total liabilities	881,012	4,471,414	2,277,195	89,309
Shareholders' equity				
Common stock, no par value, 1000 shares authorized, issued, and outstanding	-	-	-	1,000
Contributed capital	-	-	-	200,000
Accumulated deficit	-	-	-	(47,382)
	-	-	-	153,618
Net assets				
Unrestricted	18,765,511	12,767,396	(96,988)	-
Temporarily restricted	103,612	96,831	700	-
Permanently restricted	29,167	29,167	-	-
Total net assets	18,898,290	12,893,394	(96,288)	-
Total liabilities and net assets	\$ 19,779,302	\$ 17,364,808	\$ 2,180,907	\$ 242,927

The accompanying notes are an integral part of these statements.

		2007	
<u>Eliminations</u>	<u>Consolidated Total</u>	<u>Consolidated Total</u>	
\$ -	\$ 759,123	\$ 996,229	
-	8,053,449	9,789,880	
-	5,000	5,000	
332,670	2,160,026	2,137,714	
-	283,854	-	
-	54,304	58,858	
-	106,865	145,999	
-	52,574	47,557	
-	57,350	89,345	
12,797,106	-	-	
153,618	-	-	
-	14,011,379	13,247,460	
-	725,017	-	
-	15,609	17,288	
<u>\$ 13,283,394</u>	<u>\$ 26,284,550</u>	<u>\$ 26,535,330</u>	
\$ 332,670	\$ 331,621	\$ 206,569	
-	583,446	427,801	
-	589,034	575,423	
-	80,700	90,000	
-	2,000,000	-	
-	3,801,459	3,938,659	
<u>332,670</u>	<u>7,386,260</u>	<u>5,238,452</u>	
1,000	-	-	
200,000	-	-	
(47,382)	-	-	
<u>153,618</u>	<u>-</u>	<u>-</u>	
12,670,408	18,765,511	21,186,998	
97,531	103,612	81,892	
29,167	29,167	27,988	
<u>12,797,106</u>	<u>18,898,290</u>	<u>21,296,878</u>	
<u>\$ 13,283,394</u>	<u>\$ 26,284,550</u>	<u>\$ 26,535,330</u>	

**GIBAULT, INC., GIBAULT FOUNDATION, INC.,
GIBAULT CARE, INC. AND GIBAULT VENTURES, INC.**

Consolidating Statements of Activities

(with summarized financial information for the year ended December 31, 2007)

For the year ended December 31,

	2008		
	Gibault, Inc.	Gibault Foundation, Inc.	Gibault Care, Inc.
Changes in unrestricted net assets			
Support and revenue			
Public support			
Knights of Columbus-assessments	\$ 124,059	\$ -	\$ -
Transfers from Gibault Foundation, Inc.	1,040,192	-	-
Contributions-other	471,906	228,991	-
Fundraising	44,760	-	-
	<u>1,680,917</u>	<u>228,991</u>	<u>-</u>
Revenue			
Per diem	10,658,523	-	-
Patient fees	-	-	319,788
Sales	-	-	-
Investment income (loss)	(250,874)	(1,137,247)	441
Rental income	6,105	825,000	14,040
Other			
Grants	368,826	-	-
Reimbursements	122	-	-
Administrative fees from related parties	58,252	-	-
Increase in cash surrender value of life insurance policies	-	5,017	-
Gain (loss) on disposal of property and equipment	-	-	-
Miscellaneous	3,182	37,674	-
Change in interest in net assets of Gibault Foundation, Inc. and Gibault Care, Inc.	(1,742,295)	-	-
Net profit from Gibault Ventures, Inc.	5,038	-	-
	<u>9,106,879</u>	<u>(269,556)</u>	<u>334,269</u>
	<u>10,787,796</u>	<u>(40,565)</u>	<u>334,269</u>
Net assets released from restrictions			
Satisfaction of restrictions	86,597	-	-
Total unrestricted support and revenues	<u>10,874,393</u>	<u>(40,565)</u>	<u>334,269</u>
Expenses			
Program, services, general/administrative & fundraising expenses	13,273,432	423,287	366,321
Cost of sales	-	-	-
Interest expenses	-	194,324	11,875
Board expenses	22,448	-	-
Transfers to Gibault, Inc.	-	1,040,192	-
Income taxes	-	-	-
Total expenses	<u>13,295,880</u>	<u>1,657,803</u>	<u>378,196</u>
Increase (decrease) in unrestricted net assets	<u>(2,421,487)</u>	<u>(1,698,368)</u>	<u>(43,927)</u>
Changes in temporarily restricted assets			
Contributions	75,103	32,514	700
Change in interest in net assets of Gibault Foundation, Inc.	32,514	-	-
Change in interest in net assets of Gibault Care, Inc.	700	-	-
Net assets released from restrictions	(86,597)	-	-
Increase (decrease) in temporarily restricted net assets	<u>21,720</u>	<u>32,514</u>	<u>700</u>
Changes in permanently restricted assets			
Contributions	-	1,179	-
Change in interest in net assets of Gibault Foundation, Inc.	1,179	-	-
Increase in permanently restricted net assets	<u>1,179</u>	<u>1,179</u>	<u>-</u>
INCREASE (DECREASE) IN NET ASSETS	<u>(2,398,588)</u>	<u>(1,664,675)</u>	<u>(43,227)</u>
Net assets at beginning of year	<u>21,296,878</u>	<u>14,558,069</u>	<u>(53,061)</u>
Net assets at end of year	<u>\$ 18,898,290</u>	<u>\$ 12,893,394</u>	<u>\$ (96,288)</u>

The accompanying notes are an integral part of these statements.

<u>Gibault Ventures, Inc.</u>	<u>Eliminations</u>	<u>Consolidated Total</u>	<u>2007 Consolidated Total</u>
\$ -	\$ -	\$ 124,059	\$ 133,282
-	1,040,192	-	-
-	-	700,897	647,418
-	-	44,760	80,332
<u>-</u>	<u>1,040,192</u>	<u>869,716</u>	<u>861,032</u>
-	-	10,658,523	10,626,025
-	-	319,788	28,552
315,377	-	315,377	286,893
2,071	-	(1,385,609)	976,299
-	825,000	20,145	41,843
-	-	368,826	308,504
-	-	122	1,017
-	58,252	-	-
-	-	5,017	5,585
-	-	-	8,961
42	-	40,898	49,119
-	(1,742,295)	-	-
-	5,038	-	-
<u>317,490</u>	<u>(854,005)</u>	<u>10,343,087</u>	<u>12,332,798</u>
<u>317,490</u>	<u>186,187</u>	<u>11,212,803</u>	<u>13,193,830</u>
-	-	86,597	103,143
<u>317,490</u>	<u>186,187</u>	<u>11,299,400</u>	<u>13,296,973</u>
7,133	883,252	13,186,921	12,553,957
303,640	-	303,640	280,030
-	-	206,199	181,352
-	-	22,448	56,964
-	1,040,192	-	-
1,679	-	1,679	679
<u>312,452</u>	<u>1,923,444</u>	<u>13,720,887</u>	<u>13,072,982</u>
<u>5,038</u>	<u>(1,737,257)</u>	<u>(2,421,487)</u>	<u>223,991</u>
-	-	108,317	56,551
-	32,514	-	-
-	700	-	-
-	-	(86,597)	(103,143)
<u>-</u>	<u>33,214</u>	<u>21,720</u>	<u>(46,592)</u>
-	-	1,179	1,407
-	1,179	-	-
<u>-</u>	<u>1,179</u>	<u>1,179</u>	<u>1,407</u>
5,038	(1,702,864)	(2,398,588)	178,806
<u>(52,420)</u>	<u>14,452,588</u>	<u>21,296,878</u>	<u>21,118,072</u>
\$ <u>(47,382)</u>	\$ <u>12,749,724</u>	\$ <u>18,898,290</u>	\$ <u>21,296,878</u>

<u>Gibault Ventures, Inc.</u>			<u>2007 Consolidated Total</u>	
	<u>Eliminations</u>	<u>Consolidated Total</u>		<u>Consolidated Total</u>
\$ 5,038	\$ (1,702,864)	\$ (2,398,588)	\$	178,806
-	-	-		(8,960)
-	-	(87,046)		(702,156)
-	-	1,776,179		114,510
-	-	-		(7,285)
-	1,707,902	-		-
-	(5,038)	-		-
585	-	813,892		773,595
-	-	(5,017)		(5,585)
(1,035)	3,335,665	(22,312)		(151,653)
-	-	4,986		2,443
-	-	(283,854)		10,000
54,378	-	39,134		(9,651)
233	-	31,995		4,341
1,679	-	1,679		679
88,881	(3,335,665)	125,052		(252,012)
(432)	-	155,213		(19,174)
-	-	13,611		(20,554)
-	-	(9,300)		3,000
<u>149,327</u>	<u>-</u>	<u>155,624</u>		<u>(89,656)</u>
-	-	-		15,835
-	-	2,764,442		6,371,956
-	-	(2,717,145)		(5,990,817)
<u>(96,224)</u>	<u>-</u>	<u>(2,302,827)</u>		<u>(590,172)</u>
<u>(96,224)</u>	<u>-</u>	<u>(2,255,530)</u>		<u>(193,198)</u>
-	-	2,000,000		-
-	-	(137,200)		(156,972)
<u>-</u>	<u>-</u>	<u>1,862,800</u>		<u>(156,972)</u>
53,103	-	(237,106)		(439,826)
35,692	-	996,229		1,436,055
<u>\$ 88,795</u>	<u>\$ -</u>	<u>\$ 759,123</u>	<u>\$</u>	<u>996,229</u>
\$ 432	\$ 432	\$ 205,035	\$	181,850

**GIBAULT, INC., GIBAULT FOUNDATION, INC.,
GIBAULT CARE, INC. AND GIBAULT VENTURES, INC.**

Consolidating Statements of Cash Flows

(with summarized financial information for the year ended December 31, 2007)

For the year ended December 31, 2008

NONCASH INVESTING AND FINANCING ACTIVITY:

During the year ended December 31, 2007, Gibault, Inc. received donated stock valued at \$2,285.

During the year ended December 31, 2007, Gibault, Inc. moved capital assets with a cost of \$721,944 to Gibault Foundation, Inc. that were purchased in the prior year with Foundation bond proceeds.

During the year ended December 31, 2007, Gibault, Inc. converted the balance of the advance to Gibault Ventures, Inc. for operating support to contributed capital. At the time of conversion, the outstanding balance was \$200,000.

DISCLOSURE OF ACCOUNTING POLICY:

Cash, as used in the statement of cash flows, is the amount reported as "cash" in the consolidated balance sheet, which includes cash on hand and all checking accounts.

The accompanying notes are an integral part of these statements.

**GIBAULT, INC., GIBAULT FOUNDATION, INC.,
GIBAULT CARE, INC. AND GIBAULT VENTURES, INC.**

Notes to Consolidating Financial Statements

December 31, 2008

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Gibault, Inc. operates a residential treatment facility in Terre Haute, Indiana for delinquent and pre-delinquent boys and girls ages 8 to 18 years at time of admission. Gibault, Inc. also operates group homes in Springfield, Ohio, Shelbyville, Indiana and Terre Haute, Indiana. Gibault, Inc. provides treatment services and is reimbursed from State and County Agencies at negotiated per diem rates. Gibault, Inc. also provides psychiatric treatment to clients through its PRTF program. Fees for these services are charged to Indiana Medicaid program. Additionally in 2008, Gibault, Inc. purchased and began operating a youth center in northern Indiana, which provides daycare and after school programs for youth. The youth center is doing business as Jasper County Youth Center.

The Gibault Foundation, Inc. was organized at the direction of the board of trustees for Gibault, Inc. for the purpose of providing support to Gibault, Inc. During 1989, a portion of Gibault, Inc.'s investments were gifted to the Foundation. In January 1990, Gibault, Inc. gifted all of its land, land improvements, buildings and the related bonds payable to the Foundation. The membership of The Gibault Foundation, Inc. shall consist of one class, namely the members of the Foundation's board of directors.

In 2001, Gibault Counseling, Inc. was established to provide behavioral health counseling treatment and therapy services. Gibault Counseling, Inc. began operations in November 2002. Gibault Counseling, Inc. receives payment for these services from third party payers which includes Medicaid and individuals receiving counseling. Gibault Counseling, Inc. is governed by a board of directors which is approved by the board of directors of Gibault, Inc. During 2007, Gibault Counseling, Inc. ceased operations. During 2008, Gibault Counseling, Inc. was renamed Gibault Care, Inc., d/b/a McGivney Health Care Center. Additionally, the exempt purpose of the organization was amended to include long-term residential care to persons with chronic illness or disability in a health care center (formerly referred to as a nursing home). On October 31, 2008, Gibault Care, Inc. purchased and began operating a nursing home in Carmel, Indiana.

In 2005, Gibault Ventures, Inc., d/b/a Top of the Hill Auto Sales, was established. The Corporation sells used automobiles to the general public for profit and to Gibault, Inc. for use in its operations. The profits are to be used to subsidize Gibault, Inc.'s operations. Gibault, Inc. owns 100% of the outstanding stock of the Corporation and its board of directors consists of employees of Gibault, Inc.

Consolidation Policy

The accompanying consolidated financial statements include the accounts of Gibault, Inc., The Gibault Foundation, Inc., Gibault Care, Inc. and Gibault Ventures, Inc. Inter-entity transactions and balances have been eliminated in consolidation.

Comparative Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2007, from which the summarized information was derived.

Support and Expenses

Contributions received are measured at their fair values and are reported as an increase in net assets. Gifts of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activity as net assets released from restrictions.

Donated securities are recorded as contributions at their estimated fair values at the date of donation. Only those in-kind contributions for which a market value can be objectively determined are recorded as revenue.

Expenses are recorded when incurred in accordance with the accrual basis of accounting.

**GIBAULT, INC., GIBAULT FOUNDATION, INC.,
GIBAULT CARE, INC. AND GIBAULT VENTURES, INC.**

Notes to Consolidating Financial Statements - Continued

December 31, 2008

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES - continued

Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Accounts Receivable

Trade receivables and notes receivables are carried at their estimated collectible amounts. Trade receivables do not bear interest because they are created from established per diem rates with various state agencies under contract. Trade receivables are periodically evaluated for collectibility based on conversations with representatives from the various state agencies.

Allowance for Doubtful Accounts

The allowance for doubtful accounts for Gibault, Inc., Gibault Care, Inc. and Gibault Ventures, Inc. is zero at December 31, 2008. The direct write-off method is used for recognizing bad debts, which would not be materially different from the allowance method that is called for by generally accepted accounting principles. Balances that are outstanding after management has used reasonable collection efforts are written off using the direct write-off method.

Inventory Valuation

Inventories of Gibault, Inc., which consist of provisions and supplies, are recorded at the lower of cost or market determined by using the first in, first out (FIFO) method.

Vehicle inventory of Gibault Ventures, Inc. is valued at cost. Cost includes the original purchase price plus repair costs to prepare vehicle for sale.

Investments

Investments in marketable securities are stated at fair market value.

Derivatives

Mortgage-backed securities are recorded at fair value using quoted market prices. Realized gains and losses are recognized when payments are received. The organization does not engage in the trading of derivatives. Mortgage-backed securities are purchased and held as part of the organizations portfolio to achieve investment return.

Land, Buildings and Equipment

Land, buildings, and equipment owned at April 1, 1975 are recorded at appraised value. Property purchased after April 1, 1975 is recorded at cost. Donated property is recorded at fair value on the date of gift.

Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives, principally on a straight-line basis.

Deferred Income Taxes

Deferred taxes are provided in accordance with Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes". Deferred taxes are provided for accumulated temporary differences due to basis differences for assets and liabilities for financial reporting and income tax purposes, including alternative minimum taxes. The temporary difference is due to net operating loss carryforward.

Advertising Costs

Advertising costs are expensed as incurred and amounted to \$21,214 for the year ended December 31, 2008.

**GIBAULT, INC., GIBAULT FOUNDATION, INC.,
GIBAULT CARE, INC. AND GIBAULT VENTURES, INC.**

Notes to Consolidating Financial Statements - Continued

December 31, 2008

NOTE 2 - ACCOUNTS RECEIVABLE

Accounts receivable at December 31, 2008 consist of the following:

Per diem	\$ 1,857,890
Other	67,635
Patient revenue	<u>234,501</u>
	<u>\$ 2,160,026</u>

NOTE 3 - INVESTMENTS

Investments are held in agency accounts and are carried at fair value. The cost and fair values of investment securities are as follows at December 31:

	2008		2007	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Cash equivalents	\$ 798,407	\$ 798,407	\$ 693,777	\$ 693,777
Certificates of deposit	-	-	23,906	23,906
Mortgages, note contracts	5,056	5,176	6,431	6,635
U.S. Government obligations	3,171,707	3,398,843	3,321,290	3,406,790
Corporate bonds	591,956	574,626	763,449	764,413
Common stock	<u>4,301,595</u>	<u>3,276,397</u>	<u>4,020,120</u>	<u>4,894,359</u>
	<u>\$ 8,868,721</u>	<u>\$ 8,053,449</u>	<u>\$ 8,828,973</u>	<u>\$ 9,789,880</u>

The following schedule summarizes the investment return and its classification in the statement of activities for the year ended December 31,:

	2008			2007
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	
Interest and dividend income	\$ 303,524	\$ -	\$ -	\$ 303,524
Realized gains based on original cost	87,046	-	-	87,046
Net unrealized losses	<u>(1,776,179)</u>	<u>-</u>	<u>-</u>	<u>(1,776,179)</u>
Total investment return	<u>\$ (1,385,609)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,385,609)</u>
				<u>\$ 388,653</u>
				<u>702,156</u>
				<u>(114,510)</u>
				<u>\$ 976,299</u>

NOTE 4 - FAIR VALUE MEASUREMENT

Assets measured at fair value on a recurring basis at December 31, 2008 are as follows:

<u>Assets</u>	Based on		
	<u>Quoted Prices In Active Markets</u>	<u>Other Observable Units</u>	<u>Unobservable Inputs</u>
Contributions receivable	\$ -	\$ -	\$ 283,854
Cash equivalents	798,407	-	-
Mortgages, note contracts	5,176	-	-
U.S. Government obligations	3,398,843	-	-
Corporate bonds	574,626	-	-
Common stock	<u>3,276,397</u>	<u>-</u>	<u>-</u>
	<u>\$ 8,053,449</u>	<u>\$ -</u>	<u>\$ 283,854</u>
 <u>Liabilities</u>			
Annuity liabilities	\$ -	\$ -	\$ 589,034

**GIBAULT, INC., GIBAULT FOUNDATION, INC.,
GIBAULT CARE, INC. AND GIBAULT VENTURES, INC.**

Notes to Consolidating Financial Statements - Continued

December 31, 2008

NOTE 4 - FAIR VALUE MEASUREMENT - continued

Assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (level 3) are as follows:

<u>Contributions receivable</u>	
Balance at December 31, 2007	\$ -
Establishment of gift or bequest	283,854
Balance at December 31, 2008	\$ 283,854
<u>Annuity liabilities</u>	
Balance at December 31, 2007	\$ 575,423
Change in value of annuities	13,611
Balance at December 31, 2008	\$ 589,034

In 2008, realized gains of \$87,046 and unrealized losses of \$1,776,179 are reported in the statements of changes in net assets available as investment income (loss).

Contributions receivable were recorded at expected future cash inflows determined primarily by subsequent cash receipts received after year end and documentation received from the executor of a donor's estate indicating the expected amount Gibault Foundation was to receive. Annuity liability is recorded at estimated fair value. The fair value is determined using the Internal Revenue Service applicable 7520 rate in the month the annuity agreement was initiated. Additionally, the IRS life expectancy tables are used for obtaining the estimated life expectancy of the donors. Each year the annuity obligations are revalued using the current life expectancy factors. The change in value of the obligations is attributable to the revaluation of the annuity liabilities using the current mortality tables. The change is included in the change in temporarily restricted net assets.

Assets measured at fair value on a non-recurring basis comprised the following:

<u>Description</u>	<u>Fair Value at December 31, 2008</u>
Medicaid beds	\$ 650,000
Goodwill	100

Fair value was determined as follows:

	<u>Based on</u>	
	<u>Other Observable Inputs</u>	<u>Unobservable Inputs</u>
Medicaid beds	\$ -	\$ 650,000
Goodwill	-	100
	<u>\$ -</u>	<u>\$ 650,100</u>

The fair value of medicaid beds and goodwill is determined based on the discounted expected future cash inflows expected over future periods. These amounts were recorded as the purchase amount at the closing of the nursing home purchased by Gibault Care, Inc. in October 2008.

NOTE 5 - PROMISE TO GIVE

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. The allowance for uncollectible promises to give is \$0. All promises to give were thought to be collectible.

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**GIBAULT, INC., GIBAULT FOUNDATION, INC.,
GIBAULT CARE, INC. AND GIBAULT VENTURES, INC.**

Notes to Consolidating Financial Statements - Continued

December 31, 2008

NOTE 5 - PROMISE TO GIVE - continued

Unconditional promises to give are expected to be received as follows:

Due in less than one year	\$ 283,854
Due in one to five years	-
Due in more than five years	-

NOTE 6 - LAND, BUILDINGS AND EQUIPMENT

Land, buildings and equipment and accumulated depreciation balances are summarized as follows:

	Cost or Appraisal December 31, 2008	Accumulated Depreciation December 31, 2008
Land	\$ 1,006,200	\$ -
Land improvements	1,227,026	1,018,662
Buildings	18,489,763	7,794,646
Leasehold improvements	1,826,975	553,180
Equipment	3,868,468	3,291,164
Vehicles	317,932	163,557
Construction in progress - storage units	<u>96,224</u>	<u>-</u>
	\$ <u>26,832,588</u>	\$ <u>12,821,209</u>

Depreciation expense in 2008 was \$813,892.

NOTE 7 - INTANGIBLE ASSETS

As part of the purchase of Gibault Care, Inc. during 2008, the company acquired intangible assets of \$740,000. Of that amount, \$650,000 has been assigned to Medicaid beds; such intangible assets are not subject to amortization. The \$89,900 balance of acquired intangibles has been assigned to a non-compete agreement, which is subject to periodic amortization over the estimated useful life of 3 years. Goodwill of \$100, which is not subject to amortization, arose in connection with the acquisition.

Following is a summary of non-goodwill intangibles at December 31, 2008:

Intangibles subject to amortization:	
Non-compete agreement	\$ 89,900
Less accumulated amortization	(14,983)
	74,917
Intangibles not subject to amortization:	
Medicaid beds	650,000
Goodwill	<u>100</u>
	<u>650,100</u>
	\$ <u>725,017</u>

Amortization expense for 2008 was \$14,983; estimated amortization expense for each of the ensuing years through December 31, 2011 is, respectively, \$29,967, \$29,967, and \$14,983.

NOTE 8 - RETIREMENT PLAN

Gibault, Inc. has a defined contribution retirement plan for the purpose of providing retirement benefits for employees meeting certain eligibility requirements. Contributions are based on 6% of eligible salaries and are funded as accrued. Total pension expense amounted to \$269,971 for the year ended December 31, 2008.

**GIBAULT, INC., GIBAULT FOUNDATION, INC.,
GIBAULT CARE, INC. AND GIBAULT VENTURES, INC.**

Notes to Consolidating Financial Statements - Continued

December 31, 2008

NOTE 13 - TEMPORARILY RESTRICTED NET ASSETS - continued

Temporarily restricted net assets were used to accomplish the following purposes:

Recreation equipment	\$ 5,974
Various programs	45,696
Supplies	952
Education needs	10,777
Capital purchases	<u>23,198</u>
Total net assets released from restrictions	\$ <u>86,597</u>

Temporarily restricted net assets are available for the following purposes:

Programs	\$ 3,506
Bibles	275
Annuity agreements	96,831
Phraselator	2,300
Capital purchases	<u>700</u>
	\$ <u>103,612</u>

NOTE 14 - PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted assets of \$29,167 are restricted to investments in perpetuity, the income from which is expendable to support Gibault, Inc.'s operations.

NOTE 15 - OTHER RESTRICTIONS

The board of directors of the Gibault Foundation, Inc. have designated \$6,361,492 of unrestricted net assets as additional endowment funds. The earnings from these assets are available to be used to support Gibault, Inc.

NOTE 16 - OPERATING LEASES - LESSEE

Gibault, Inc. leases copiers under an operating lease. The lease agreement provides for a minimum monthly payment of \$3,101 for sixty months. Gibault, Inc. will be charged an additional monthly fee of \$.009 on each impression above 58,000. Rent expense for the year ended December 31, 2008, was \$30,951.

Gibault, Inc. leases copiers under an operating lease at its Springfield, Ohio campus location. The lease provides for monthly payments of \$249 for forty-eight months. Rent expense for the year ended December 31, 2008 was \$7,236.

Gibault, Inc. leases copiers under an operating lease at its Shelbyville, Indiana location. The lease provides for monthly payments of \$349 for sixty months. Gibault, Inc. will be charged an additional monthly fee of \$.0129 on each impression above 4,000. Rent expense for the year ended December 31, 2008 was \$4,426.

Gibault, Inc. leases various office space for its community based counseling services in Indiana. Office space in Evansville, Indiana is rented for \$675 per month for one year. The lease began October 1, 2004. Gibault, Inc. also leases office space in Gary, Indiana under a month to month lease of \$1,164. Total rental expense for these office rentals was \$2,820 for the year ended December 31, 2008. The Evansville office was closed in 2007. The Lake County office was closed in 2008.

Future minimum rental payments under operating leases are as follows:

2009	\$ 41,399
2010	38,607
2011	-
2012	-
2013	-
Thereafter	-

**GIBAULT, INC., GIBAULT FOUNDATION, INC.,
GIBAULT CARE, INC. AND GIBAULT VENTURES, INC.**

Notes to Consolidating Financial Statements - Continued

December 31, 2008

NOTE 17 - CONCENTRATION OF CREDIT RISK

Gibault, Inc. grants credit to those entities it provides services for, most of whom are some type of county or state governmental agency.

Gibault, Inc. routinely has deposits throughout the year in Indiana financial institutions in amounts that exceed the limits of insurance provided by the Federal Deposit Insurance Corporation.

NOTE 18 - MAJOR CUSTOMERS

During the year ended December 31, 2008, three entities accounted for \$4,814,361 or 45% of the consolidated per diem revenue of Gibault, Inc. and consolidated subsidiaries. Additionally, the accounts receivable balance for per diem for these three counties represented 40% of the total consolidated accounts receivable balance at December 31, 2008.

NOTE 19 - BEQUESTS AND ANNUITIES

The Gibault Foundation, Inc. is the beneficiary of nineteen bequests. The bequests are not included in the financial statements since the bequests are revocable at the discretion of the grantors.

The Gibault Foundation, Inc. is also the holder of thirteen charitable gift annuities. A charitable gift annuity is an arrangement in which the donor contributes assets to an organization in exchange for a promise by the organization to pay a fixed amount for a specified period of time to the donor or to individuals or organizations designated by the donor. The assets received are recorded as temporarily restricted net assets net of the present value of the future cash flows of the annuity payment liability. The value of charitable gift annuity assets at December 31, 2008 are \$96,831 (net of the annuity liability of \$95,169).

In March 2002, Gibault Foundation, Inc. purchased real estate for cash of \$120,000 and issuance of a two-life annuity contract. The annuity contract requires the Foundation to pay the annuitants \$5,000 per month for ten years or until the second annuitant dies. After ten years, if either or both annuitants survive, the Foundation will pay \$4,000 per month until the second annuitant dies. Upon closing of this real estate transaction, the annuitants relinquished all rights with regard to the real estate. The property was recorded by the Foundation at the present value of the annuity payments, plus the \$120,000 cash paid. The Foundation also recorded an annuity liability for the present value of the annuity payments owed the annuitants. At December 31, 2008 present value of the annuity payments was \$493,865.

The Gibault Foundation, Inc. is also named as a beneficiary of four living trusts, a charitable remainder unitrust, a retirement plan and one annuity contract. The financial statements do not reflect any amounts from these arrangements since they are revocable at the discretion of the grantors.

The Gibault Foundation, Inc. is the beneficiary of thirty-seven life insurance policies. The Foundation has recorded the cash surrender value of these policies at December 31, 2008 of \$52,574.

NOTE 20 - GRANTS

Federal and state grants received during 2008 are as follows:

Department of Agriculture school breakfast program and national school lunch program passed through the Indiana Department of Education	\$ 147,825
Department of Agriculture food distribution program	2,847
Department of Education Chapter I - financial assistance to meet special education needs of disadvantaged children - operated by local education agencies	197,797
Department of Education, Division of School Finance and Educational Information - textbook reimbursement	5,357
Jasper County, Indiana - CASA program grant	<u>15,000</u>
	\$ <u>368,826</u>

**GIBAULT, INC., GIBAULT FOUNDATION, INC.,
GIBAULT CARE, INC. AND GIBAULT VENTURES, INC.**

Notes to Consolidating Financial Statements - Continued

December 31, 2008

NOTE 21 - COMMITMENTS

In November 2003, Gibault, Inc. contracted with the Board of Clark County Commissioners, Clark County, Ohio to operate an existing children's residential center in Springfield, Ohio. Gibault, Inc. will lease the facilities for \$1 per year starting January 1, 2004 through December 31, 2007, with an option to extend the lease for one to four years. During 2008, the lease was extended for one year. The facility accommodates up to twenty-four clients. Clark County will pay Gibault, Inc. an initial per diem rate of \$180 per day, per client. The per diem rate is adjusted annually as established in the contract. For the year ended December 31, 2008, the per diem rate ranged from \$190-\$196 per day. Clark County has guaranteed Gibault, Inc. a minimum monthly placement of five clients.

All capital improvements are to be approved by Clark County. If Clark County declines to renew this agreement after the initial four year term, or if Clark County terminates the agreement for cause, then they shall reimburse Gibault, Inc. its depreciated book value of any leasehold improvements, provided such leasehold improvements were agreed to by Clark County prior to its implementation. If Gibault, Inc. declines to renew after the initial four year term, then it surrenders all interest in its leasehold improvements.

NOTE 22 - RELATED PARTY TRANSACTIONS

During the year ended December 31, 2008, Gibault, Inc. purchased twenty-three vehicles from Gibault Ventures, Inc. The gross purchase price was \$185,952. The cost of these vehicles was \$183,323. Gibault, Inc. traded in eighteen vehicles on these purchases and received a trade in allowance of \$57,975.

NOTE 23 - INCOME TAXES

The deferred tax asset included in the consolidating balance sheet results from the net operating loss carryforward from Gibault Ventures, Inc. Federal income tax expense of \$1,679 consists of the recognition of part of the deferred tax asset resulting from the net operating losses carried forward from prior years. The prior year operating losses were used to reduce current year operating profit. The valuation allowance for the deferred tax asset is zero. The net operating loss carryforward was thought to be realizable in future years. The net operating losses can be carried forward as follows:

<u>Year of loss</u>	<u>Loss</u>	<u>Carryforward Expires</u>
2005	\$ 48,984	2025
2006	13,451	2026

Sackrider & Company, Inc.
Certified Public Accountants
1925 Wabash Avenue
P.O. Box 330
Terre Haute, IN 47808-0330
(317) 232-9492 Fax: (317) 232-4308
E-Mail: contact@sackrider.com
Web: www.sackrider.com

Sackrider & Company
Incorporated

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
ON SUPPLEMENTAL INFORMATION

Board of Directors
Gibault, Inc., Gibault Foundation, Inc., Gibault
Care, Inc., and Gibault Ventures, Inc.
Terre Haute, Indiana

Our audit was made for the purpose of forming an opinion on the basic consolidating financial statements taken as a whole of Gibault, Inc., Gibault Foundation, Inc., Gibault Care, Inc., and Gibault Ventures, Inc. for the year ended December 31, 2008, which are presented in the preceding section of this report. The statement of functional expenses - Gibault, Inc. for the year ended December 31, 2008 presented hereinafter is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the audit procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Sackrider & Company, Inc.

Terre Haute, Indiana
April 14, 2009

**GIBAULT, INC., GIBAULT FOUNDATION, INC.,
GIBAULT COUNSELING, INC. AND GIBAULT VENTURES, INC.**

**Statement of Functional Expenses -
Gibault, Inc.**

Year ended December 31, 2008

Program, Services and Administrative Expenses

	<u>CARE</u>	<u>Aspergers</u>	<u>Education</u>	<u>PRTF</u>	<u>Group Home</u>	<u>ISIS</u>
Personnel costs						
Salaries	\$ 763,417	\$ 430,232	\$ 610,050	\$ 835,067	\$ 228,459	\$ 384,798
Employee health insurance	107,250	42,725	69,208	90,057	37,303	80,606
Payroll taxes	62,407	36,081	47,012	68,585	17,587	31,142
Employee pension	23,971	14,206	30,083	19,635	12,974	10,921
	<u>957,045</u>	<u>523,244</u>	<u>756,353</u>	<u>1,013,344</u>	<u>296,323</u>	<u>507,467</u>
Advertising	-	-	-	-	-	-
Allowances/honor jobs - clients	6,908	1,147	810	1,900	3,368	4,929
Athletic equipment	-	-	-	-	-	-
Awards and recognition	618	1,156	508	189	-	457
Bad debt expense	-	-	-	-	-	-
Bank fees	-	-	-	-	-	-
Chapter I expenses	-	-	196,797	-	-	-
Clinical supplies	-	-	-	126	120	-
Clothing	13,074	1,131	112	6,695	178	3,878
Commissary	1,024	31	-	1,313	2,194	339
Commodities	-	-	-	-	-	-
Computer/software supplies	-	-	-	-	-	-
Contracted services	10,105	8,169	9,481	48,655	-	980
Copier lease payments	-	-	-	788	-	-
Depreciation	-	-	-	-	-	-
Directors fund	-	-	1,764	-	-	-
Donor Development	-	-	-	-	-	-
Exhibit fees	-	-	-	-	-	-
Furnishings and linens	3,168	1,566	928	4,988	1,559	569
Gas and oil	6,947	4,045	249	1,026	5,407	2,573
Health care	-	127	-	-	-	-
Household supplies	17,555	3,356	1,653	13,219	2,413	8,016
Insurance	-	-	-	-	-	-
Lease payments	-	-	-	-	-	-
Maintenance supplies and contracts	-	-	1,817	-	1,933	-
Miscellaneous	415	-	4,860	-	-	-
Office supplies	4,215	1,189	4,264	3,944	1,281	1,945
Outings and special events	12,512	5,056	5,530	4,550	691	4,461
Personal hygiene supplies	3,395	614	70	1,073	264	543
Postage	474	26	-	129	76	32
Printing and publications	-	-	-	-	69	-
Professional development fees	-	108	180	-	-	-
Provisions	203	330	3,060	222	7,401	97
Recreational supplies	805	191	-	198	15	-
Sick leave buy back	-	-	-	-	-	-
School supplies	25	417	30,948	3	62	12
Scholarships/Tuition	-	-	-	-	-	-
Staff development	400	-	6,289	195	-	99
Staff travel	7,225	3,006	1,157	1,774	363	2,289
Student travel	291	344	-	67	-	67
Telephone	960	420	280	345	2,425	700
Utilities	-	-	-	-	7,617	-
Vehicle repairs	-	-	-	-	-	-
	<u>\$ 1,047,364</u>	<u>\$ 555,673</u>	<u>\$ 1,027,110</u>	<u>\$ 1,104,743</u>	<u>\$ 333,759</u>	<u>\$ 539,453</u>

	<u>Aftercare</u>	<u>Ohio Campus</u>	<u>Ohio Visitation</u>	<u>Shelbyville</u>	<u>Foster Care</u>	<u>JCYC</u>
\$	18,287	\$ 505,669	\$ 69,925	\$ 434,945	\$ 16,115	\$ 104,133
	6,918	46,010	4,846	57,674	16	728
	1,863	44,406	5,806	36,666	1,222	9,036
	1,408	5,685	2,907	11,992	58	2,297
	<u>28,476</u>	<u>601,770</u>	<u>83,484</u>	<u>541,277</u>	<u>17,411</u>	<u>116,194</u>
	-	1,150	-	-	-	1,351
	-	4,159	-	3,303	-	-
	-	-	-	-	-	-
	-	-	-	175	-	212
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	525	-	-
	-	3,600	-	574	-	-
	-	1,935	-	954	-	10
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	21,882	-	448	-	786
	-	6,036	1,200	4,426	-	589
	-	31,538	-	9,561	-	242
	-	1,123	-	856	-	-
	-	-	-	-	-	-
	-	1,831	2,158	2,862	709	-
	5,606	9,001	-	8,439	173	232
	-	2,146	-	(86)	-	-
	-	9,888	-	4,766	-	1,444
	-	27,695	-	-	-	-
	2,820	-	-	-	-	679
	-	30,078	176	12,522	-	13,363
	-	80	-	-	-	-
	16	3,816	35	3,054	768	1,123
	5	4,269	182	1,612	-	247
	-	406	-	1,036	-	-
	-	1,520	202	1,880	420	103
	-	492	-	468	-	137
	-	3,171	-	930	-	267
	-	86,640	-	27,606	-	12,683
	-	2,294	653	1,124	-	-
	-	-	-	-	-	-
	-	456	204	672	-	1,139
	-	-	-	1,380	-	-
	-	1,879	35	763	333	305
	3,031	3,405	67	3,406	419	544
	-	-	-	143	-	-
	1,595	5,035	600	6,350	-	1,504
	4	53,263	-	19,234	-	5,461
	-	6,667	-	2,603	-	-
\$	<u>41,553</u>	<u>\$ 927,225</u>	<u>\$ 88,996</u>	<u>\$ 662,863</u>	<u>\$ 20,233</u>	<u>\$ 158,615</u>

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Statement of Functional Expenses -
Gibault, Inc.-Continued

Year ended December 31, 2008

Program, Services and Administrative Expenses

	Program Support	Support Services	Marketing	General Administrative	Fundraising	Total
Personnel costs						
Salaries	\$ 947,714	\$ 550,471	\$ 292,786	\$ 635,514	\$ 127,413	\$ 6,954,995
Employee health insurance	93,608	79,724	35,711	68,995	16,730	838,109
Payroll taxes	73,924	41,548	22,037	47,023	9,310	555,655
Employee pension	49,110	27,137	16,450	35,041	6,659	270,534
	<u>1,164,356</u>	<u>698,880</u>	<u>366,984</u>	<u>786,573</u>	<u>160,112</u>	<u>8,619,293</u>
Advertising	-	-	1,788	16,804	121	21,214
Allowances/honor jobs - clients	6,017	18	-	-	-	32,559
Athletic equipment	5,195	-	-	-	-	5,195
Awards and recognition	722	269	4,626	11,148	5,317	25,397
Bad debt expense	-	-	-	6,058	-	6,058
Bank fees	-	1,786	-	102	-	1,888
Chapter I expenses	-	-	-	-	-	196,797
Clinical supplies	417	-	-	-	-	1,188
Clothing	171	(423)	-	-	-	28,990
Commissary	485	9,323	-	-	-	17,608
Commodities	-	-	-	-	-	-
Computer/software supplies	-	-	100	25,017	1,440	26,557
Contracted services	20,227	166,640	-	75,856	12,345	375,574
Copier lease payments	17,052	-	6,606	5,878	38	42,613
Depreciation	-	385,415	-	-	-	426,756
Directors fund	2,419	215	266	7,530	1,383	15,556
Donor Development	-	-	-	-	9,241	9,241
Exhibit fees	-	-	4,800	-	-	4,800
Washings and linens	1,134	2,520	-	1,039	-	25,031
Gas and oil	14,995	17,775	8,937	9,654	3,005	98,064
Health care	457	27,713	-	644	-	31,001
Household supplies	6,135	39,343	-	2,747	-	110,535
Insurance	-	412,347	-	-	7,660	447,702
Lease payments	-	801,300	-	41,014	-	845,813
Maintenance supplies and contracts	-	264,881	-	3,013	819	328,602
Miscellaneous	1,994	601	-	-	-	7,950
Office supplies	12,572	7,347	1,726	18,758	2,653	68,706
Outings and special events	10,015	-	80	139	11,017	60,366
Personal hygiene supplies	251	502	-	-	-	8,154
Postage	16	18,681	411	451	20,757	45,178
Printing and publications	-	-	1,830	-	49,994	52,990
Professional development fees	1,397	32,175	422	1,355	438	40,443
Provisions	570	400,316	-	330	-	539,458
Recreational supplies	9,588	-	-	-	-	14,868
Sick leave buy back	-	11,211	-	-	-	11,211
School supplies	-	491	-	-	-	34,429
Scholarships	-	-	4,742	-	-	6,122
Staff development	4,278	7,783	1,675	9,631	1,139	34,804
Staff travel	8,230	6,276	14,725	12,599	5,539	74,055
Student travel	-	-	-	-	-	912
Telephone	9,285	13,422	1,001	15,527	210	59,659
Utilities	278	321,559	-	16,312	-	423,728
Vehicle repairs	-	37,045	-	52	-	46,367
	<u>\$ 1,298,256</u>	<u>\$ 3,685,411</u>	<u>\$ 420,719</u>	<u>\$ 1,068,231</u>	<u>\$ 293,228</u>	<u>\$ 13,273,432</u>

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Sackrider & Company
Incorporated

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Trustees and Board of Directors
Gibault, Inc., Gibault Foundation, Inc., Gibault
Care, Inc., and Gibault Ventures, Inc.
Terre Haute, Indiana

We have audited the financial statements of Gibault, Inc., Gibault Foundation, Inc., Gibault Care, Inc., and Gibault Ventures, Inc. as of and for the year ended December 31, 2008, and have issued our report thereon dated April 14, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Gibault, Inc., Gibault Foundation, Inc., Gibault Care, Inc., and Gibault Ventures, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Gibault, Inc., Gibault Foundation, Inc., Gibault Care, Inc., and Gibault Ventures, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control.

A material weakness is a significant deficiency, or combination of deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether Gibault, Inc., Gibault Foundation, Inc., Gibault Care, Inc., and Gibault Ventures, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the audit committee, Board of Trustees/Directors, and is not intended to be and should not be used by anyone other than these specified parties.

Sacksteder + Company, Inc.

Terre Haute, Indiana
April 14, 2009

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To the Finance, Budget and Audit Committee
Gibault, Inc., Gibault Foundation, Inc.,
Gibault Care, Inc. and Gibault Ventures, Inc.

In planning and performing our audit of the financial statements of Gibault, Inc., Gibault Foundation, Inc., Gibault Care, Inc. and Gibault Ventures, Inc. for the year ended December 31, 2009, we considered the Organizations' internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

However, during our audit, we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. This letter does not affect our report dated April 12, 2010, on the financial statements of Gibault, Inc., Gibault Foundation, Inc., Gibault Care, Inc. and Gibault Ventures, Inc.

We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with the Organizations' Director of Finance, and we will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. Our comments are summarized as follows:

Deposit of Cash Receipts

During our review of the cash receipt activity of Gibault Care, Inc. we noted that deposits were only being made one to two times a month by Gibault Care staff. Based on the dates of the check copies attached to the deposit tickets, it appears that Gibault Care, Inc. receives payments numerous times each month. We also noted that as a result of the delay in making deposits, the business office was having difficulties in following up on delinquent accounts receivable because payments were not yet applied to client accounts. We recommend that deposits be made daily or at a minimum, weekly.

Vendor Invoices

As part of our audit fieldwork, we requested vendor statements from a sample of vendors. While reviewing these statements, we identified an invoice from a vendor that was not in accounts payable at year end and had not yet been paid. After making inquiries and searching by the business office staff, the invoices were located on a departmental director's desk. Additionally, as a result of this search, additional unpaid invoices were also found, one of which related to 2009, the others were approaching 30 days old. Invoices should be timely approved and provided to the business office for payment.

Accounts Receivable – Gibault Care, Inc.

We were provided an aging report of the Gibault Care, Inc. accounts receivable at December 31, 2009. After reviewing this report we noted some inaccuracies with the report. Several clients had credit balances on the report. After making inquiries and further analysis, we determined that payments received had been applied to client accounts, but the corresponding billing had not been posted to the accounts receivable subsidiary ledger. This primarily stemmed from the start-up of Gibault Care, Inc. in which manual billings were done by the Gibault Care Administrator. The business office tried to go back and catch up the accounts receivable subsidiary for these manual billings in 2009, but not all amounts got corrected. After the necessary adjusting journal entries were made to correct these issues, the accounts receivable subsidiary appeared reasonable. Ongoing analysis and follow-up should be done on the accounts receivable subsidiary as necessary.

Cash Disbursements

While testing cash disbursements, we noted instances where proper authorization and account coding were not provided on the related invoice. Per internal policy, a Director is to approve the invoice by initialing it. Proper disbursement approval should be obtained for all disbursements.

We wish to thank the Director of Finance and her department for their support and assistance during our audit.

This report is intended solely for the information and use of the Board of Directors, Finance, Budget and Audit Committee of Gibault, Inc., Gibault Foundation, Inc., Gibault Care, Inc. and Gibault Ventures, Inc., management, and others within the Organizations and is not intended to be and should not be used by anyone other than these specified parties.

Terre Haute, Indiana
April 12, 2010

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incorporated

To the Finance, Budget and Audit Committee
Gibault, Inc., Gibault Foundation, Inc.,
Gibault Care, Inc. and Gibault Ventures, Inc.

We have audited the consolidating financial statements of Gibault, Inc., Gibault Foundation, Inc., Gibault Care, Inc. and Gibault Ventures, Inc. for the year ended December 31, 2009, and have issued our report thereon dated April 12, 2010. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and Government Auditing Standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated November 2, 2009. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Gibault, Inc., Gibault Foundation, Inc., Gibault Care, Inc. and Gibault Ventures, Inc. are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2009. We noted no transactions entered into by the Organizations during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were the present value calculations based on life expectancy for charitable gift annuities and the estimated useful life of fixed assets.

Management's estimate of life expectancy for donors of charitable gift annuities for Gibault Foundation, Inc. was taken from the life expectancy tables published by the Internal Revenue Service. Also, the useful life of fixed assets was based on the life obtained from similar items used in prior years. We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated April 12, 2010.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Finance, Budget and Audit Committee, Board of Directors, and management of Gibault, Inc., Gibault Foundation, Inc., Gibault Care, Inc. and Gibault Ventures, Inc. and is not intended to be and should not be used by anyone other than these specified parties.

Sacksteder + Company, Inc.

Terre Haute, Indiana
April 12, 2010

Index

NPO-CX-12.2: Audit Difference Evaluation Form

Entity: _____

Statement of Financial Position Date: _____

Completed by: cat

Date: 3/17/10

Instructions: This form should be used to accumulate known and likely audit differences detected by nonsampling substantive procedures (including differences in accounting estimates) and projected audit differences from substantive procedures that used sampling. All known and likely misstatements greater than the amount considered trivial (documented at Step 5 of NPO-CX-2) should be listed. The auditor should review the guidance beginning at paragraph 1112.15 before concluding whether to reflect the effect of prior-year unadjusted audit differences in evaluating audit differences in the current period. This form should not include normal closing entries. At the end of the audit, the auditor should evaluate all uncorrected audit differences, individually and in the aggregate, in relation to individual amounts, subtotals, or totals in the financial statements and conclude on whether they materially misstate the financial statements taken as a whole. See section 1112. The notes following the table provide footnote explanations and a listing of qualitative considerations in evaluating materiality.

Description of Audit Difference	Known (K) or Likely (L)	Cause	Work-paper Ref.	Financial Statements Effect— Amount of Over (Under) Statement of:							Change in Net Assets ^a	Working Capital ^b		
				Total Assets	Total Liabilities	Net Assets	Revenues	Expenses						
Bad Valuation														
Cost		misst. received self-to receive	4305		(6,695)	6,695				(6,695)	6,695			N/A
Substant. Tax			4301.4		(246,342)	246,342				(246,342)	246,342			
Contingent legal liability	L	lawsuit	1422.3		(15,000)	15,000				(15,000)	15,000			
	K	lawsuit	1422.2		(4,000)	4,000				(4,000)	4,000			
Total					(272,037)	272,037				(272,037)	272,037			
Less Audit Adjustments Subsequently Booked														
Net Unadjusted Audit Differences—This Year					(272,037)	272,037				(272,037)	272,037			
Effect of Unadjusted Audit Differences—Prior Years ^c														
Total Audit Differences					(272,037)	272,037				(272,037)	272,037			
Financial Statement Caption Totals					25,931,202	7,013,135	18,918,067			14,863,875	14,863,875			
Audit Differences as % of F/S Captions					N/A	3.88%	1.44%			N/A	N/A			67.82%

Conclusion: Based on the results of the evaluation performed above, as well as the consideration of qualitative factors, uncorrected audit differences, individually and in the aggregate, do do not cause the financial statements taken as a whole to be materially misstated.

**Gibault, Inc., Gibault Foundation, Inc.,
Gibault Care, Inc. and Gibault
Ventures, Inc.**

**Consolidating Financial Statements and
Report of Independent Certified
Public Accountants**

December 31, 2009

CONTENTS

	PAGE
REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS	1.
FINANCIAL STATEMENTS	
Consolidating Balance Sheets	2.
Consolidating Statements of Activities	3.
Consolidating Statements of Cash Flows	4-5.
Notes to Consolidating Financial Statements	6-15.
SUPPLEMENTAL INFORMATION	
Report of Independent Certified Public Accountants on Supplemental Information	16.
Statement of Functional Expenses-Gibault, Inc.	17-18.
Statement of Functional Expenses-Gibault Care, Inc.	19.
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	20-21.

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Trustees and Board
of Directors
Gibault, Inc., Gibault Foundation, Inc., Gibault
Care, Inc., and Gibault Ventures, Inc.
Terre Haute, Indiana

We have audited the accompanying consolidating balance sheet of Gibault, Inc., Gibault Foundation, Inc., Gibault Care, Inc., and Gibault Ventures, Inc. as of December 31, 2009, and the related consolidating statements of activities and cash flows for the year then ended. These consolidating financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these consolidating financial statements based on our audit. Information for the year ended December 31, 2008 is presented for comparative purposes only and was extracted from the consolidating financial statements for that year, on which an unqualified opinion dated April 14, 2009 was expressed.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 consolidating financial statements. An audit also includes assessing the accounting principles used and the 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 consolidating financial statements referred to above present fairly, in all material respects, the financial position of Gibault, Inc., Gibault Foundation, Inc., Gibault Care, Inc., and Gibault Ventures, Inc. as of December 31, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 12, 2010, on our consideration of Gibault, Inc., Gibault Foundation, Inc., Gibault Care, Inc. and Gibault Ventures, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Sackrider & Company, Inc.

Terre Haute, Indiana
April 12, 2010

**GIBAULT, INC., GIBAULT FOUNDATION, INC.,
GIBAULT CARE, INC. AND GIBAULT VENTURES, INC.**

Consolidating Balance Sheet

(with summarized financial information for the year ended December 31, 2008)

December 31,

	2009			
	Gibault, Inc.	Gibault Foundation, Inc.	Gibault Care, Inc.	Gibault Ventures, Inc.
ASSETS				
Cash	\$ 767,572	\$ 42,581	\$ 74,640	\$ 86,799
Investments	1,756,667	7,101,964	-	-
Investments in other assets	5,000	-	-	-
Accounts receivable - net	1,485,560	-	161,804	753
Contributions receivable	6,628	190,943	-	-
Accrued interest receivable	8,739	38,881	-	-
Inventories	65,339	-	-	62,830
Cash surrender value of life insurance	-	62,690	-	-
Prepaid expenses	144,527	-	28,840	-
Notes receivable	-	-	-	7,913
Interest in net assets of Gibault Foundation, Inc. and Gibault Care, Inc.	13,064,921	-	-	-
Investment in Gibault Ventures, Inc.	303,859	-	-	-
Land, buildings, and equipment - at cost, less accumulated depreciation	2,060,645	10,094,500	1,179,150	136,646
Intangible assets less accumulated amortization	-	-	695,017	-
Deferred income taxes	-	-	-	11,652
Total assets	\$ 19,669,457	\$ 17,531,559	\$ 2,139,451	\$ 306,593
LIABILITIES AND NET ASSETS				
Accounts payable	\$ 201,397	\$ 100,900	\$ 273,555	\$ 1,110
Accrued compensation and other liabilities	436,993	17,688	57,002	1,624
Annuity liability	-	559,830	-	-
Estimated health insurance liability	113,000	-	-	-
Notes payable	-	-	1,938,192	-
Bonds payable	-	3,658,922	-	-
Total liabilities	751,390	4,337,340	2,268,749	2,734
Shareholders' equity				
Common stock, no par value, 1000 shares authorized, issued, and outstanding	-	-	-	1,000
Contributed capital	-	-	-	338,372
Accumulated deficit	-	-	-	(35,513)
	-	-	-	303,859
Net assets				
Unrestricted	18,803,769	13,084,464	(129,998)	-
Temporarily restricted	84,495	79,952	700	-
Permanently restricted	29,803	29,803	-	-
Total net assets	18,918,067	13,194,219	(129,298)	-
Total liabilities and net assets	\$ 19,669,457	\$ 17,531,559	\$ 2,139,451	\$ 306,593

The accompanying notes are an integral part of these statements.

			2008
<u>Eliminations</u>	<u>Consolidated Total</u>		<u>Consolidated Total</u>
\$ -	\$ 971,592	\$	759,123
-	8,858,631		8,053,449
-	5,000		5,000
347,078	1,301,039		2,160,026
-	197,571		283,854
-	47,620		54,304
-	128,169		106,865
-	62,690		52,574
-	173,367		57,350
-	7,913		-
13,064,921	-		-
303,859	-		-
-	13,470,941		14,011,379
-	695,017		725,017
-	11,652		15,609
<u>\$ 13,715,858</u>	<u>\$ 25,931,202</u>	<u>\$</u>	<u>26,284,550</u>
\$ 347,078	\$ 229,884	\$	331,621
-	513,307		583,446
-	559,830		589,034
-	113,000		80,700
-	1,938,192		2,000,000
-	3,658,922		3,801,459
<u>347,078</u>	<u>7,013,135</u>		<u>7,386,260</u>
1,000	-		-
338,372	-		-
(35,513)	-		-
<u>303,859</u>	<u>-</u>		<u>-</u>
12,954,466	18,803,769		18,765,511
80,652	84,495		103,612
29,803	29,803		29,167
<u>13,064,921</u>	<u>18,918,067</u>		<u>18,898,290</u>
<u>\$ 13,715,858</u>	<u>\$ 25,931,202</u>	<u>\$</u>	<u>26,284,550</u>

**GIBAULT, INC., GIBAULT FOUNDATION, INC.,
GIBAULT CARE, INC. AND GIBAULT VENTURES, INC.**

Consolidating Statements of Activities

(with summarized financial information for the year ended December 31, 2008)

For the year ended December 31,

	2009		
	Gibault, Inc.	Gibault Foundation, Inc.	Gibault Care, Inc.
Changes in unrestricted net assets			
Support and revenue			
Public support			
Knights of Columbus-assessments	\$ 122,036	\$ -	\$ -
Transfers from Gibault Foundation, Inc.	1,014,866	-	-
Contributions-other	431,064	197,587	-
Fundraising	48,145	-	-
Total public support	<u>1,616,111</u>	<u>197,587</u>	<u>-</u>
Revenue			
Per diem	10,247,813	-	-
Patient fees	-	-	1,792,953
Sales	-	-	-
Investment income (loss)	247,519	860,196	320
Rental income	7,736	825,000	80,978
Other			
Grants	369,246	-	-
Reimbursements	936	-	-
Administrative fees from related parties	110,000	-	-
Increase in cash surrender value of life insurance policies	-	10,116	-
Gain (loss) on disposal of property and equipment	1,208	-	-
Miscellaneous	22,180	40,375	700
Change in interest in net assets of Gibault Foundation, Inc. and Gibault Care, Inc.	284,058	-	-
Net profit from Gibault Ventures, Inc.	11,869	-	-
Total revenues	<u>11,302,565</u>	<u>1,735,687</u>	<u>1,874,951</u>
	<u>12,918,676</u>	<u>1,933,274</u>	<u>1,874,951</u>
Net assets released from restrictions			
Satisfaction of restrictions	36,955	-	20
Total unrestricted support and revenues	<u>12,955,631</u>	<u>1,933,274</u>	<u>1,874,971</u>
Expenses			
Program, services, general/administrative & fundraising expenses	12,895,153	416,102	1,857,664
Cost of sales	-	-	-
Interest expenses	255	185,238	50,317
Board expenses	21,965	-	-
Transfers to Gibault, Inc.	-	1,014,866	-
Income taxes	-	-	-
Total expenses	<u>12,917,373</u>	<u>1,616,206</u>	<u>1,907,981</u>
Increase (decrease) in unrestricted net assets	<u>38,258</u>	<u>317,068</u>	<u>(33,010)</u>
Changes in temporarily restricted assets			
Contributions	34,717	(16,879)	20
Change in interest in net assets of Gibault Foundation, Inc.	(16,879)	-	-
Net assets released from restrictions	(36,955)	-	(20)
Increase (decrease) in temporarily restricted net assets	<u>(19,117)</u>	<u>(16,879)</u>	<u>-</u>
Changes in permanently restricted assets			
Contributions	-	636	-
Change in interest in net assets of Gibault Foundation, Inc.	636	-	-
Increase in permanently restricted net assets	<u>636</u>	<u>636</u>	<u>-</u>
INCREASE (DECREASE) IN NET ASSETS	<u>19,777</u>	<u>300,825</u>	<u>(33,010)</u>
Net assets at beginning of year	<u>18,898,290</u>	<u>12,893,394</u>	<u>(96,288)</u>
Net assets at end of year	<u>\$ 18,918,067</u>	<u>\$ 13,194,219</u>	<u>\$ (129,298)</u>

The accompanying notes are an integral part of these statements.

<u>Gibault Ventures, Inc.</u>	<u>Eliminations</u>	<u>Consolidated Total</u>	<u>2008 Consolidated Total</u>
\$ -	\$ -	\$ 122,036	\$ 124,059
-	1,014,866	-	-
-	-	628,651	700,897
-	-	48,145	44,760
<u>-</u>	<u>1,014,866</u>	<u>798,832</u>	<u>869,716</u>
-	-	10,247,813	10,658,523
-	-	1,792,953	319,788
359,924	-	359,924	315,377
697	-	1,108,732	(1,385,609)
3,610	825,000	92,324	20,145
-	-	369,246	368,826
-	-	936	122
-	110,000	-	-
-	-	10,116	5,017
-	-	1,208	-
42	-	63,297	40,898
-	284,058	-	-
-	11,869	-	-
<u>364,273</u>	<u>1,230,927</u>	<u>14,046,549</u>	<u>10,343,087</u>
<u>364,273</u>	<u>2,245,793</u>	<u>14,845,381</u>	<u>11,212,803</u>
-	-	36,975	86,597
<u>364,273</u>	<u>2,245,793</u>	<u>14,882,356</u>	<u>11,299,400</u>
9,318	935,000	14,243,237	13,186,921
339,130	-	339,130	303,640
-	-	235,810	206,199
-	-	21,965	22,448
-	1,014,866	-	-
3,956	-	3,956	1,679
<u>352,404</u>	<u>1,949,866</u>	<u>14,844,098</u>	<u>13,720,887</u>
<u>11,869</u>	<u>295,927</u>	<u>38,258</u>	<u>(2,421,487)</u>
-	-	17,858	108,317
-	(16,879)	-	-
-	-	(36,975)	(86,597)
<u>-</u>	<u>(16,879)</u>	<u>(19,117)</u>	<u>21,720</u>
-	-	636	1,179
-	636	-	-
<u>-</u>	<u>636</u>	<u>636</u>	<u>1,179</u>
11,869	279,684	19,777	(2,398,588)
(47,382)	12,749,724	18,898,290	21,296,878
<u>\$ (35,513)</u>	<u>\$ 13,029,408</u>	<u>\$ 18,918,067</u>	<u>\$ 18,898,290</u>

**GIBAULT, INC., GIBAULT FOUNDATION, INC.,
GIBAULT CARE, INC. AND GIBAULT VENTURES, INC.**

Consolidating Statements of Cash Flows

(with summarized financial information for the year ended December 31, 2008)

For the year ended December 31,

	2009		
	Gibault, Inc.	Gibault Foundation, Inc.	Gibault Care, Inc.
Cash flows from operating activities:			
Increase (decrease) in net assets	\$ 19,777	\$ 300,825	\$ (33,010)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:			
(Gain) loss on disposal of equipment	(1,208)	-	-
(Gain) loss on sales of investments	67,449	278,208	-
Net unrealized (gains) losses on investments	(265,098)	(936,331)	-
Change in interest in net assets of Gibault Foundation, Inc. and Gibault Care, Inc.	(267,815)	-	-
Change in investment in Gibault Ventures, Inc.	(150,241)	-	-
Depreciation & amortization	417,407	347,214	68,502
Increase in cash surrender value of life insurance policies	-	(10,116)	-
Change in assets and liabilities:			
Accounts receivable	765,923	-	72,697
Accrued interest receivable	1,271	5,413	-
Contributions receivable	27,226	59,057	-
Inventories	7,157	-	-
Prepaid expenses	(113,420)	-	(2,597)
Deferred income taxes	-	-	-
Accounts payable	(99,679)	37,682	62,867
Accrued compensation and other liabilities	(62,243)	(15)	(9,505)
Annuity liability	-	(29,204)	-
Estimated health insurance liability	32,300	-	-
Net cash provided by operating activities	<u>378,806</u>	<u>52,733</u>	<u>158,954</u>
Cash flows from investing activities:			
Proceeds from sales of equipment	9,000	-	-
Proceeds from sale of investments	682,891	2,053,676	-
Purchases of investments	(728,384)	(1,957,594)	-
Expenditures for land, buildings and equipment	(110,559)	-	(120,713)
Net cash used by investing activities	<u>(147,052)</u>	<u>96,082</u>	<u>(120,713)</u>
Cash flows from financing activities:			
Repayments of long-term obligations	-	-	(61,808)
Proceeds from long-term obligations	-	-	-
Repayment of bonds payable	-	(142,537)	-
Contributed capital	-	-	-
Net cash provided by financing activities	<u>-</u>	<u>(142,537)</u>	<u>(61,808)</u>
NET INCREASE (DECREASE) IN CASH	231,754	6,278	(23,567)
Cash at beginning of year	<u>535,818</u>	<u>36,303</u>	<u>98,207</u>
Cash at end of year	<u>\$ 767,572</u>	<u>\$ 42,581</u>	<u>\$ 74,640</u>

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

Cash paid during the year for interest	\$ 255	\$ 185,752	\$ 50,317
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No cash was paid for income taxes during the year

The accompanying notes are an integral part of these statements.

<u>Gibault Ventures, Inc.</u>			<u>2008 Consolidated Total</u>	
	<u>Eliminations</u>	<u>Consolidated Total</u>		<u>Consolidated Total</u>
\$ 11,869	\$ 279,684	\$ 19,777	\$	(2,398,588)
-	-	(1,208)	-	-
-	-	345,657	(87,046)	(87,046)
-	-	(1,201,429)	1,776,179	1,776,179
-	(267,815)	-	-	-
-	(150,241)	-	-	-
2,943	-	836,066	813,892	813,892
-	-	(10,116)	(5,017)	(5,017)
(1,954)	262,127	574,539	(22,312)	(22,312)
-	-	6,684	4,986	4,986
-	-	86,283	(283,854)	(283,854)
(28,461)	-	(21,304)	39,134	39,134
-	-	(116,017)	31,995	31,995
3,957	-	3,957	1,679	1,679
(88,199)	(262,127)	174,798	125,052	125,052
1,624	-	(70,139)	155,213	155,213
-	-	(29,204)	13,611	13,611
-	-	32,300	(9,300)	(9,300)
<u>(98,221)</u>	<u>(138,372)</u>	<u>630,644</u>	<u>155,624</u>	<u>155,624</u>
-	-	9,000	-	-
-	-	2,736,567	2,764,442	2,764,442
-	-	(2,685,978)	(2,717,145)	(2,717,145)
(42,147)	-	(273,419)	(2,302,827)	(2,302,827)
<u>(42,147)</u>	<u>-</u>	<u>(213,830)</u>	<u>(2,255,530)</u>	<u>(2,255,530)</u>
-	-	(61,808)	-	-
-	-	-	2,000,000	2,000,000
-	-	(142,537)	(137,200)	(137,200)
138,372	138,372	-	-	-
<u>138,372</u>	<u>138,372</u>	<u>(204,345)</u>	<u>1,862,800</u>	<u>1,862,800</u>
(1,996)	-	212,469	(237,106)	(237,106)
88,795	-	759,123	996,229	996,229
<u>\$ 86,799</u>	<u>\$ -</u>	<u>\$ 971,592</u>	<u>\$ 759,123</u>	<u>\$ 759,123</u>
\$ -	\$ -	\$ 236,324	\$ 205,035	\$ 205,035

**GIBALT, INC., GIBALT FOUNDATION, INC.,
GIBALT CARE, INC. AND GIBALT VENTURES, INC.**

Consolidating Statements of Cash Flows

(with summarized financial information for the year ended December 31, 2008)

For the year ended December 31, 2009

DISCLOSURE OF ACCOUNTING POLICY:

Cash, as used in the statement of cash flows, is the amount reported as "cash" in the consolidated balance sheet, which includes cash on hand and all checking accounts.

The accompanying notes are an integral part of these statements.

**GIBAULT, INC., GIBAULT FOUNDATION, INC.,
GIBAULT CARE, INC. AND GIBAULT VENTURES, INC.**

Notes to Consolidating Financial Statements

December 31, 2009

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Gibault, Inc. operates a residential treatment facility in Terre Haute, Indiana for delinquent and pre-delinquent boys and girls ages 8 to 18 years at time of admission. Gibault, Inc. also operates group homes in Springfield, Ohio, Shelbyville, Indiana and Terre Haute, Indiana. Gibault, Inc. provides treatment services and is reimbursed from State and County Agencies at negotiated per diem rates. Gibault, Inc. also provides psychiatric treatment to clients through its PRTF program. Fees for these services are charged to Indiana Medicaid program. Additionally in 2008, Gibault, Inc. purchased and began operating a youth center in northern Indiana, which provides daycare and after school programs for youth. The youth center is doing business as Jasper County Youth Center.

The Gibault Foundation, Inc. was organized at the direction of the board of trustees for Gibault, Inc. for the purpose of providing support to Gibault, Inc. During 1989, a portion of Gibault, Inc.'s investments were gifted to the Foundation. In January 1990, Gibault, Inc. gifted all of its land, land improvements, buildings and the related bonds payable to the Foundation. The membership of The Gibault Foundation, Inc. shall consist of one class, namely the members of the Foundation's board of directors.

In 2001, Gibault Counseling, Inc. was established to provide behavioral health counseling treatment and therapy services. Gibault Counseling, Inc. began operations in November 2002. Gibault Counseling, Inc. receives payment for these services from third party payers which includes Medicaid and individuals receiving counseling. Gibault Counseling, Inc. is governed by a board of directors which is approved by the board of directors of Gibault, Inc. During 2007, Gibault Counseling, Inc. ceased operations. During 2008, Gibault Counseling, Inc. was renamed Gibault Care, Inc., d/b/a McGivney Health Care Center. Additionally, the exempt purpose of the organization was amended to include long-term residential care to persons with chronic illness or disability in a health care center (formerly referred to as a nursing home). On October 31, 2008, Gibault Care, Inc. purchased and began operating a nursing home in Carmel, Indiana.

In 2005, Gibault Ventures, Inc., d/b/a Top of the Hill Auto Sales, was established. The Corporation sells used automobiles to the general public for profit and to Gibault, Inc. for use in its operations. The profits are to be used to subsidize Gibault, Inc.'s operations. Gibault, Inc. owns 100% of the outstanding stock of the Corporation and its board of directors consists of employees of Gibault, Inc.

In 2009, Summit Academy, Inc. was established to operate a fully accredited, charter school under the laws of the State of Indiana. Summit Academy, Inc. was established as a 501(c)(3) organization under the internal revenue code. The corporation's board of directors and officers are employees of Gibault, Inc. In 2009, the corporation had no activity other than incorporation. As a result, the Corporation was not included on any of the consolidating financial statements for 2009.

Consolidation Policy

The accompanying consolidated financial statements include the accounts of Gibault, Inc., The Gibault Foundation, Inc., Gibault Care, Inc. and Gibault Ventures, Inc. Inter-entity transactions and balances have been eliminated in consolidation.

Comparative Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2008, from which the summarized information was derived.

Support and Expenses

Contributions received are measured at their fair values and are reported as an increase in net assets. Gifts of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activity as net assets released from restrictions.

**GIBAULT, INC., GIBAULT FOUNDATION, INC.,
GIBAULT CARE, INC. AND GIBAULT VENTURES, INC.**

Notes to Consolidating Financial Statements - Continued

December 31, 2009

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES - continued

Donated securities are recorded as contributions at their estimated fair values at the date of donation. Only those in-kind contributions for which a market value can be objectively determined are recorded as revenue.

Expenses are recorded when incurred in accordance with the accrual basis of accounting.

Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Accounts Receivable

Trade receivables and notes receivables are carried at their estimated collectible amounts. Trade receivables do not bear interest because they are created from established per diem rates with various state agencies under contract. Trade receivables are periodically evaluated for collectibility based on conversations with representatives from the various state agencies.

Allowance for Doubtful Accounts

The allowance for doubtful accounts for Gibault, Inc., Gibault Care, Inc. and Gibault Ventures, Inc. is zero at December 31, 2009. The direct write-off method is used for recognizing bad debts, which would not be materially different from the allowance method that is called for by generally accepted accounting principles. Balances that are outstanding after management has used reasonable collection efforts are written off using the direct write-off method.

Inventory Valuation

Inventories of Gibault, Inc., which consist of provisions and supplies, are recorded at the lower of cost or market determined by using the first in, first out (FIFO) method.

Vehicle inventory of Gibault Ventures, Inc. is valued at cost. Cost includes the original purchase price plus repair costs to prepare vehicle for sale.

Investments

Investments in marketable securities are stated at fair market value.

Derivatives

Mortgage-backed securities are recorded at fair value using quoted market prices. Realized gains and losses are recognized when payments are received. The organization does not engage in the trading of derivatives. Mortgage-backed securities are purchased and held as part of the organizations portfolio to achieve investment return.

Land, Buildings and Equipment

Land, buildings, and equipment owned at April 1, 1975 are recorded at appraised value. Property purchased after April 1, 1975 is recorded at cost. Donated property is recorded at fair value on the date of gift.

Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives, principally on a straight-line basis. Gibault Ventures, Inc. records depreciation using accelerated methods.

Deferred Income Taxes

Deferred taxes are provided in accordance with FASB ASC 740, "Accounting for Income Taxes". Deferred taxes are provided for accumulated temporary differences due to basis differences for assets and liabilities for financial reporting and income tax purposes, including alternative minimum taxes. The temporary difference is due to net operating loss carryforward.

**GIBAULT, INC., GIBAULT FOUNDATION, INC.,
GIBAULT CARE, INC. AND GIBAULT VENTURES, INC.**

Notes to Consolidating Financial Statements - Continued

December 31, 2009

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES - continued

Advertising Costs

Advertising costs are expensed as incurred and amounted to \$12,593 for the year ended December 31, 2009.

Subsequent Events

Management has evaluated subsequent events through April 12, 2010, the date which the financial statements were available for issue and concluded nothing occurred requiring adjustment to the financial statements or disclosure in the notes to the financial statements.

NOTE 2 - ACCOUNTS RECEIVABLE

Accounts receivable at December 31, 2009 consist of the following:

Per diem	\$ 1,076,875
Other	62,360
Patient revenue	<u>161,804</u>
	<u>\$ 1,301,039</u>

NOTE 3 - INVESTMENTS

Investments are held in agency accounts and are carried at fair value. The cost and fair values of investment securities are as follows at December 31:

	2009		2008	
	Cost	Fair Value	Cost	Fair Value
Cash equivalents	\$ 387,934	\$ 387,934	\$ 798,407	\$ 798,407
Municipal bonds	153,180	142,357	-	-
Mortgages, note contracts	3,190	3,465	5,056	5,176
U.S. Government obligations	2,673,782	2,787,793	3,171,707	3,398,843
Corporate bonds	860,857	875,506	591,956	574,626
Common stock	<u>4,393,531</u>	<u>4,661,576</u>	<u>4,301,595</u>	<u>3,276,397</u>
	<u>\$ 8,472,474</u>	<u>\$ 8,858,631</u>	<u>\$ 8,868,721</u>	<u>\$ 8,053,449</u>

The following schedule summarizes the investment return and its classification in the statement of activities for the year ended December 31,:

	2009			2008	
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>	<u>Total</u>
Interest and dividend income	\$ 252,959	\$ -	\$ -	\$ 252,959	\$ 303,524
Realized gains based on original cost	(345,657)	-	-	(345,657)	87,046
Net unrealized losses	<u>1,201,430</u>	<u>-</u>	<u>-</u>	<u>1,201,430</u>	<u>(1,776,179)</u>
Total investment return	<u>\$ 1,108,732</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,108,732</u>	<u>\$ (1,385,609)</u>

NOTE 4 - FAIR VALUE MEASUREMENT

Assets measured at fair value on a recurring basis at December 31, 2009 are as follows:

<u>Assets</u>	Based on		
	<u>Quoted Prices In Active Markets</u>	<u>Other Observable Units</u>	<u>Unobservable Inputs</u>
Contributions receivable	\$ -	\$ -	\$ 197,571

**GIBAULT, INC., GIBAULT FOUNDATION, INC.,
GIBAULT CARE, INC. AND GIBAULT VENTURES, INC.**

Notes to Consolidating Financial Statements - Continued

December 31, 2009

NOTE 4 - FAIR VALUE MEASUREMENT - continued

<u>Assets</u>	Quoted Prices	Based on	
	In Active Markets	Other Observable Units	Unobservable Inputs
Cash equivalents	\$ 387,934	\$ -	\$ -
Mortgages, note contracts	-	3,465	-
U.S. Government obligations	2,787,793	-	-
Corporate bonds	-	875,506	-
Common stock	4,661,576	-	-
Municipal bonds	-	142,357	-
	<u>\$ 7,837,303</u>	<u>\$ 1,021,328</u>	<u>\$ 197,571</u>
 <u>Liabilities</u>			
Annuity liabilities	\$ -	\$ -	\$ 559,830

Assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (level 3) are as follows:

Contributions receivable

Balance at December 31, 2008	\$ 283,854
Establishment of gift or bequest and adjustments	177,657
Receipts on prior year receivable	(263,940)
Balance at December 31, 2009	\$ 197,571

Annuity liabilities

Balance at December 31, 2008	\$ 589,034
Change in value of annuities	(29,204)
Balance at December 31, 2009	\$ 559,830

In 2009, realized losses of \$345,657 and unrealized gains of \$1,201,430 are reported in the statements of changes in net assets available as investment income (loss).

Following is a description of the valuation methodologies used for assets at fair value.

For all *cash equivalents*, *United States government obligations* and *common stocks*, fair value is determined by reference to quoted market prices. The *corporate bonds* and *mortgage, note contracts* are valued based on yields currently available on comparable securities of issuers with similar credit ratings.

Contributions receivable were recorded at expected future cash inflows determined primarily by subsequent cash receipts received after year end and documentation received from the executor of a donor's estate indicating the expected amount Gibault Foundation was to receive. Annuity liability is recorded at estimated fair value. The fair value is determined using the Internal Revenue Service applicable 7520 rate in the month the annuity agreement was initiated. Additionally, the IRS life expectancy tables are used for obtaining the estimated life expectancy of the donors. Each year the annuity obligations are revalued using the current life expectancy factors. The change in value of the obligations is attributable to the revaluation of the annuity liabilities using the current mortality tables. The change is included in the change in temporarily restricted net assets.

Assets measured at fair value on a non-recurring basis comprised the following:

<u>Description</u>	<u>Fair Value at December 31, 2009</u>
Medicaid beds	\$ 650,000
Goodwill	100

**GIBAULT, INC., GIBAULT FOUNDATION, INC.,
GIBAULT CARE, INC. AND GIBAULT VENTURES, INC.**

Notes to Consolidating Financial Statements - Continued

December 31, 2009

NOTE 4 - FAIR VALUE MEASUREMENT - continued

Fair value was determined as follows:

	Based on	
	Other Observable Inputs	Unobservable Inputs
Medicaid beds	\$ -	\$ 650,000
Goodwill	<u>-</u>	<u>100</u>
	<u>\$ -</u>	<u>\$ 650,100</u>

The fair value of medicaid beds and goodwill is determined based on the discounted expected future cash inflows expected over future periods. These amounts were recorded as the purchase amount at the closing of the nursing home purchased by Gibault Care, Inc. in October 2008.

NOTE 5 - PROMISE TO GIVE

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. The allowance for uncollectible promises to give is \$0. All promises to give were thought to be collectible.

Unconditional promises to give are expected to be received as follows:

Due in less than one year	\$ 197,571
Due in one to five years	-
Due in more than five years	-

NOTE 6 - LAND, BUILDINGS AND EQUIPMENT

Land, buildings and equipment and accumulated depreciation balances are summarized as follows:

	Cost or Appraisal December 31, 2009	Accumulated Depreciation December 31, 2009
Land	\$ 1,006,200	\$ -
Land improvements	1,227,025	1,054,235
Buildings	18,741,471	8,225,788
Leasehold improvements	1,826,975	627,424
Equipment	3,921,630	3,482,600
Vehicles	<u>258,342</u>	<u>120,655</u>
	<u>\$ 26,981,643</u>	<u>\$ 13,510,702</u>

Depreciation expense in 2009 was \$806,065.

NOTE 7 - INTANGIBLE ASSETS

As part of the purchase of Gibault Care, Inc. during 2008, the company acquired intangible assets of \$740,000. Of that amount, \$650,000 has been assigned to Medicaid beds; such intangible assets are not subject to amortization. The \$89,900 balance of acquired intangibles has been assigned to a non-compete agreement, which is subject to periodic amortization over the estimated useful life of 3 years. Goodwill of \$100, which is not subject to amortization, arose in connection with the acquisition.

Following is a summary of non-goodwill intangibles at December 31, 2009:

Intangibles subject to amortization:	
Non-compete agreement	\$ 89,900
Less accumulated amortization	(44,983)
	44,917

**GIBAULT, INC., GIBAULT FOUNDATION, INC.,
GIBAULT CARE, INC. AND GIBAULT VENTURES, INC.**

Notes to Consolidating Financial Statements - Continued

December 31, 2009

NOTE 7 - INTANGIBLE ASSETS - continued

Intangibles not subject to amortization:

Medicaid beds	\$ 650,000
Goodwill	<u>100</u>
	<u>650,100</u>
	<u>\$ 695,017</u>

Amortization expense for 2009 was \$30,000; estimated amortization expense for each of the ensuing years through December 31, 2011 is, respectively, \$29,967 and \$14,950.

NOTE 8 - RETIREMENT PLAN

Gibault, Inc. has a defined contribution retirement plan for the purpose of providing retirement benefits for employees meeting certain eligibility requirements. Contributions are based on 6% of eligible salaries and are funded as accrued. Total pension expense amounted to \$217,602 for the year ended December 31, 2009. During the year ended December 31, 2009, management elected to stop employer contributions.

NOTE 9 - TAX STATUS

Gibault, Inc., Gibault Foundation, Inc., and Gibault Care, Inc. are exempt from federal and state income taxes under section 501(c)(3) of the Internal Revenue Code.

Gibault Ventures, Inc. is a for-profit corporation subject to federal and state income taxes.

NOTE 10 - ECONOMIC DEVELOPMENT REVENUE BONDS

In December 2002, Gibault, Inc. and Gibault Foundation, Inc. contracted to issue a series of economic development revenue bonds in an amount up to \$5,000,000. As of December 31, 2006, Gibault, Inc. and Gibault Foundation, Inc. have issued all of the bonds. Principal and interest payments of \$152,723 are to be made semi-annually over a twenty-five year period with interest accruing on the unpaid principal balance. The interest rate will then be adjusted based on a formula as defined in the bond document. The interest rate was adjusted to 4.3255% in December 2007 and will adjust every fifth year that follows. The bonds are secured by land, improvements and buildings owned by Gibault, Inc. and Gibault Foundation, Inc.

Maturities of the bonds for the five years following December 31, 2009 are as follows:

2010	\$ 148,779
2011	155,284
2012	162,065
2013	169,160
2014	176,556

NOTE 11 - LINE OF CREDIT

During 2009, Gibault, Inc. renewed its line of credit agreement with a local bank for \$1,500,000, to be drawn upon as needed. The principal is due on demand or October 13, 2010, if no demand is made. Interest is to be paid monthly at the prime rate as published in the Wall Street Journal. At December 31, 2009 the rate was 3.25%. Gibault, Inc. had \$250,000 of borrowings from this line of credit during the year, all of which were repaid during the year. The line of credit is secured by investments held in a trust account at the same bank. Interest expense paid on the line of credit during 2009 totaled \$255.

NOTE 12 - NOTES PAYABLE

During 2008, Gibault Care, Inc. obtained a note payable from a local financial institution for \$2,000,000 for the purchase of a nursing home in Carmel, Indiana. Gibault Care, Inc. is to make six consecutive interest payments beginning in November 2008 on the unpaid principal balance. Beginning May 30, 2009, sixty consecutive monthly principal and interest payments are to be made on the note. Interest is calculated on the unpaid principal balance at the prime rate of the local financial institution less .75 percentage points. The rate at December 31, 2009 was 2.50%.

**GIBALT, INC., GIBALT FOUNDATION, INC.,
GIBALT CARE, INC. AND GIBALT VENTURES, INC.**

Notes to Consolidating Financial Statements - Continued

December 31, 2009

NOTE 12 - NOTES PAYABLE - continued

The interest rate is adjustable monthly. The note is secured by \$2,300,000 investments of the Gibault Foundation, Inc. held at the same financial institution. The note is being repaid under a loan amortization of approximately 17 years instead of the terms of the note with the anticipation of refinancing the note for an additional period.

Repayments on long-term obligations for each of the five years following 2009 are:

2010	\$ 94,955
2011	97,390
2012	99,764
2013	102,445
2014	1,543,638
Thereafter	

NOTE 13 - TEMPORARILY RESTRICTED NET ASSETS

During the year ended December 31, 2009, temporarily restricted net assets were released from restrictions by incurring expenses satisfying the restricted purposes specified by the donors.

Temporarily restricted net assets were used to accomplish the following purposes:

Recreation equipment	\$ 5,575
Various programs	21,949
Residential	2,725
Education needs	<u>6,726</u>
Total net assets released from restrictions	\$ <u>36,975</u>

Temporarily restricted net assets are available for the following purposes:

Programs	\$ 500
Bibles	275
Annuity agreements	79,952
Phraselator	2,300
Education needs	168
Supplies	600
Purchase of a golf cart	<u>700</u>
	\$ <u>84,495</u>

NOTE 14 - PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted assets of \$29,803 are restricted to investments in perpetuity, the income from which is expendable to support Gibault, Inc.'s operations.

NOTE 15 - OTHER RESTRICTIONS

The board of directors of the Gibault Foundation, Inc. have designated \$6,300,076 of unrestricted net assets as additional endowment funds. The earnings from these assets are available to be used to support Gibault, Inc.

NOTE 16 - OPERATING LEASES - LESSEE

Gibault, Inc. leases copiers under an operating lease. The lease agreement provides for a minimum monthly payment of \$3,101 for sixty months. Gibault, Inc. will be charged an additional monthly fee of \$.009 on each impression above 58,000. Rent expense for the year ended December 31, 2009, was \$37,432.

Gibault, Inc. leases copiers under an operating lease at its Springfield, Ohio campus location. The lease provides for monthly payments of \$249 for forty-eight months. Rent expense for the year ended December 31, 2009 was \$6,296.

**GIBAULT, INC., GIBAULT FOUNDATION, INC.,
GIBAULT CARE, INC. AND GIBAULT VENTURES, INC.**

Notes to Consolidating Financial Statements - Continued

December 31, 2009

NOTE 16 - OPERATING LEASES - LESSEE - continued

Gibault, Inc. leases copiers under an operating lease at its Shelbyville, Indiana location. The lease provides for monthly payments of \$349 for sixty months. Gibault, Inc. will be charged an additional monthly fee of \$.0129 on each impression above 4,000. Rent expense for the year ended December 31, 2009 was \$8,211.

Future minimum rental payments under operating leases are as follows:

2010	\$ 38,607
2011	21,707
2012	-
2013	-
2014	-
Thereafter	-

NOTE 17 - CONCENTRATION OF CREDIT RISK

Gibault, Inc. grants credit to those entities it provides services for, most of whom are some type of county or state governmental agency.

Gibault, Inc. routinely has deposits throughout the year in Indiana financial institutions in amounts that exceed the limits of insurance provided by the Federal Deposit Insurance Corporation.

NOTE 18 - MAJOR CUSTOMERS AND CONTRIBUTIONS

During the year ended December 31, 2009, three entities accounted for \$5,983,909 or 58% of the consolidated per diem revenue of Gibault, Inc. and consolidated subsidiaries. Additionally, the accounts receivable balance for per diem for these three counties represented 65.5% of the total consolidated accounts receivable balance at December 31, 2009.

During the year ended December 31, 2009, one bequest accounted for \$190,943 or 25% of the consolidated public support of Gibault, Inc. and consolidated subsidiaries.

NOTE 19 - BEQUESTS AND ANNUITIES

The Gibault Foundation, Inc. is the beneficiary of thirty-eight bequests. The bequests are not included in the financial statements since the bequests are revocable at the discretion of the grantors.

The Gibault Foundation, Inc. is also the holder of twelve charitable gift annuities. A charitable gift annuity is an arrangement in which the donor contributes assets to an organization in exchange for a promise by the organization to pay a fixed amount for a specified period of time to the donor or to individuals or organizations designated by the donor. The assets received are recorded as temporarily restricted net assets net of the present value of the future cash flows of the annuity payment liability. The value of charitable gift annuity assets at December 31, 2009 are \$79,952 (net of the annuity liability of \$90,592).

In March 2002, Gibault Foundation, Inc. purchased real estate for cash of \$120,000 and issuance of a two-life annuity contract. The annuity contract requires the Foundation to pay the annuitants \$5,000 per month for ten years or until the second annuitant dies. After ten years, if either or both annuitants survive, the Foundation will pay \$4,000 per month until the second annuitant dies. Upon closing of this real estate transaction, the annuitants relinquished all rights with regard to the real estate. The property was recorded by the Foundation at the present value of the annuity payments, plus the \$120,000 cash paid. The Foundation also recorded an annuity liability for the present value of the annuity payments owed the annuitants. At December 31, 2009 present value of the annuity payments was \$469,238.

The Gibault Foundation, Inc. is the beneficiary of forty-four life insurance policies. The Foundation has recorded the cash surrender value of these policies at December 31, 2009 of \$62,690.

**GIBAULT, INC., GIBAULT FOUNDATION, INC.,
GIBAULT CARE, INC. AND GIBAULT VENTURES, INC.**

Notes to Consolidating Financial Statements - Continued

December 31, 2009

NOTE 20 - GRANTS

Federal and state grants received during 2009 are as follows:

Department of Agriculture school breakfast program and national school lunch program passed through the Indiana Department of Education	\$ 170,541
Department of Education Chapter I - financial assistance to meet special education needs of disadvantaged children - operated by local education agencies	162,406
Department of Education, Division of School Finance and Educational Information - textbook reimbursement	4,689
Jasper County, Indiana - CASA program grant	<u>31,610</u>
	\$ <u>369,246</u>

NOTE 21 - COMMITMENTS

In November 2003, Gibault, Inc. contracted with the Board of Clark County Commissioners, Clark County, Ohio to operate an existing children's residential center in Springfield, Ohio. Gibault, Inc. will lease the facilities for \$1 per year starting January 1, 2004 through December 31, 2007, with an option to extend the lease for one to four years. The facility accommodates up to twenty-four clients. Clark County will pay Gibault, Inc. an initial per diem rate of \$180 per day, per client. The per diem rate is adjusted annually as established in the contract. For the year ended December 31, 2009, the per diem rate was \$196 per day. Clark County guaranteed Gibault, Inc. a minimum monthly placement of five clients.

All capital improvements are to be approved by Clark County. If Clark County declines to renew this agreement after the initial four year term, or if Clark County terminates the agreement for cause, then they shall reimburse Gibault, Inc. its depreciated book value of any leasehold improvements, provided such leasehold improvements were agreed to by Clark County prior to its implementation. If Gibault, Inc. declines to renew after the initial four year term, then it surrenders all interest in its leasehold improvements.

During 2009, Gibault, Inc. and the Board of Clark County Commissioners agreed mutually to cease operations of residential services at the Springfield, Ohio location. Both parties have mutually agreed to eliminate the minimum monthly placement requirement of the contract as a result of cessation of the residential services. All other aspects of the contract continue. Gibault, Inc. continues to operate the visitation program at the facility.

NOTE 22 - RELATED PARTY TRANSACTIONS

During the year ended December 31, 2009, Gibault, Inc. purchased twenty-four vehicles from Gibault Ventures, Inc. The gross purchase price was \$161,974. The cost of these vehicles was \$149,260. Gibault, Inc. traded in twenty vehicles on these purchases and received a trade in allowance of 97,201 and paid cash of \$64,773.

NOTE 23 - INCOME TAXES

The deferred tax asset included in the consolidating balance sheet results from the net operating loss carryforward from Gibault Ventures, Inc. Federal income tax expense of \$3,956 consists of the recognition of part of the deferred tax asset resulting from the net operating losses carried forward from prior years. The prior year operating losses were used to reduce current year operating profit. The valuation allowance for the deferred tax asset is zero. The net operating loss carryforward was thought to be realizable in future years. The net operating losses can be carried forward as follows:

<u>Year of loss</u>	<u>Loss</u>	<u>Carryforward Expires</u>
2005	\$ 33,158	2025
2006	13,451	2026

**GIBAULT, INC., GIBAULT FOUNDATION, INC.,
GIBAULT CARE, INC. AND GIBAULT VENTURES, INC.**

Notes to Consolidating Financial Statements - Continued

December 31, 2009

NOTE 24 - ENDOWMENT FUND

Gibault Foundation, Inc. has an endowment consisting of unrestricted board-designated and permanently restricted assets. When the Foundation receives gifts from donors restricted as endowment funds, the Foundation records these gifts as permanently restricted assets to be held in perpetuity. Additionally, in accordance with established policy, when an unrestricted bequest is received by Gibault, Inc. or Gibault Foundation, Inc., the gift is deposited into the Foundation endowment fund as a board designated endowment fund. The board designated endowment funds and the investment earnings on the permanently restricted endowment funds are to be used to support the programs and operations of Gibault, Inc.

The assets in the endowment fund are maintained in two trust accounts and in-house as investments in Series E and EE government savings bonds. The Foundation's board has established an investment policy for the investment of the endowment funds. The purpose of endowment fund is to generate and invest income from operations and to supply cash for the daily expenses with a sufficient surplus to maintain a reserve balance equivalent to 30 to 45 days of operating expenses. The policy also details the investment portfolio allocation percentages for which the endowment funds may be invested.

In accordance with established policy, at least annually, the endowment fund is to transfer to Gibault, Inc., the investment earnings, net of applicable fees. These funds are to be used to support the programs and operations of Gibault, Inc. Additionally, as needed, additional appropriations may be approved by the Foundation's board to be transferred to Gibault, Inc. for operations.

For the year ended December 31, 2009, the Foundation had the following endowment related activities:

	Board Designated Endowment Funds	Permanently Restricted
	<u>Unrestricted</u>	<u>Restricted</u>
Endowment Net Assets, Beginning of year	\$ 6,361,492	\$ 29,167
Investment return:		
Investment income (loss)	179,066	-
Realized gain (loss)	<u>(242,339)</u>	<u>-</u>
Total investment return	(63,273)	-
Contributions	180,489	636
Appropriation of endowment funds for expenditure	<u>(178,632)</u>	<u>-</u>
Endowment net assets, end of year	\$ <u>6,300,076</u>	\$ <u>29,803</u>

NOTE 25 - CONTINGENCIES

Gibault, Inc. is the defendant in two lawsuits, one of which is from a former employee for breach of contract and one is from a former client for sexual assault while at Gibault, Inc. In both cases, Gibault, Inc. has insurance coverage in place to cover losses in excess of the deductible. Subsequent to year end, the case with the former employee was settled for \$4,000. Additionally, in the case of the former client, Gibault, Inc.'s attorney was in the process of negotiating settlement of the case. As of the date of auditor's report, the settlement has not yet been finalized. No accrual has been made for these amounts in the December 31, 2009 financial statements.

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Certified Public Accountants
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Sackrider & Company
Incorporated

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
ON SUPPLEMENTAL INFORMATION

Board of Directors
Gibault, Inc., Gibault Foundation, Inc., Gibault
Care, Inc., and Gibault Ventures, Inc.
Terre Haute, Indiana

Our audit was made for the purpose of forming an opinion on the basic consolidating financial statements taken as a whole of Gibault, Inc., Gibault Foundation, Inc., Gibault Care, Inc., and Gibault Ventures, Inc. for the year ended December 31, 2009, which are presented in the preceding section of this report. The statement of functional expenses - Gibault, Inc. and the statement of functional expenses - Gibault Care, Inc. for the year ended December 31, 2009 presented hereinafter is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the audit procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Sackrider & Company, Inc.

Terre Haute, Indiana
April 12, 2010

**GIBAULT, INC., GIBAULT FOUNDATION, INC.,
GIBAULT COUNSELING, INC. AND GIBAULT VENTURES, INC.**

**Statement of Functional Expenses -
Gibault, Inc.**

Year ended December 31, 2009

Program, Services and Administrative Expenses

	<u>CARE</u>	<u>Aspergers</u>	<u>Education</u>	<u>PRTF</u>	<u>Group Home</u>	<u>ISIS</u>
Personnel costs						
Salaries	\$ 724,328	\$ 679,306	\$ 583,357	\$ 1,042,858	\$ 138,326	\$ 310,070
Employee health insurance	107,165	74,285	69,163	111,137	33,302	50,845
Payroll taxes	59,301	55,420	44,908	83,932	11,956	25,925
Employee pension	19,207	13,181	25,876	11,715	7,808	9,846
	<u>910,001</u>	<u>822,192</u>	<u>723,304</u>	<u>1,249,642</u>	<u>191,392</u>	<u>396,686</u>
Advertising	-	-	-	-	-	-
Allowances/honor jobs - clients	8,802	2,027	1,181	2,680	1,762	3,080
Athletic and other equipment	-	-	-	-	-	-
Awards and recognition	539	1,188	6,995	640	-	124
Bad debt expense	-	-	-	-	-	-
Bank fees	-	-	-	-	-	-
Chapter I expenses	-	-	134,970	-	-	-
Clinical supplies	-	-	-	-	-	46
Clothing	7,307	990	407	5,750	12	2,262
Commissary	1,121	135	-	571	111	37
Computer/software supplies	-	-	5,485	-	-	-
Contracted services	1,645	10,986	4,339	60,940	-	-
Copier lease payments	-	-	-	3,789	-	-
Depreciation	-	-	-	-	-	-
Directors fund	-	-	1,199	-	-	-
Donor Development	-	-	-	-	-	-
Exhibit fees	-	-	-	-	-	-
Furnishings and linens	3,753	1,233	-	1,071	-	1,017
Gas and oil	2,018	4,445	25	566	1,328	1,509
Health care	-	327	-	-	-	-
Household supplies	15,620	4,722	2,104	12,712	1,388	6,728
Insurance	-	-	-	-	-	-
Lease payments	-	-	-	-	-	-
Maintenance supplies and contracts	-	-	6,539	-	198	-
Miscellaneous	-	-	1,702	-	-	307
Office supplies	2,787	2,356	3,010	7,762	78	1,321
Outings and special events	8,764	3,568	3,387	3,610	249	2,666
Parent classes	-	-	-	-	-	-
Personal hygiene supplies	3,107	481	32	1,510	-	419
Postage	224	21	-	72	-	50
Printing and publications	-	-	-	-	-	-
Professional development fees	19	-	72	-	-	-
Provisions	558	1,274	3,191	408	290	285
Recreational supplies	276	682	-	573	-	100
Sick leave buy back	-	-	-	-	-	-
School supplies	-	99	25,282	60	57	-
Scholarships/Tuition	-	-	-	-	-	-
Staff development	80	110	1,298	-	-	285
Staff travel	4,194	1,653	488	2,429	222	1,273
Student travel	-	-	-	302	-	-
Telephone	970	595	350	350	1,503	595
Utilities	-	-	-	-	1,483	-
Vehicle repairs	-	-	-	-	-	-
	<u>\$ 971,785</u>	<u>\$ 859,084</u>	<u>\$ 925,360</u>	<u>\$ 1,355,437</u>	<u>\$ 200,073</u>	<u>\$ 418,790</u>

<u>Aftercare</u>	<u>Ohio Campus</u>	<u>Ohio Visitation</u>	<u>Shelbyville</u>	<u>Foster Care</u>	<u>JCYC</u>	<u>CASA</u>
\$ -	\$ 396,826	\$ 51,817	\$ 338,786	\$ 15,262	\$ 272,777	\$ 12,500
1,728	37,119	6,260	48,789	1,423	8,486	-
-	35,850	4,728	27,904	998	23,418	1,037
-	11,274	825	6,192	508	6,183	-
<u>1,728</u>	<u>481,069</u>	<u>63,630</u>	<u>421,671</u>	<u>18,191</u>	<u>310,864</u>	<u>13,537</u>
150	-	-	-	360	514	-
-	1,271	-	2,725	-	-	-
-	-	-	-	-	120	-
-	-	-	-	-	75	373
-	-	-	-	-	-	-
-	-	-	-	-	7	-
-	26,436	-	-	-	-	-
-	-	-	731	-	-	-
-	1,925	-	3,709	-	-	-
-	2,836	-	379	-	64	-
-	-	-	-	-	110	-
-	9,463	-	722	-	-	1,000
-	5,147	1,149	8,211	-	5,659	1,500
-	31,785	-	10,079	-	484	-
-	966	-	(39)	-	36	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
416	298	990	1,180	-	5,837	-
2,238	-	38	7,762	993	777	68
-	1,440	-	106	144	-	-
-	7,571	481	4,196	-	5,283	-
-	20,111	-	-	-	-	950
-	-	-	-	-	1,161	1,200
-	16,549	555	9,031	14	20,391	-
-	-	-	718	-	825	-
-	3,864	28	3,330	961	815	1,690
-	1,957	287	1,216	-	115	445
-	-	-	-	-	1,656	-
-	37	-	414	-	-	-
-	1,195	92	1,503	11	95	605
1,963	-	-	-	-	1,119	-
-	3,459	-	117	-	337	-
-	52,205	-	19,559	-	28,082	152
-	304	52	261	-	495	-
-	-	-	-	-	-	-
-	412	1,283	144	-	5,182	-
-	-	-	1,057	-	-	-
-	1,551	95	722	2,432	4,726	720
1,573	7,956	370	1,638	3,324	938	1,877
-	-	-	6	-	-	-
990	5,715	550	8,482	489	2,430	600
-	50,142	-	15,379	-	14,353	500
-	6,268	-	2,308	-	1,084	-
<u>\$ 9,058</u>	<u>\$ 741,932</u>	<u>\$ 69,600</u>	<u>\$ 527,317</u>	<u>\$ 26,919</u>	<u>\$ 413,634</u>	<u>\$ 25,217</u>

**GIBAULT, INC., GIBAULT FOUNDATION, INC.,
GIBAULT COUNSELING, INC. AND GIBAULT VENTURES, INC.**

**Statement of Functional Expenses -
Gibault, Inc.-Continued**

Year ended December 31, 2009

	<u>Program, Services and Administrative Expenses</u>					
	<u>Program Support</u>	<u>Support Services</u>	<u>Marketing</u>	<u>General Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Personnel costs						
Salaries	\$ 949,119	\$ 560,190	\$ 197,307	\$ 597,367	\$ 128,298	\$ 6,998,494
Employee health insurance	87,583	127,446	27,708	68,026	22,066	882,531
Payroll taxes	75,546	42,415	15,791	44,263	9,963	563,355
Employee pension	37,433	20,246	9,906	28,592	6,901	215,693
	<u>1,149,681</u>	<u>750,297</u>	<u>250,712</u>	<u>738,248</u>	<u>167,228</u>	<u>8,660,073</u>
Advertising	-	-	3,020	8,549	-	12,593
Allowances/honor jobs - clients	5,260	-	-	-	-	28,788
Athletic and other equipment	4,687	-	-	16,327	-	21,134
Awards and recognition	418	154	1,411	3,021	5,103	20,041
Bad debt expense	-	41,610	-	27,925	-	69,535
Bank fees	-	5,000	-	-	-	5,007
Chapter I expenses	-	-	-	-	-	161,406
Clinical supplies	576	-	-	-	-	1,353
Clothing	209	(1,339)	-	-	-	21,232
Commissary	30	6,746	-	-	-	12,030
Computer/software supplies	-	-	240	18,494	1,525	25,854
Contracted services	15,978	196,897	-	5,550	2,838	310,358
Copier lease payments	13,788	-	6,428	6,268	-	51,939
Depreciation	-	375,059	-	-	-	417,407
Directors fund	1,787	487	622	4,001	217	9,276
Donor Development	-	-	-	-	3,232	3,232
Exhibit fees	-	-	2,545	-	-	2,545
Furnishings and linens	2,209	207	-	663	-	18,874
Gas and oil	14,276	19,059	3,370	5,832	2,669	66,973
Health care	-	17,848	-	-	-	19,865
Household supplies	4,160	20,544	-	1,795	-	87,304
Insurance	-	257,911	-	-	7,805	286,777
Lease payments	-	799,494	-	36,795	-	838,650
Maintenance supplies and contracts	-	206,699	-	-	854	260,830
Miscellaneous	-	228	-	38,428	-	42,208
Office supplies	9,107	4,267	2,536	12,033	3,745	59,690
Outings and special events	2,892	-	-	-	10,347	39,503
Parent classes	-	-	-	-	-	1,656
Personal hygiene supplies	15	(197)	-	-	-	5,818
Postage	1	21,537	1,593	277	23,297	50,573
Printing and publications	-	-	1,838	346	33,671	38,937
Professional development fees	214	22,940	-	795	143	28,096
Provisions	723	384,787	-	343	-	491,857
Recreational supplies	519	-	-	-	-	3,262
Sick leave buy back	-	11,795	-	-	-	11,795
School supplies	-	309	-	-	-	32,828
Scholarships	-	-	3,037	-	-	4,094
Staff development	3,764	2,766	1,203	6,905	199	26,856
Staff travel	3,926	4,634	8,807	7,161	3,410	55,873
Student travel	-	-	-	-	-	308
Telephone	20,756	16,001	1,205	9,623	630	71,834
Utilities	-	352,943	-	39,622	-	474,422
Vehicle repairs	160	32,749	-	(102)	-	42,467
	<u>\$ 1,255,136</u>	<u>\$ 3,551,432</u>	<u>\$ 288,567</u>	<u>\$ 988,899</u>	<u>\$ 266,913</u>	<u>\$ 12,895,153</u>

GIBAULT, INC., GIBAULT FOUNDATION, INC.,
GIBAULT COUNSELING, INC. AND GIBAULT VENTURES, INC.

Statement of Functional Expenses -
Gibault Care, Inc.

Year ended December 31, 2009

	Program, Services and Administrative Expenses		
	Program Services	Management & General	Total
Personnel costs			
Salaries	\$ 982,143	\$ -	\$ 982,143
Employee health insurance	39,764	-	39,764
Payroll taxes	84,633	-	84,633
Employee pension	1,976	-	1,976
	1,108,516	-	1,108,516
Advertising	7,561	-	7,561
Assessments	132,893	-	132,893
Athletic and other equipment	6,996	-	6,996
Bad debt expense	6,342	-	6,342
Computer/software supplies	3,022	-	3,022
Contracted services	29,936	21,991	51,927
Depreciation and amortization	68,502	-	68,502
Directors fund	-	2,455	2,455
Drug testing	130	-	130
Dues and subscriptions	-	2,932	2,932
Fees and licenses	200	-	200
Furnishings and linens	805	-	805
Health care	23,207	-	23,207
Household supplies	3,632	-	3,632
Insurance	22,160	-	22,160
Maintenance supplies and contracts	115,743	-	115,743
Management fees	26,116	50,000	76,116
Medical supplies	47,054	-	47,054
Miscellaneous	-	33	33
Office supplies	-	4,435	4,435
Penalties	-	18,400	18,400
Postage	-	161	161
Printing and publications	-	67	67
Provisions	84,244	-	84,244
Property taxes	-	3,502	3,502
Recreation supplies	2,364	-	2,364
Staff development	-	1,213	1,213
Staff travel	-	7,458	7,458
Telephone	-	4,811	4,811
Utilities	45,302	-	45,302
Vehicle repairs	5,481	-	5,481
	\$ 1,740,206	\$ 117,458	\$ 1,857,664

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Trustees and Board of Directors
Gibault, Inc., Gibault Foundation, Inc., Gibault
Care, Inc., and Gibault Ventures, Inc.
Terre Haute, Indiana

We have audited the financial statements of Gibault, Inc., Gibault Foundation, Inc., Gibault Care, Inc., and Gibault Ventures, Inc. as of and for the year ended December 31, 2009, and have issued our report thereon dated April 12, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Gibault, Inc., Gibault Foundation, Inc., Gibault Care, Inc., and Gibault Ventures, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Gibault, Inc., Gibault Foundation, Inc., Gibault Care, Inc., and Gibault Ventures, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Gibault, Inc., Gibault Foundation, Inc., Gibault Care, Inc., and Gibault Ventures, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the audit committee, Board of Trustees/Directors, and is not intended to be and should not be used by anyone other than these specified parties.

Sackrider + Company, Inc.

Terre Haute, Indiana
April 12, 2010

**Gibault, Inc., The Gibault
Foundation, Inc., Gibault
Care, Inc., Gibault Ventures, Inc. and
Summit Academy of Vigo County, Inc.**

**Consolidating Financial Statements and Report
of Independent Certified Public Accountants**

December 31, 2010

CONTENTS

	PAGE
REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS	1.
FINANCIAL STATEMENTS	
Consolidating Balance Sheets	2.
Consolidating Statements of Activities	3.
Consolidating Statements of Cash Flows	4-5.
Notes to Consolidating Financial Statements	6-16.
SUPPLEMENTAL INFORMATION	
Statement of Functional Expenses - Gibault, Inc.	17-18.
Statement of Functional Expenses - Gibault Care, Inc.	19.
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	20-21.

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Sackrider & Company
incorporated

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors

Gibault, Inc., The Gibault Foundation, Inc.,
Gibault Care, Inc., Gibault Ventures, Inc.
and Summit Academy of Vigo County, Inc.
Terre Haute, Indiana

We have audited the accompanying consolidating balance sheet of Gibault, Inc., The Gibault Foundation, Inc., Gibault Care, Inc., Gibault Ventures, Inc., and Summit Academy of Vigo County, Inc. as of December 31, 2010, and the related consolidating statements of activities, functional expenses and cash flows for the year then ended. These consolidating financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these consolidating financial statements based on our audit. The prior year summarized comparative information has been derived from Gibault, Inc., The Gibault Foundation, Inc., Gibault Care, Inc., Gibault Ventures, Inc. and Summit Academy of Vigo County, Inc.'s 2009 consolidated financial statements and, in our report dated April 12, 2010, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 consolidating financial statements. An audit also includes assessing the accounting principles used and the 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 consolidating financial statements referred to above present fairly, in all material respects, the financial position of Gibault, Inc., The Gibault Foundation, Inc., Gibault Care, Inc., Gibault Ventures, Inc. and Summit Academy of Vigo County, Inc. as of December 31, 2010, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 26, 2011, on our consideration of Gibault, Inc., The Gibault Foundation, Inc., Gibault Care, Inc., Gibault Ventures, Inc. and Summit Academy of Vigo County, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Terre Haute, Indiana
April 26, 2011

Sackrider & Company, Inc.

**GIBAULT, INC., THE GIBAULT FOUNDATION, INC.,
GIBAULT CARE, INC., GIBAULT VENTURES, INC.
AND SUMMIT ACADEMY OF VIGO COUNTY, INC.**

**Consolidating Balance Sheet
(with summarized financial information for the year ended December 31, 2009)**

December 31,

	2010		
	Gibault, Inc.	The Gibault Foundation, Inc.	Gibault Care, Inc.
ASSETS			
Cash	\$ 611,148	\$ 37,632	\$ 74,075
Investments	1,922,412	7,369,743	-
Investments in other assets	5,000	-	-
Accounts receivable - net	1,893,494	-	135,114
Contributions receivable	179,879	31,000	-
Accrued interest receivable	8,228	36,282	-
Inventories	69,230	-	-
Cash surrender value of life insurance	-	70,951	-
Prepaid expenses	162,082	-	21,301
Notes receivable	-	-	-
Interest in net assets of The Gibault Foundation, Inc., Gibault Care, Inc., and Summit Academy of Vigo County, Inc.	12,924,365	-	-
Investment in Gibault Ventures, Inc.	318,051	-	-
Land, buildings and equipment - at cost, less accumulated depreciation	1,955,607	9,750,377	1,152,004
Intangible assets less accumulated amortization	-	-	665,017
Deferred income taxes	-	-	-
Total assets	\$ 20,049,496	\$ 17,295,985	\$ 2,047,511
LIABILITIES AND NET ASSETS			
Accounts payable	\$ 219,610	\$ 200,495	\$ 245,140
Accrued compensation and other liabilities	392,720	21,637	38,062
Annuity liability	-	532,960	-
Estimated health insurance liability	93,000	-	-
Notes payable	-	-	1,851,289
Bonds payable	-	3,510,152	-
Total liabilities	705,330	4,265,244	2,134,491
Shareholders' equity			
Common stock, no par value, 1000 shares authorized, issued, and outstanding	-	-	-
Contributed capital	-	-	-
Accumulated deficit	-	-	-
Net assets			
Unrestricted	19,220,974	12,913,955	(86,980)
Temporarily restricted	92,737	86,331	-
Permanently restricted	30,455	30,455	-
Total net assets	19,344,166	13,030,741	(86,980)
Total liabilities and net assets	\$ 20,049,496	\$ 17,295,985	\$ 2,047,511

The accompanying notes are an integral part of these statements.

<u>Gibault Ventures, Inc.</u>	<u>Summit Academy of Vigo County, Inc.</u>	<u>Eliminations</u>	<u>Consolidated Total</u>	<u>2009 Consolidated Total</u>
\$ 129,708	\$ -	\$ -	\$ 852,563	\$ 971,592
-	-	-	9,292,155	8,858,631
-	-	-	5,000	5,000
3,548	-	426,437	1,605,719	1,301,039
-	-	-	210,879	197,571
-	-	-	44,510	47,620
36,992	-	-	106,222	128,169
-	-	-	70,951	62,690
-	-	-	183,383	173,367
10,154	-	-	10,154	7,913
-	-	12,924,365	-	-
-	-	318,051	-	-
132,755	-	-	12,990,743	13,470,941
-	-	-	665,017	695,017
6,922	-	-	6,922	11,652
<u>\$ 320,079</u>	<u>\$ -</u>	<u>\$ 13,668,853</u>	<u>\$ 26,044,218</u>	<u>\$ 25,931,202</u>
\$ 428	\$ 19,396	\$ 426,437	\$ 258,632	\$ 229,884
1,600	-	-	454,019	513,307
-	-	-	532,960	559,830
-	-	-	93,000	113,000
-	-	-	1,851,289	1,938,192
-	-	-	3,510,152	3,658,922
<u>2,028</u>	<u>19,396</u>	<u>426,437</u>	<u>6,700,052</u>	<u>7,013,135</u>
1,000	-	1,000	-	-
338,372	-	338,372	-	-
(21,321)	-	(21,321)	-	-
<u>318,051</u>	<u>-</u>	<u>318,051</u>	<u>-</u>	<u>-</u>
-	(19,396)	12,807,579	19,220,974	18,803,769
-	-	86,331	92,737	84,495
-	-	30,455	30,455	29,803
<u>-</u>	<u>(19,396)</u>	<u>12,924,365</u>	<u>19,344,166</u>	<u>18,918,067</u>
<u>\$ 320,079</u>	<u>\$ -</u>	<u>\$ 13,668,853</u>	<u>\$ 26,044,218</u>	<u>\$ 25,931,202</u>

**GIBAULT, INC., THE GIBAULT FOUNDATION, INC.,
GIBAULT CARE, INC., GIBAULT VENTURES, INC.
AND SUMMIT ACADEMY OF VIGO COUNTY, INC.**

**Consolidating Statements of Activities
(with summarized financial information for the year ended December 31, 2009)**

For the Year Ended December 31,

	2010		
	Gibault, Inc.	The Gibault Foundation, Inc.	Gibault Care, Inc.
Changes in unrestricted net assets:			
Support and revenue:			
Public support:			
Knights of Columbus-assessments	\$ 124,820	\$ -	\$ -
Transfers from The Gibault Foundation, Inc.	1,097,326	-	-
Transfers from Gibault, Inc.	-	-	76,082
Contributions-other	631,707	12,215	-
Fundraising	39,219	-	-
Total public support	<u>1,893,072</u>	<u>12,215</u>	<u>76,082</u>
Revenue:			
Per diem	9,119,433	-	-
Patient fees	-	-	1,683,188
Sales	-	-	-
Investment income	167,349	625,495	86
Rental income	7,536	825,000	76,703
Other:			
Grants	313,883	-	-
Reimbursements	-	-	-
Administrative fees from related parties	110,000	-	-
Increase in cash surrender value of life insurance policies	-	8,261	-
Gain on disposal of property and equipment	9,445	-	-
Miscellaneous	3,726	47,188	128
Change in interest in net assets of The Gibault Foundation, Inc., Gibault Care, Inc. and Summit Academy of Vigo County, Inc.	(146,888)	-	-
Net profit from Gibault Ventures, Inc.	14,192	-	-
Total revenues	<u>9,598,676</u>	<u>1,505,944</u>	<u>1,760,105</u>
	<u>11,491,748</u>	<u>1,518,159</u>	<u>1,836,187</u>
Net assets released from restrictions:			
Satisfaction of restrictions	110,399	-	835
Total unrestricted support and revenues	<u>11,602,147</u>	<u>1,518,159</u>	<u>1,837,022</u>
Expenses:			
Program, services, general/administrative & fundraising expenses	11,096,198	414,549	1,749,843
Cost of sales	-	-	-
Interest expenses	-	176,794	44,161
Board expenses	12,662	-	-
Transfers to Gibault, Inc.	-	1,097,326	-
Transfers to Gibault Care, Inc.	76,082	-	-
Income taxes	-	-	-
Total expenses	<u>11,184,942</u>	<u>1,688,669</u>	<u>1,794,004</u>
Increase (decrease) in unrestricted net assets	<u>417,205</u>	<u>(170,510)</u>	<u>43,018</u>
Changes in temporarily restricted assets:			
Contributions	112,961	6,380	135
Change in interest in net assets of The Gibault Foundation, Inc. and Gibault Care, Inc.	5,680	-	-
Net assets released from restrictions	(110,399)	-	(835)
Increase (decrease) in temporarily restricted net assets	<u>8,242</u>	<u>6,380</u>	<u>(700)</u>
Changes in permanently restricted assets:			
Contributions	-	652	-
Change in interest in net assets of The Gibault Foundation, Inc.	652	-	-
Increase in permanently restricted net assets	<u>652</u>	<u>652</u>	<u>-</u>
INCREASE (DECREASE) IN NET ASSETS	<u>426,099</u>	<u>(163,478)</u>	<u>42,318</u>
Net assets at beginning of year	<u>18,918,067</u>	<u>13,194,219</u>	<u>(129,298)</u>
Net assets at end of year	<u>\$ 19,344,166</u>	<u>\$ 13,030,741</u>	<u>\$ (86,980)</u>

The accompanying notes are an integral part of these statements.

<u>Gibault Ventures, Inc.</u>	<u>Summit Academy of Vigo County, Inc.</u>	<u>Eliminations</u>	<u>Consolidated Total</u>	<u>2009 Consolidated Total</u>
\$ -	\$ -	\$ -	\$ 124,820	\$ 122,036
-	-	1,097,326	-	-
-	-	76,082	-	-
-	-	-	643,922	628,651
-	-	-	39,219	48,145
-	-	1,173,408	807,961	798,832
-	-	-	9,119,433	10,247,813
-	-	-	1,683,188	1,792,953
366,097	-	-	366,097	359,924
1,220	-	-	794,150	1,108,732
7,995	-	825,000	92,234	92,324
-	-	-	313,883	369,246
-	-	-	-	936
-	-	110,000	-	-
-	-	-	8,261	10,116
-	-	-	9,445	1,208
61	-	-	51,103	63,297
-	-	(146,888)	-	-
-	-	14,192	-	-
<u>375,373</u>	<u>-</u>	<u>802,304</u>	<u>12,437,794</u>	<u>14,046,549</u>
<u>375,373</u>	<u>-</u>	<u>1,975,712</u>	<u>13,245,755</u>	<u>14,845,381</u>
-	-	-	111,234	36,975
<u>375,373</u>	<u>-</u>	<u>1,975,712</u>	<u>13,356,989</u>	<u>14,882,356</u>
9,930	19,396	935,000	12,354,916	14,243,237
346,520	-	-	346,520	339,130
-	-	-	220,955	235,810
-	-	-	12,662	21,965
-	-	1,097,326	-	-
-	-	76,082	-	-
4,731	-	-	4,731	3,956
<u>361,181</u>	<u>19,396</u>	<u>2,108,408</u>	<u>12,939,784</u>	<u>14,844,098</u>
<u>14,192</u>	<u>(19,396)</u>	<u>(132,696)</u>	<u>417,205</u>	<u>38,258</u>
-	-	-	119,476	17,858
-	-	5,680	-	-
-	-	-	(111,234)	(36,975)
-	-	5,680	8,242	(19,117)
-	-	-	652	636
-	-	652	-	-
-	-	652	652	636
14,192	(19,396)	(126,364)	426,099	19,777
(35,513)	-	13,029,408	18,918,067	18,898,290
<u>\$ (21,321)</u>	<u>\$ (19,396)</u>	<u>\$ 12,903,044</u>	<u>\$ 19,344,166</u>	<u>\$ 18,918,067</u>

**GIBAULT, INC., THE GIBAULT FOUNDATION, INC.,
GIBAULT CARE, INC., GIBAULT VENTURES, INC.
AND SUMMIT ACADEMY OF VIGO COUNTY, INC.**

**Consolidating Statements of Cash Flows
(with summarized financial information for the year ended December 31, 2009)**

For the Year Ended December 31,

	2010		
	<u>Gibault, Inc.</u>	<u>The Gibault Foundation, Inc.</u>	<u>Gibault Care, Inc.</u>
Cash flows from operating activities:			
Increase (decrease) in net assets	\$ 426,099	\$ (163,478)	\$ 42,318
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:			
(Gain) loss on disposal of equipment	(9,445)	-	-
(Gain) loss on sales of investments	(4,672)	266,802	-
Net unrealized (gains) losses on investments	(113,889)	(700,527)	-
Gifts of investments	(3,454)	(1,137)	-
Change in interest in net assets of The Gibault Foundation, Inc., Gibault Care, Inc., and Summit Academy of Vigo County, Inc.	140,556	-	-
Change in investment in Gibault Ventures, Inc.	(14,192)	-	-
Depreciation & amortization	376,484	344,123	75,023
Increase in cash surrender value of life insurance policies	-	(8,261)	-
Change in assets and liabilities:			
Accounts receivable	(407,934)	-	26,691
Accrued interest receivable	511	2,599	-
Contributions receivable	(173,251)	159,943	-
Inventories	(3,891)	-	-
Prepaid expenses	(17,555)	-	7,539
Deferred income taxes	-	-	-
Accounts payable	18,213	99,595	(28,415)
Accrued compensation and other liabilities	(44,273)	3,949	(18,940)
Annuity liability	-	(26,870)	-
Estimated health insurance liability	(20,000)	-	-
Net cash provided by operating activities	<u>149,307</u>	<u>(23,262)</u>	<u>104,216</u>
Cash flows from investing activities:			
Proceeds from sales of equipment	16,214	-	-
Proceeds from sale of investments	461,378	2,434,887	-
Purchases of investments	(505,109)	(2,267,804)	-
Expenditures for land, buildings and equipment	(278,214)	-	(17,878)
Net cash used by investing activities	<u>(305,731)</u>	<u>167,083</u>	<u>(17,878)</u>
Cash flows from financing activities:			
Repayments of long-term obligations	-	-	(86,903)
Proceeds from long-term obligations	-	-	-
Repayment of bonds payable	-	(148,770)	-
Contributed capital	-	-	-
Net cash provided by financing activities	<u>-</u>	<u>(148,770)</u>	<u>(86,903)</u>
NET INCREASE (DECREASE) IN CASH	(156,424)	(4,949)	(565)
Cash at beginning of year	<u>767,572</u>	<u>42,581</u>	<u>74,640</u>
Cash at end of year	\$ <u>611,148</u>	\$ <u>37,632</u>	\$ <u>74,075</u>

The accompanying notes are an integral part of these statements.

	<u>Gibault Ventures, Inc.</u>	<u>Summit Academy of Vigo County, Inc.</u>	<u>Eliminations</u>	<u>Consolidated Total</u>	<u>2009 Consolidated Total</u>
\$	14,192	\$ (19,396)	\$ (126,364)	\$ 426,099	\$ 19,777
	-	-	-	(9,445)	(1,208)
	-	-	-	262,130	345,657
	-	-	-	(814,416)	(1,201,429)
	-	-	-	(4,591)	-
	-	-	140,556	-	-
	-	-	(14,192)	-	-
	3,891	-	-	799,521	836,066
	-	-	-	(8,261)	(10,116)
	(5,036)	-	79,360	(306,919)	574,539
	-	-	-	3,110	6,684
	-	-	-	(13,308)	86,283
	25,838	-	-	21,947	(21,304)
	-	-	-	(10,016)	(116,017)
	4,731	-	-	4,731	3,957
	(682)	19,396	(79,360)	28,747	174,798
	(25)	-	-	(59,289)	(70,139)
	-	-	-	(26,870)	(29,204)
	-	-	-	(20,000)	32,300
	<u>42,909</u>	<u>-</u>	<u>-</u>	<u>273,170</u>	<u>630,644</u>
	-	-	-	16,214	9,000
	-	-	-	2,896,265	2,736,567
	-	-	-	(2,772,913)	(2,685,978)
	-	-	-	(296,092)	(273,419)
	-	-	-	(156,526)	(213,830)
	-	-	-	(86,903)	(61,808)
	-	-	-	-	-
	-	-	-	(148,770)	(142,537)
	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(235,673)</u>	<u>(204,345)</u>
	42,909	-	-	(119,029)	212,469
	<u>86,799</u>	<u>-</u>	<u>-</u>	<u>971,592</u>	<u>759,123</u>
\$	<u>129,708</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>852,563</u>	\$ <u>971,592</u>

GIBAULT, INC., THE GIBAULT FOUNDATION, INC.,
GIBAULT CARE, INC., GIBAULT VENTURES, INC.
AND SUMMIT ACADEMY OF VIGO COUNTY, INC.

Consolidating Statements of Cash Flows - Continued
(with summarized financial information for the year ended December 31, 2009)

For the Year Ended December 31,

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

	2010		
	<u>Gibault, Inc.</u>	<u>The Gibault Foundation, Inc.</u>	<u>Gibault Care, Inc.</u>
Cash paid during the year for interest	\$ -	\$ 177,330	\$ 44,161

No cash was paid for income taxes during the year.

NONCASH INVESTING AND FINANCING ACTIVITY:

During the year ended December 31, 2010, Gibault, Inc. received donated stock of \$3,454.

During the year ended December 31, 2010, The Gibault Foundation, Inc. received donated stock valued at \$1,137.

DISCLOSURE OF ACCOUNTING POLICY:

Cash, as used in the statement of cash flows, is the amount reported as "cash" in the consolidated balance sheet, which includes cash on hand and all checking accounts.

The accompanying notes are an integral part of these statements.

	<u>Gibault</u>	<u>Summit Academy</u>				<u>2009</u>
	<u>Ventures, Inc.</u>	<u>of Vigo County, Inc.</u>	<u>Eliminations</u>	<u>Consolidated Total</u>		<u>Consolidated Total</u>
\$	-	\$ -	\$ -	\$ 221,491	\$	236,324

**GIBAULT, INC., THE GIBAULT FOUNDATION, INC.,
GIBAULT CARE, INC., GIBAULT VENTURES, INC.
AND SUMMIT ACADEMY OF VIGO COUNTY, INC.**

Notes to Consolidating Financial Statements

December 31, 2010

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Gibault, Inc. operates a residential treatment facility in Terre Haute, Indiana for delinquent and pre-delinquent boys and girls ages 8 to 18 years at time of admission. Gibault, Inc. also provides various programs in Springfield, Ohio, Shelbyville, Indiana, New Castle, Indiana, Rensselaer, Indiana and Terre Haute, Indiana. Gibault, Inc. provides treatment services and is reimbursed from State and County Agencies at negotiated per diem rates. Gibault, Inc. also provides psychiatric treatment to clients through its PRTF program. Fees for these services are charged to Indiana Medicaid program. Additionally in 2010, Gibault, Inc. assumed management of Henry County Youth Center in New Castle, Indiana. This facility provides daily youth programs as well as detention and residential treatment services.

The Gibault Foundation, Inc. was organized at the direction of the board of trustees for Gibault, Inc. for the purpose of providing support to Gibault, Inc. During 1989, a portion of Gibault, Inc.'s investments were gifted to the Foundation. In January 1990, Gibault, Inc. gifted all of its land, land improvements, buildings and the related bonds payable to the Foundation. The membership of The Gibault Foundation, Inc. shall consist of one class, namely the members of the Foundation's board of directors.

In 2001, Gibault Counseling, Inc. was established to provide behavioral health counseling treatment and therapy services. Gibault Counseling, Inc. began operations in November 2002. Gibault Counseling, Inc. receives payment for these services from third party payers which includes Medicaid and individuals receiving counseling. Gibault Counseling, Inc. is governed by a board of directors which is approved by the board of directors of Gibault, Inc. During 2007, Gibault Counseling, Inc. ceased operations. During 2008, Gibault Counseling, Inc. was renamed Gibault Care, Inc., d/b/a McGivney Health Care Center. Additionally, the exempt purpose of the organization was amended to include long-term residential care to persons with chronic illness or disability in a health care center (formerly referred to as a nursing home). On October 31, 2008, Gibault Care, Inc. purchased and began operating a nursing home in Carmel, Indiana.

In 2005, Gibault Ventures, Inc., d/b/a Top of the Hill Auto Sales, was established. The Corporation sells used automobiles to the general public for profit and to Gibault, Inc. for use in its operations. The profits are to be used to subsidize Gibault, Inc.'s operations. Gibault, Inc. owns 100% of the outstanding stock of the Corporation and its board of directors consists of employees of Gibault, Inc.

In 2009, Summit Academy of Vigo County, Inc. was established to operate a fully accredited, charter school under the laws of the State of Indiana. Summit Academy of Vigo County, Inc. was established as a 501(c)(3) organization under the internal revenue code. The corporation's board of directors and officers are employees of Gibault, Inc. In 2009, the corporation had no activity other than incorporation. As a result, the Corporation was not included on any of the consolidating financial statements for 2009. In 2010, the Corporation began seeking a charter to begin operations. As of December 31, 2010, the Corporation had not received a charter.

Consolidation Policy

The accompanying consolidated financial statements include the accounts of Gibault, Inc., The Gibault Foundation, Inc., Gibault Care, Inc., Gibault Ventures, Inc. and Summit Academy of Vigo County, Inc. Inter-entity transactions and balances have been eliminated in consolidation.

Comparative Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2009, from which the summarized information was derived.

Support and Expenses

Contributions received are measured at their fair values and are reported as an increase in net assets. Gifts of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated

GIBAULT, INC., THE GIBAULT FOUNDATION, INC.,
GIBAULT CARE, INC., GIBAULT VENTURES, INC.
AND SUMMIT ACADEMY OF VIGO COUNTY, INC.

Notes to Consolidating Financial Statements - Continued

December 31, 2010

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES - continued

time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activity as net assets released from restrictions.

Donated securities are recorded as contributions at their estimated fair values at the date of donation. Only those in-kind contributions for which a market value can be objectively determined are recorded as revenue.

Expenses are recorded when incurred in accordance with the accrual basis of accounting.

Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Accounts Receivable

Trade receivables and notes receivables are carried at their estimated collectible amounts. Trade receivables do not bear interest because they are created from established per diem rates with various state agencies under contract. Trade receivables are periodically evaluated for collectibility based on conversations with representatives from the various state agencies.

Allowance for Doubtful Accounts

The allowance for doubtful accounts for Gibault, Inc., Gibault Care, Inc. and Gibault Ventures, Inc. is zero at December 31, 2010. The direct write-off method is used for recognizing bad debts, which would not be materially different from the allowance method that is called for by generally accepted accounting principles. Balances that are outstanding after management has used reasonable collection efforts are written off using the direct write-off method.

Inventory Valuation

Inventories of Gibault, Inc., which consist of provisions and supplies, are recorded at the lower of cost or market determined by using the first in, first out (FIFO) method.

Vehicle inventory of Gibault Ventures, Inc. is valued at cost. Cost includes the original purchase price plus repair costs to prepare vehicle for sale.

Investments

Investments in marketable securities are stated at fair market value.

Derivatives

Mortgage-backed securities are recorded at fair value using quoted market prices. Realized gains and losses are recognized when payments are received. The organization does not engage in the trading of derivatives. Mortgage-backed securities are purchased and held as part of the organizations portfolio to achieve investment return.

Land, Buildings and Equipment

Land, buildings, and equipment owned at April 1, 1975 are recorded at appraised value. Property purchased after April 1, 1975 is recorded at cost. Donated property is recorded at fair value on the date of gift.

Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives, principally on a straight-line basis. Gibault Ventures, Inc. records depreciation using accelerated methods.

**GIBALT, INC., THE GIBALT FOUNDATION, INC.,
GIBALT CARE, INC., GIBALT VENTURES, INC.
AND SUMMIT ACADEMY OF VIGO COUNTY, INC.**

Notes to Consolidating Financial Statements - Continued

December 31, 2010

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES - continued

Deferred Income Taxes

Deferred taxes are provided in accordance with FASB ASC 740, "Accounting for Income Taxes". Deferred taxes are provided for accumulated temporary differences due to basis differences for assets and liabilities for financial reporting and income tax purposes, including alternative minimum taxes. The temporary difference is due to net operating loss carryforward.

Advertising Costs

Advertising costs are expensed as incurred and amounted to \$16,630 for the year ended December 31, 2010.

Subsequent Events

Management has evaluated subsequent events through April 26, 2011, the date which the financial statements were available for issue and concluded nothing occurred requiring adjustment to the financial statements or disclosure in the notes to the financial statements.

NOTE 2 - ACCOUNTS RECEIVABLE

Accounts receivable at December 31, 2010 consist of the following:

Per diem	\$ 1,396,278
Other	74,327
Patient revenue	<u>135,114</u>
	<u>\$ 1,605,719</u>

NOTE 3 - INVESTMENTS

Investments are held in agency accounts and are carried at fair value. The cost and fair values of investment securities are as follows at December 31:

	2010		2009	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Cash equivalents	\$ 516,750	\$ 516,750	\$ 387,934	\$ 387,934
Municipal bonds	253,180	253,834	153,180	142,357
Mortgages, note contracts	54,851	54,750	3,190	3,465
U.S. Government obligations	2,478,563	2,599,006	2,673,782	2,787,793
Corporate bonds	1,123,451	1,147,822	860,857	875,506
Common stock	<u>3,664,788</u>	<u>4,719,993</u>	<u>4,393,531</u>	<u>4,661,576</u>
	<u>\$ 8,091,583</u>	<u>\$ 9,292,155</u>	<u>\$ 8,472,474</u>	<u>\$ 8,858,631</u>

The following schedule summarizes the investment return and its classification in the Statement of Activities for the year ended December 31,:

	2010				2009 <u>Total</u>
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>	
Interest and dividend income	\$ 241,864	\$ -	\$ -	\$ 241,864	\$ 252,959
Realized losses based on original cost	(262,130)	-	-	(262,130)	(345,657)
Net unrealized gains	<u>814,416</u>	-	-	<u>814,416</u>	<u>1,201,430</u>
Total investment return	<u>\$ 794,150</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 794,150</u>	<u>\$ 1,108,732</u>

**GIBAULT, INC., THE GIBAULT FOUNDATION, INC.,
GIBAULT CARE, INC., GIBAULT VENTURES, INC.
AND SUMMIT ACADEMY OF VIGO COUNTY, INC.**

Notes to Consolidating Financial Statements - Continued

December 31, 2010

NOTE 4- FAIR VALUE MEASUREMENT

Assets measured at fair value on a recurring basis at December 31, 2010 are as follows:

	Based on		
	Quoted Prices In Active Markets	Other Observable Inputs	Unobservable Inputs
<u>Assets</u>			
Contributions receivable	\$ -	\$ -	\$ 210,879
Cash equivalents	516,750	-	-
Mortgages, note contracts	-	54,750	-
U.S. Government obligations	2,599,006	-	-
Corporate bonds	-	1,147,822	-
Common stock	4,719,993	-	-
Municipal bonds	-	253,834	-
	<u>\$ 7,835,749</u>	<u>\$ 1,456,406</u>	<u>\$ 210,879</u>
<u>Liabilities</u>			
Annuity liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 532,960</u>

Assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (level 3) are as follows:

<u>Contributions receivable</u>	
Balance at December 31, 2009	\$ 197,571
Establishment of gift or bequest and adjustments	220,785
Receipts on prior year receivable	(207,477)
Balance at December 31, 2010	\$ <u>210,879</u>
<u>Annuity liabilities</u>	
Balance at December 31, 2009	\$ 559,830
Change in value of annuities	(26,870)
Balance at December 31, 2010	\$ <u>532,960</u>

In 2010, realized losses of \$262,130 and unrealized gains of \$814,416 are reported in the Statements of Changes in Net Assets Available as investment income (loss).

Following is a description of the valuation methodologies used for assets at fair value.

For all *cash equivalents*, *United States government obligations* and *common stocks*, fair value is determined by reference to quoted market prices. The *corporate bonds* and *mortgage, note contracts* are valued based on yields currently available on comparable securities of issuers with similar credit ratings.

Contributions receivable were recorded at expected future cash inflows determined primarily by subsequent cash receipts received after year end and documentation received from the executor of a donor's estate indicating the expected amount The Gibault Foundation, Inc. was to receive. Annuity liability is recorded at estimated fair value. The fair value is determined using the Internal Revenue Service applicable 7520 rate in the month the annuity agreement was initiated. Additionally, the IRS life expectancy tables are used for obtaining the estimated life expectancy of the donors. Each year the annuity obligations are revalued using the current life expectancy factors. The change in value of the obligations is attributable to the revaluation of the annuity liabilities using the current mortality tables. The change is included in the change in temporarily restricted net assets.

**GIBAULT, INC., THE GIBAULT FOUNDATION, INC.,
GIBAULT CARE, INC., GIBAULT VENTURES, INC.
AND SUMMIT ACADEMY OF VIGO COUNTY, INC.**

Notes to Consolidating Financial Statements - Continued

December 31, 2010

NOTE 4 - FAIR VALUE MEASUREMENT - continued

Assets measured at fair value on a non-recurring basis comprised the following:

<u>Description</u>	<u>Fair Value at December 31, 2010</u>
Medicaid beds	\$ 650,000
Goodwill	100

Fair value was determined as follows:

	<u>Based on</u>	
	<u>Other Observable Inputs</u>	<u>Unobservable Inputs</u>
Medicaid beds	\$ -	\$ 650,000
Goodwill	-	100
	<u>\$ -</u>	<u>\$ 650,100</u>

The fair value of Medicaid beds and goodwill is determined based on the discounted expected future cash inflows expected over future periods. These amounts were recorded as the purchase amount at the closing of the nursing home purchased by Gibault Care, Inc. in October 2008.

NOTE 5 - PROMISE TO GIVE

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. The allowance for uncollectible promises to give is \$0. All promises to give were thought to be collectible.

Unconditional promises to give are expected to be received as follows:

Due in less than one year	\$ 210,879
Due in one to five years	-
Due in more than five years	-

NOTE 6 - LAND, BUILDINGS AND EQUIPMENT

Land, buildings and equipment and accumulated depreciation balances are summarized as follows:

	<u>Cost or Appraisal December 31, 2010</u>	<u>Accumulated Depreciation December 31, 2010</u>
Land	\$ 1,006,200	\$ -
Land improvements	1,227,025	1,089,808
Buildings	18,828,568	8,652,826
Leasehold improvements	1,839,595	701,416
Furniture and fixtures	13,358	13,358
Equipment	3,931,114	3,575,155
Vehicles	<u>298,049</u>	<u>120,603</u>
	<u>\$ 27,143,909</u>	<u>\$ 14,153,166</u>

Depreciation expense in 2010 was \$769,522.

**GIBAULT, INC., THE GIBAULT FOUNDATION, INC.,
GIBAULT CARE, INC., GIBAULT VENTURES, INC.
AND SUMMIT ACADEMY OF VIGO COUNTY, INC.**

Notes to Consolidating Financial Statements - Continued

December 31, 2010

NOTE 7 - INTANGIBLE ASSETS

As part of the purchase of Gibault Care, Inc. during 2008, the company acquired intangible assets of \$740,000. Of that amount, \$650,000 has been assigned to Medicaid beds; such intangible assets are not subject to amortization. The \$89,900 balance of acquired intangibles has been assigned to a non-compete agreement, which is subject to periodic amortization over the estimated useful life of 3 years. Goodwill of \$100, which is not subject to amortization, arose in connection with the acquisition.

The following is a summary of non-goodwill intangibles at December 31, 2010:

Intangibles subject to amortization:	
Non-compete agreement	\$ 89,900
Less accumulated amortization	<u>(74,983)</u>
	14,917
Intangibles not subject to amortization:	
Medicaid beds	650,000
Goodwill	<u>100</u>
	<u>650,100</u>
	\$ <u>665,017</u>

Amortization expense for 2010 was \$30,000; estimated amortization expense for the year ending December 31, 2011 is \$14,917.

NOTE 8 - RETIREMENT PLAN

Gibault, Inc. has a defined contribution retirement plan for the purpose of providing retirement benefits for employees meeting certain eligibility requirements. Contributions are based on 6% of eligible salaries and are funded as accrued. Total pension expense amounted to \$702 for the year ended December 31, 2010. During the year ended December 31, 2009, management elected to stop employer contributions.

NOTE 9 - TAX STATUS

Gibault, Inc., The Gibault Foundation, Inc., and Gibault Care, Inc. are exempt from federal and state income taxes under section 501(c)(3) of the Internal Revenue Code.

Gibault Ventures, Inc. is a for-profit corporation subject to federal and state income taxes.

Summit Academy of Vigo County, Inc. has not been awarded at tax status by the IRS as of December 31, 2010. The application for exempt status under section 501 (c)(3) of the Internal Revenue Code has been placed on suspension until the school's charter can be provided to the IRS.

NOTE 10 - ECONOMIC DEVELOPMENT REVENUE BONDS

In December 2002, Gibault, Inc. and The Gibault Foundation, Inc. contracted to issue a series of economic development revenue bonds in an amount up to \$5,000,000. As of December 31, 2006, Gibault, Inc. and The Gibault Foundation, Inc. have issued all of the bonds. Principal and interest payments of \$152,723 are to be made semi-annually over a twenty-five year period with interest accruing on the unpaid principal balance. The interest rate will then be adjusted based on a formula as defined in the bond document. The interest rate was adjusted to 4.3255% in December 2007 and will adjust every fifth year that follows. The bonds are secured by land, improvements and buildings owned by Gibault, Inc. and The Gibault Foundation, Inc.

**GIBAULT, INC., THE GIBAULT FOUNDATION, INC.,
GIBAULT CARE, INC., GIBAULT VENTURES, INC.
AND SUMMIT ACADEMY OF VIGO COUNTY, INC.**

Notes to Consolidating Financial Statements - Continued

December 31, 2010

NOTE 10 - ECONOMIC DEVELOPMENT REVENUE BONDS - continued

Maturities of the bonds for the five years following December 31, 2010 are as follows:

2011	\$ 155,284
2012	162,065
2013	169,160
2014	176,556
2015	184,275

NOTE 11 - LINE OF CREDIT

During 2010, Gibault, Inc. renewed its line of credit agreement with a local bank for \$1,500,000, to be drawn upon as needed. The principal is due on demand or October 13, 2011, if no demand is made. Interest is to be paid monthly at the prime rate as published in the Wall Street Journal. At December 31, 2010 the rate was 3.05%. Gibault, Inc. had no borrowings from this line of credit during the year. The line of credit is secured by investments held in a trust account at the same bank. Interest expense paid on the line of credit during 2010 totaled \$0.

NOTE 12 - NOTES PAYABLE

During 2008, Gibault Care, Inc. obtained a note payable from a local financial institution for \$2,000,000 for the purchase of a nursing home in Carmel, Indiana. Gibault Care, Inc. is to make six consecutive interest payments beginning in November 2008 on the unpaid principal balance. Beginning May 30, 2009, sixty consecutive monthly principal and interest payments are to be made on the note. Interest is calculated on the unpaid principal balance at the prime rate of the local financial institution less .75 percentage points. The rate at December 31, 2010 was 2.50%.

The interest rate is adjustable monthly. The note is secured by \$2,300,000 investments of The Gibault Foundation, Inc. held at the same financial institution. The note is being repaid under a loan amortization of approximately 17 years instead of the terms of the note with the anticipation of refinancing the note for an additional period.

Repayments on long-term obligations for each of the five years following 2010 are:

2011	\$ 105,448
2012	99,764
2013	102,445
2014	1,543,632
2015	-
Thereafter	-

NOTE 13 - TEMPORARILY RESTRICTED NET ASSETS

During the year ended December 31, 2010, temporarily restricted net assets were released from restrictions by incurring expenses satisfying the restricted purposes specified by the donors.

Temporarily restricted net assets were used to accomplish the following purposes:

Recreation equipment	\$ 405
Various programs	71,619
Residential	33,510
Education needs	<u>5,700</u>
Total net assets released from restrictions	\$ <u>111,234</u>

**GIBAULT, INC., THE GIBAULT FOUNDATION, INC.,
GIBAULT CARE, INC., GIBAULT VENTURES, INC.
AND SUMMIT ACADEMY OF VIGO COUNTY, INC.**

Notes to Consolidating Financial Statements - Continued

December 31, 2010

NOTE 13 - TEMPORARILY RESTRICTED NET ASSETS - continued

Temporarily restricted net assets are available for the following purposes:

Programs	\$ 1,453
Bibles	275
Annuity agreements	86,331
Phraselator	2,300
Education needs	318
Supplies	600
Residential updates	<u>1,460</u>
	\$ <u>92,737</u>

NOTE 14 - PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted assets of \$30,455 are restricted to investments in perpetuity, the income from which is expendable to support Gibault, Inc.'s operations.

NOTE 15 - OTHER RESTRICTIONS

The board of directors of The Gibault Foundation, Inc. have designated \$5,973,889 of unrestricted net assets as additional endowment funds. The earnings from these assets are available to be used to support Gibault, Inc.

NOTE 16 - OPERATING LEASES - LESSEE

Gibault, Inc. leases copiers under an operating lease. The lease agreement provides for a minimum monthly payment of \$3,101 for sixty months. Gibault, Inc. will be charged an additional monthly fee of \$.009 on each impression above 58,000. Rent expense for the year ended December 31, 2010, was \$51,450.

Gibault, Inc. leases copiers under an operating lease at its Springfield, Ohio campus location. The lease provides for monthly payments of \$249 for forty-eight months. Rent expense for the year ended December 31, 2010 was \$6,483.

Gibault, Inc. leases copiers under an operating lease at its Shelbyville, Indiana location. The lease provides for monthly payments of \$349 for sixty months. Gibault, Inc. will be charged an additional monthly fee of \$.0129 on each impression above 4,000. Rent expense for the year ended December 31, 2010 was \$10,317.

Future minimum rental payments under operating leases are as follows:

2011	\$ 21,707
2012	-
2013	-
2014	-
2015	-
Thereafter	-

NOTE 17 - CONCENTRATION OF CREDIT RISK

Gibault, Inc. grants credit to those entities it provides services for, most of whom are some type of county or state governmental agency.

Gibault, Inc. routinely has deposits throughout the year in Indiana financial institutions in amounts that exceed the limits of insurance provided by the Federal Deposit Insurance Corporation.

GIBAULT, INC., THE GIBAULT FOUNDATION, INC.,
GIBAULT CARE, INC., GIBAULT VENTURES, INC.
AND SUMMIT ACADEMY OF VIGO COUNTY, INC.

Notes to Consolidating Financial Statements - Continued

December 31, 2010

NOTE 18 - MAJOR CUSTOMERS AND CONTRIBUTIONS

During the year ended December 31, 2010, three entities accounted for \$5,401,685 or 59% of the consolidated per diem revenue of Gibault, Inc. and consolidated subsidiaries. Additionally, the accounts receivable balance for per diem for these four counties represented 57.6% of the total consolidated accounts receivable balance at December 31, 2010.

During the year ended December 31, 2010, one bequest accounted for \$178,000 or 22% of the consolidated public support of Gibault, Inc. and consolidated subsidiaries.

NOTE 19 - BEQUESTS AND ANNUITIES

The Gibault Foundation, Inc. is the beneficiary of thirty-eight bequests. The bequests are not included in the financial statements since the bequests are revocable at the discretion of the grantors.

The Gibault Foundation, Inc. is also the holder of fourteen charitable gift annuities. A charitable gift annuity is an arrangement in which the donor contributes assets to an organization in exchange for a promise by the organization to pay a fixed amount for a specified period of time to the donor or to individuals or organizations designated by the donor. The assets received are recorded as temporarily restricted net assets net of the present value of the future cash flows of the annuity payment liability. The value of charitable gift annuity assets at December 31, 2010 are \$86,331 (net of the annuity liability of \$89,099).

In March 2002, The Gibault Foundation, Inc. purchased real estate for cash of \$120,000 and issuance of a two-life annuity contract. The annuity contract requires the Foundation to pay the annuitants \$5,000 per month for ten years or until the second annuitant dies. After ten years, if either or both annuitants survive, the Foundation will pay \$4,000 per month until the second annuitant dies. Upon closing of this real estate transaction, the annuitants relinquished all rights with regard to the real estate. The property was recorded by the Foundation at the present value of the annuity payments, plus the \$120,000 cash paid. The Foundation also recorded an annuity liability for the present value of the annuity payments owed the annuitants. At December 31, 2010 present value of the annuity payments was \$443,861.

The Gibault Foundation, Inc. is the beneficiary of forty-four life insurance policies. The Foundation has recorded the cash surrender value of these policies at December 31, 2010 of \$70,951.

NOTE 20 - GRANTS

Federal and state grants received during 2010 are as follows:

Unrestricted

Department of Agriculture school breakfast program and
national school lunch program passed through the Indiana
Department of Education \$ 188,426

Department of Education Chapter I - financial assistance to
meet special education needs of disadvantaged children
operated by local education agencies 125,456
313,882

Temporarily restricted

Jasper County, Indiana - CASA program grant 38,995
\$ 352,877

NOTE 21 - COMMITMENTS

In November 2003, Gibault, Inc. contracted with the Board of Clark County Commissioners, Clark County, Ohio to operate an existing children's residential center in Springfield, Ohio. Gibault, Inc. will lease the facilities for \$1 per year starting January 1, 2004 through December 31, 2007, with an option to extend the lease for one to four years. The facility accommodates up to twenty-four clients. Clark County guaranteed Gibault, Inc. a minimum monthly placement of five clients at an annually negotiated rate.

**GIBAULT, INC., THE GIBAULT FOUNDATION, INC.,
GIBAULT CARE, INC., GIBAULT VENTURES, INC.
AND SUMMIT ACADEMY OF VIGO COUNTY, INC.**

Notes to Consolidating Financial Statements - Continued

December 31, 2010

NOTE 21 - COMMITMENTS - continued

During 2009, Gibault, Inc. and the Board of Clark County Commissioners agreed mutually to cease operations of residential services at the Springfield, Ohio location. Both parties have mutually agreed to eliminate the minimum monthly placement requirement of the contract as a result of cessation of the residential services. All other aspects of the contract continue. Gibault, Inc. continues to operate the visitation program at the facility.

All capital improvements are to be approved by Clark County. If Clark County declines to renew this agreement after the initial four year term, or if Clark County terminates the agreement for cause, then they shall reimburse Gibault, Inc. its depreciated book value of any leasehold improvements, provided such leasehold improvements were agreed to by Clark County prior to its implementation. If Gibault, Inc. declines to renew after the initial four year term, then it surrenders all interest in its leasehold improvements.

NOTE 22 - RELATED PARTY TRANSACTIONS

During the year ended December 31, 2010, Gibault, Inc. purchased twenty-four vehicles from Gibault Ventures, Inc. The gross purchase price was \$216,796. The cost of these vehicles was \$202,124. Gibault, Inc. traded in twenty vehicles on these purchases and received a trade in allowance of \$84,560 and paid cash of \$132,236.

NOTE 23 - INCOME TAXES

The deferred tax asset included in the consolidating balance sheet results from the net operating loss carryforward from Gibault Ventures, Inc. Federal income tax expense of \$4,731 consists of the recognition of part of the deferred tax asset resulting from the net operating losses carried forward from prior years. The prior year operating losses were used to reduce current year operating profit. The valuation allowance for the deferred tax asset is zero. The net operating loss carryforward was thought to be realizable in future years. The net operating losses can be carried forward as follows:

<u>Year of loss</u>	<u>Loss</u>	<u>Carryforward Expires</u>
2005	\$ 14,236	2025
2006	13,451	2026

Gibault, Inc.'s, The Gibault Foundation, Inc.'s, Gibault Care, Inc.'s and Summit Academy of Vigo County, Inc.'s information returns and Gibault Venture, Inc.'s income tax returns are subject to examination by the appropriate taxing jurisdictions. As of December 31, 2010, the Organization's federal and state tax returns for the last three years are open for examination as each year's returns remain open for examination for three years.

NOTE 24 - ENDOWMENT FUND

The Gibault Foundation, Inc. has an endowment consisting of unrestricted board-designated and permanently restricted assets. When the Foundation receives gifts from donors restricted as endowment funds, the Foundation records these gifts as permanently restricted assets to be held in perpetuity. Additionally, in accordance with established policy, when an unrestricted bequest is received by Gibault, Inc. or The Gibault Foundation, Inc., the gift is deposited into the Foundation endowment fund as a board designated endowment fund. The board designated endowment funds and the investment earnings on the permanently restricted endowment funds are to be used to support the programs and operations of Gibault, Inc.

The assets in the endowment fund are maintained in two trust accounts and in-house as investments in Series E and EE government savings bonds. The Foundation's board has established an investment policy for the investment of the endowment funds. The purpose of endowment fund is to generate and invest income from operations and to supply cash for the daily expenses with a sufficient surplus to maintain a reserve balance equivalent to 30 to 45 days of operating expenses. The policy also details the investment portfolio allocation percentages for which the endowment funds may be invested.

GIBAULT, INC., THE GIBAULT FOUNDATION, INC.,
GIBAULT CARE, INC., GIBAULT VENTURES, INC.
AND SUMMIT ACADEMY OF VIGO COUNTY, INC.

Notes to Consolidating Financial Statements - Continued

December 31, 2010

NOTE 24 - ENDOWMENT FUND - continued

In accordance with established policy, at least annually, the endowment fund is to transfer to Gibault, Inc., the investment earnings, net of applicable fees. These funds are to be used to support the programs and operations of Gibault, Inc. Additionally, as needed, additional appropriations may be approved by the Foundation's board to be transferred to Gibault, Inc. for operations.

For the year ended December 31, 2010, The Gibault Foundation, Inc. had the following endowment related activities:

	Board Designated Endowment Funds <u>Unrestricted</u>	Permanently <u>Restricted</u>
Endowment principle, beginning of year	\$ 6,300,076	\$ 29,803
Investment return:		
Investment income (loss)	171,944	-
Realized gain (loss)	<u>(277,684)</u>	<u>-</u>
Total investment return	(105,740)	-
Contributions	40,906	652
Appropriation of endowment funds for expenditure	<u>(261,353)</u>	<u>-</u>
Endowment principle, end of year	\$ <u>5,973,889</u>	\$ <u>30,455</u>

GIBAULT, INC., THE GIBAULT FOUNDATION, INC.,
GIBAULT CARE, INC., GIBAULT VENTURES, INC.
AND SUMMIT ACADEMY OF VIGO COUNTY, INC.

Statement of Functional Expenses - Gibault, Inc.

Year Ended December 31, 2010

Program, Services and Administrative Expenses

	CARE	Aspergers	Education	PRTT	Group Home	ISIS
Personnel costs						
Salaries	\$ 615,920	\$ 318,857	\$ 534,104	\$ 1,196,672	\$ -	\$ 166,084
Employee health insurance	62,051	48,715	51,037	109,509	-	12,008
Payroll taxes	47,628	25,345	40,574	91,880	-	12,868
Employee pension	-	-	-	-	-	-
	<u>725,599</u>	<u>392,917</u>	<u>625,715</u>	<u>1,398,061</u>	<u>-</u>	<u>190,960</u>
Advertising	-	-	-	-	-	-
Allowances/honor jobs - clients	9,603	849	309	3,200	-	1,540
Athletic and other equipment	1,101	-	-	923	-	-
Awards and recognition	302	905	7,916	973	-	443
Bad debt expense	-	-	-	-	-	-
Bank fees	-	-	-	-	-	-
Chapter I expenses	-	-	124,256	-	-	-
Clinical supplies	-	-	-	817	-	-
Clothing	9,975	423	-	7,458	-	1,801
Commissary	459	85	328	326	-	65
Computer/software supplies	-	-	-	-	-	-
Contracted services	315	3,780	5,873	59,940	-	105
Copier lease payments	-	-	-	4,321	-	-
Depreciation	-	-	-	-	-	-
Directors fund	-	-	525	-	-	-
Donor Development	-	-	-	-	-	-
Exhibit fees	-	-	-	-	-	-
Furnishings and linens	2,711	96	743	3,395	-	244
Gas and oil	3,763	1,827	26	446	-	745
Health care	-	-	-	-	-	-
Household supplies	13,124	2,863	1,902	15,529	-	4,058
Insurance	-	-	-	-	-	-
Lease payments	-	-	-	-	-	-
Maintenance supplies and contracts	-	-	19,140	-	1,376	-
Miscellaneous	375	917	1,341	441	-	150
Office supplies	2,603	872	2,121	6,666	-	1,067
Outings and special events	4,332	1,396	1,732	4,297	-	719
Parent classes	-	-	-	-	-	-
Personal hygiene supplies	6,359	213	75	1,999	-	350
Postage	214	-	-	39	-	140
Printing and publications	-	-	-	-	-	-
Professional development fees	-	-	144	-	-	-
Provisions	731	54	1,598	615	-	324
Recreational supplies	337	190	-	733	-	28
School supplies	-	58	18,108	434	-	-
Scholarships/Tuition	-	-	-	-	-	-
Staff development	-	454	951	25	-	-
Staff travel	3,504	790	411	1,090	-	941
Student travel	-	-	-	-	-	-
Telephone	465	385	540	825	1,421	245
Utilities	-	-	-	-	1,584	-
Vehicle repairs	-	-	-	-	-	-
	<u>\$ 785,872</u>	<u>\$ 409,074</u>	<u>\$ 813,754</u>	<u>\$ 1,512,553</u>	<u>\$ 4,381</u>	<u>\$ 203,925</u>

Aftercare	Ohio Campus	Ohio Visitation	Shelbyville	Foster Care	JCYC	HCCY
\$ -	\$ (2,513)	\$ 46,657	\$ 274,583	\$ 31,070	\$ 260,796	\$ 629,672
-	(1,721)	11,620	23,726	5,460	7,009	27,046
-	133	4,313	21,668	2,408	20,173	45,430
-	-	702	-	-	-	-
-	(4,101)	63,292	319,977	38,938	287,978	702,148
833	-	-	3,041	111	240	2,923
-	-	-	2,313	-	-	1,065
-	-	-	9	-	-	3,518
-	-	30	26	-	50	-
-	-	-	-	-	29,664	-
-	-	-	-	-	11	-
-	-	-	-	-	-	-
-	538	-	908	-	-	582
-	-	-	1,250	-	-	1,229
-	-	-	705	-	9	1,767
-	-	-	-	-	-	-
-	500	-	555	-	1,230	10,625
-	-	6,483	10,317	-	8,528	3,310
-	-	30,789	8,075	-	1,862	631
-	-	-	395	-	53	-
-	-	-	-	-	-	-
600	-	-	-	-	-	-
-	-	1,290	631	24	1,295	354
1,758	-	90	5,406	1,524	709	7,448
-	-	-	-	-	-	36,213
-	-	1,092	3,138	-	5,605	15,202
-	-	1,498	-	-	-	27,776
-	-	-	-	-	218	-
-	287	1,242	9,602	112	7,981	32,123
-	-	50	216	-	5,735	44
-	-	647	1,605	362	494	2,649
-	-	317	749	-	86	647
-	-	-	-	-	194	-
-	-	-	411	-	-	(753)
-	-	100	942	88	(322)	308
-	-	-	219	-	2	571
-	-	165	267	-	-	370
-	-	-	13,460	-	27,799	44,503
-	-	511	72	-	470	174
-	-	641	-	-	839	210
-	-	-	621	-	-	-
-	-	264	33	147	1,583	(12)
741	-	213	434	3,277	109	1,441
-	-	-	11	-	-	-
430	-	-	7,320	540	2,724	6,059
-	-	-	17,090	-	14,448	53,441
-	-	-	2,404	-	367	2,518
\$ 4,362	\$ (2,776)	\$ 108,714	\$ 412,202	\$ 45,123	\$ 399,961	\$ 959,084

**GIBAULT, INC., THE GIBAULT FOUNDATION, INC.,
GIBAULT CARE, INC. AND GIBAULT VENTURES, INC.
AND SUMMIT ACADEMY OF VIGO COUNTY, INC.**

Statement of Functional Expenses - Gibault, Inc.-Continued

Year Ended December 31, 2010

	Program, Services and Administrative Expenses						Total
	CASA	Program Support	Support Services	Marketing	General Administrative	Fundraising	
Personnel costs							
Salaries	\$ 18,750	\$ 856,530	\$ 501,918	\$ 171,896	\$ 604,161	\$ 97,052	\$ 6,322,209
Employee health insurance	3,052	83,248	56,891	16,210	41,384	11,100	568,345
Payroll taxes	1,500	66,165	44,245	13,274	43,442	7,097	488,143
Employee pension	-	-	-	-	-	-	702
	<u>23,302</u>	<u>1,005,943</u>	<u>603,054</u>	<u>201,380</u>	<u>688,987</u>	<u>115,249</u>	<u>7,379,399</u>
Advertising	1,344	-	611	651	6,876	-	16,630
Allowances/honor jobs - clients	-	4,140	4,769	-	-	-	27,788
Athletic and other equipment	250	650	230	-	12,492	-	19,173
Awards and recognition	385	25	32	1,090	48,541	942	61,660
Bad debt expense	-	-	25,950	-	-	-	55,614
Bank fees	-	-	5,267	-	-	-	5,278
Chapter I expenses	-	-	-	-	-	-	124,256
Clinical supplies	-	191	-	-	-	-	3,036
Clothing	-	664	(3,635)	-	-	-	19,165
Commissary	-	210	3,628	-	-	-	7,582
Computer/software supplies	-	-	-	-	999	1,310	2,309
Contracted services	1,000	8,924	151,945	-	1,784	3,852	250,428
Copier lease payments	750	18,408	4,920	5,902	5,986	-	68,925
Depreciation	-	-	335,127	-	-	-	376,484
Directors fund	-	2,479	71	950	4,025	542	9,040
Donor Development	-	-	-	-	-	4,411	4,411
Exhibit fees	165	-	-	2,050	-	-	2,815
Furnishings and linens	-	1,141	929	-	1,020	-	13,873
Gas and oil	165	13,512	19,800	3,572	5,081	1,322	67,194
Health care	-	-	24,362	-	-	-	60,575
Household supplies	-	3,180	24,466	-	399	-	90,558
Insurance	1,000	-	185,070	-	-	10,239	225,583
Lease payments	1,200	-	800,532	-	31,680	-	833,630
Maintenance supplies and contracts	-	-	103,513	-	4,170	843	180,389
Miscellaneous	-	4,816	924	-	37,282	300	52,591
Office supplies	528	6,158	334	361	10,629	3,430	40,526
Outings and special events	1,504	896	-	19	150	10,109	26,953
Parent classes	-	-	-	-	-	-	194
Personal hygiene supplies	-	2	(773)	-	-	-	7,883
Postage	761	22	11,447	232	84	20,155	34,210
Printing and publications	126	-	-	1,008	1	34,618	36,545
Professional development fees	100	343	13,979	10	1,788	113	17,279
Provisions	1	-	272,785	-	-	-	361,870
Recreational supplies	-	3,523	-	-	-	-	6,038
School supplies	-	-	98	-	-	-	20,388
Scholarships	-	-	-	-	-	-	621
Staff development	1,021	1,465	2,519	863	7,525	-	16,838
Staff travel	1,793	1,299	2,687	13,118	4,200	1,479	37,527
Student travel	-	-	-	-	-	-	11
Telephone	600	21,893	18,020	1,035	11,003	595	74,100
Utilities	1,000	-	313,353	-	19,357	-	420,273
Vehicle repairs	-	-	31,181	-	86	-	36,556
	<u>\$ 36,995</u>	<u>\$ 1,099,884</u>	<u>\$ 2,957,195</u>	<u>\$ 232,241</u>	<u>\$ 904,145</u>	<u>\$ 209,509</u>	<u>\$ 11,096,198</u>

GIBAULT, INC., THE GIBAULT FOUNDATION, INC.,
GIBAULT CARE, INC., GIBAULT VENTURES, INC.
AND SUMMIT ACADEMY OF VIGO COUNTY, INC.

Statement of Functional Expenses - Gibault Care, Inc.

Year Ended December 31, 2010

	Program, Services and Administrative Expenses		
	Program Services	Management & General	Total
Personnel costs			
Salaries	\$ 943,915	\$ -	\$ 943,915
Employee health insurance	52,630	-	52,630
Payroll taxes	83,194	-	83,194
Employee pension	-	-	-
	<u>1,079,739</u>	<u>-</u>	<u>1,079,739</u>
Advertising	5,226	-	5,226
Assessments	119,822	-	119,822
Athletic and other equipment	8,392	-	8,392
Awards & Recognition	-	400	400
Bad debt expense	32,619	-	32,619
Contracted services	15,837	19,247	35,084
Depreciation and amortization	75,023	-	75,023
Directors fund	-	409	409
Drug testing	78	-	78
Dues and subscriptions	-	662	662
Fees and licenses	357	-	357
Furnishings and linens	76	-	76
Health care	10,400	-	10,400
Household supplies	3,373	-	3,373
Insurance	73,089	-	73,089
Maintenance supplies and contracts	44,348	-	44,348
Management fees	10,576	50,000	60,576
Medical supplies	60,062	-	60,062
Miscellaneous	(542)	-	(542)
Office supplies	-	3,682	3,682
Postage	-	300	300
Printing and publications	-	5	5
Provisions	68,722	-	68,722
Property taxes	-	7,880	7,880
Recreation supplies	1,345	-	1,345
Staff development	-	942	942
Staff travel	-	4,950	4,950
Telephone	-	5,648	5,648
Utilities	46,033	-	46,033
Vehicle repairs	1,143	-	1,143
	<u>\$ 1,655,718</u>	<u>\$ 94,125</u>	<u>\$ 1,749,843</u>

Sackrider & Company, Inc.
Certified Public Accountants
1925 Wabash Avenue
Terre Haute, IN 47807
(812) 232-9492 Fax: (812) 232-4308
E-Mail: contact@sackrider.com
Web: www.sackrider.com

Sackrider & Company

incorporated

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors
Gibault, Inc., The Gibault Foundation, Inc., Gibault
Care, Inc., Gibault Ventures, Inc., and Summit
Academy of Vigo County, Inc.
Terre Haute, Indiana

We have audited the financial statements of Gibault, Inc., The Gibault Foundation, Inc., Gibault Care, Inc., Gibault Ventures, Inc. and Summit Academy of Vigo County, Inc. as of and for the year ended December 31, 2010, and have issued our report thereon dated April 26, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Gibault, Inc., The Gibault Foundation, Inc., Gibault Care, Inc., Gibault Ventures, Inc. and Summit Academy of Vigo County, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Gibault, Inc., The Gibault Foundation, Inc., Gibault Care, Inc., and Gibault Ventures, Inc. and Summit Academy of Vigo County, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Gibault, Inc., The Gibault Foundation, Inc., Gibault Care, Inc., Gibault Ventures, Inc., and Summit Academy of Vigo County, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of Gibault, Inc., The Gibault Foundation, Inc., Gibault Care, Inc., Gibault Ventures, Inc., and Summit Academy of Vigo County, Inc. in a separate letter dated April 26, 2011.

This report is intended solely for the information and use of management, the internal affairs committee, Board of Directors, and is not intended to be and should not be used by anyone other than these specified parties.

Sacksteder + Company, Inc.

Terre Haute, Indiana
April 26, 2011

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SUBJECT TO FINAL REVIEW

**Gibault, Inc., The Gibault
Foundation, Inc., Gibault
Care, Inc., Gibault Ventures, Inc. and
Summit Academy of Vigo County, Inc.**

**Consolidating Financial Statements and Report
of Independent Certified Public Accountants**

December 31, 2011

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SACKRIDER & COMPANY, INC.
SUBJECT TO FINAL REVIEW

CONTENTS

	PAGE
REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS	1-2.
FINANCIAL STATEMENTS	
Consolidating Balance Sheets	3.
Consolidating Statements of Activities	4.
Consolidating Statements of Cash Flows	5-6.
Notes to Consolidating Financial Statements	7-16.
SUPPLEMENTAL INFORMATION	
Statement of Functional Expenses - Gibault, Inc.	17-18.
Statement of Functional Expenses - Gibault Care, Inc.	19.
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	20-21.

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SUBJECT TO FINAL REVIEW

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
Gibault, Inc., The Gibault Foundation, Inc.,
Gibault Care, Inc., Gibault Ventures, Inc.
and Summit Academy of Vigo County, Inc.
Terre Haute, Indiana

We have audited the accompanying consolidating balance sheet of Gibault, Inc., The Gibault Foundation, Inc., Gibault Care, Inc., Gibault Ventures, Inc., and Summit Academy of Vigo County, Inc. as of December 31, 2011, and the related consolidating statements of activities and cash flows for the year then ended. These consolidating financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these consolidating financial statements based on our audit. The prior year summarized comparative information has been derived from Gibault, Inc., The Gibault Foundation, Inc., Gibault Care, Inc., Gibault Ventures, Inc. and Summit Academy of Vigo County, Inc.'s 2010 consolidating financial statements and, in our report dated April 26, 2011, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 consolidating financial statements. An audit also includes assessing the accounting principles used and the 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 consolidating financial statements referred to above present fairly, in all material respects, the financial position of Gibault, Inc., The Gibault Foundation, Inc., Gibault Care, Inc., Gibault Ventures, Inc. and Summit Academy of Vigo County, Inc. as of December 31, 2011, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated April _____, 2012, on our consideration of Gibault, Inc., The Gibault Foundation, Inc., Gibault Care, Inc., Gibault Ventures, Inc. and Summit Academy of Vigo County, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying statements of functional expenses are presented for purposes of additional analysis and are not a required part of the consolidating financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the

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SACKRIDER & COMPANY, INC.

SUBJECT TO FINAL REVIEW

auditing procedures applied in the audit of the financial statements and certain additional procedures used in comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidating financial statements as a whole.

Terre Haute, Indiana

GIBAULT, INC., THE GIBAULT FOUNDATION, INC.,
 GIBAULT CARE, INC., GIBAULT VENTURES, INC.
 AND SUMMIT ACADEMY OF VIGO COUNTY, INC.

Consolidating Balance Sheet
 (with summarized financial information for the year ended December 31, 2010)

December 31,

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	2011		
	Gibault, Inc.	The Gibault Foundation, Inc.	Gibault Care, Inc.
ASSETS			
Cash	\$ 279,074	\$ 12,983	\$ 63,282
Investments	1,968,654	7,233,683	-
Investments in other assets	5,000	-	-
Accounts receivable - net	1,114,646	-	192,123
Due from related party	448,257	-	-
Contributions receivable	19,657	-	-
Accrued interest receivable	7,680	31,837	-
Inventories	56,554	-	-
Cash surrender value of life insurance	-	107,307	-
Prepaid expenses	144,205	-	13,683
Notes receivable	-	-	-
Interest in net assets of The Gibault Foundation, Inc., Gibault Care, Inc., and Summit Academy of Vigo County, Inc.	12,659,870	-	-
Investment in Gibault Ventures, Inc.	325,335	-	-
Land, buildings and equipment - at cost, less accumulated depreciation	1,921,856	9,396,931	1,124,015
Intangible assets less accumulated amortization	-	-	650,100
Deferred income taxes	-	-	-
Total assets	\$ 18,950,788	\$ 16,782,741	\$ 2,043,203
LIABILITIES AND NET ASSETS			
Accounts payable	\$ 119,648	\$ -	\$ 48,063
Due to related party	-	290,977	138,280
Accrued compensation and other liabilities	357,481	17,893	61,022
Annuity liability	-	486,805	-
Estimated health insurance liability	53,000	-	-
Notes payable	200,000	-	1,745,761
Bonds payable	-	3,354,877	-
Total liabilities	730,129	4,150,552	1,993,126
Shareholders' equity			
Common stock, no par value, 1000 shares authorized, issued, and outstanding	-	-	-
Contributed capital	-	-	-
Accumulated deficit	-	-	-
Net assets			
Unrestricted	18,113,438	12,536,428	50,077
Temporarily restricted	76,766	65,306	-
Permanently restricted	30,455	30,455	-
Total net assets	18,220,659	12,632,189	50,077
Total liabilities and net assets	\$ 18,950,788	\$ 16,782,741	\$ 2,043,203

The accompanying notes are an integral part of these statements.

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Gibault Ventures, Inc.	Summit Academy of Vigo County, Inc.	Eliminations	Consolidated Total	2010 Consolidated Total
\$ 158,076	\$ -	\$ -	\$ 513,415	\$ 852,563
-	-	-	9,202,337	9,292,155
-	-	-	5,000	5,000
-	-	-	1,306,769	1,605,719
5,158	-	453,415	-	-
-	-	-	19,657	210,879
-	-	-	39,517	44,510
24,230	-	-	80,784	106,222
-	-	-	107,307	70,951
-	-	-	157,888	183,383
7,972	-	-	7,972	10,154
-	-	12,659,870	-	-
-	-	325,335	-	-
128,908	-	-	12,571,710	12,990,743
-	-	-	650,100	665,017
4,494	-	-	4,494	6,922
<u>\$ 328,838</u>	<u>\$ -</u>	<u>\$ 13,438,620</u>	<u>\$ 24,666,950</u>	<u>\$ 26,044,218</u>
\$ -	\$ -	\$ -	\$ 167,711	\$ 258,632
1,762	22,396	453,415	-	-
1,741	-	-	438,137	454,019
-	-	-	486,805	532,960
-	-	-	53,000	93,000
-	-	-	1,945,761	1,851,289
-	-	-	3,354,877	3,510,152
<u>3,503</u>	<u>22,396</u>	<u>453,415</u>	<u>6,446,291</u>	<u>6,700,052</u>
1,000	-	1,000	-	-
338,372	-	338,372	-	-
(14,037)	-	(14,037)	-	-
<u>325,335</u>	<u>-</u>	<u>325,335</u>	<u>-</u>	<u>-</u>
-	(22,396)	12,564,109	18,113,438	19,220,974
-	-	65,306	76,766	92,737
-	-	30,455	30,455	30,455
<u>-</u>	<u>(22,396)</u>	<u>12,659,870</u>	<u>18,220,659</u>	<u>19,344,166</u>
<u>\$ 328,838</u>	<u>\$ -</u>	<u>\$ 13,438,620</u>	<u>\$ 24,666,950</u>	<u>\$ 26,044,218</u>

**GIBAULT, INC., THE GIBAULT FOUNDATION, INC.,
GIBAULT CARE, INC., GIBAULT VENTURES, INC.
AND SUMMIT ACADEMY OF VIGO COUNTY, INC.**

Consolidating Statements of Activities
(with summarized financial information for the year ended December 31, 2011)

For the Year Ended December 31,

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SACKRIDER & COMPANY, INC.

SUBJECT TO FINAL REVIEW

2011

	Gibault, Inc.	The Gibault Foundation, Inc.	Gibault Care, Inc.
Changes in unrestricted net assets:			
Support and revenue:			
Public support:			
Knights of Columbus-assessments	\$ 122,850	\$ -	\$ -
Transfers from The Gibault Foundation, Inc.	1,015,129	-	-
Contributions-other	419,090	(3,850)	-
Fundraising	48,033	-	-
Total public support	<u>1,605,102</u>	<u>(3,850)</u>	<u>-</u>
Revenue:			
Per diem	8,192,408	-	-
Clinical services	-	-	308,727
Patient fees	-	-	1,776,198
Sales	-	-	-
Investment income	50,086	184,254	411
Rental income	7,536	825,000	53,712
Other:			
Grants	280,074	-	-
Administrative fees from related parties	110,000	-	-
Increase in cash surrender value of life insurance policies	-	36,356	-
Gain on disposal of property and equipment	-	102,909	-
Miscellaneous	21,953	51,856	31,773
Change in interest in net assets of The Gibault Foundation, Inc., Gibault Care, Inc. and Summit Academy of Vigo County, Inc.	(243,470)	-	-
Net profit from Gibault Ventures, Inc.	7,284	-	-
Total revenues	<u>8,425,871</u>	<u>1,200,375</u>	<u>2,170,821</u>
	<u>10,030,973</u>	<u>1,196,525</u>	<u>2,170,821</u>
Net assets released from restrictions:			
Satisfaction of restrictions	85,510	23,919	37,982
Total unrestricted support and revenues	<u>10,116,483</u>	<u>1,220,444</u>	<u>2,208,803</u>
Expenses:			
Program, services, general/administrative & fundraising expenses	11,212,510	414,900	2,022,177
Cost of sales	-	-	-
Interest expenses	1,169	167,942	49,569
Board expenses	10,340	-	-
Transfers to Gibault, Inc.	-	1,015,129	-
Income taxes	-	-	-
Total expenses	<u>11,224,019</u>	<u>1,597,971</u>	<u>2,071,746</u>
Increase (decrease) in unrestricted net assets	<u>(1,107,536)</u>	<u>(377,527)</u>	<u>137,057</u>
Changes in temporarily restricted assets:			
Contributions	90,564	2,894	37,982
Change in interest in net assets of The Gibault Foundation, Inc. and Gibault Care, Inc.	(21,025)	-	-
Net assets released from restrictions	(85,510)	(23,919)	(37,982)
Increase (decrease) in temporarily restricted net assets	<u>(15,971)</u>	<u>(21,025)</u>	<u>-</u>
Changes in permanently restricted assets:			
Contributions	-	-	-
Increase in permanently restricted net assets	-	-	-
INCREASE (DECREASE) IN NET ASSETS	<u>(1,123,507)</u>	<u>(398,552)</u>	<u>137,057</u>
Net assets at beginning of year	<u>19,344,166</u>	<u>13,030,741</u>	<u>(86,980)</u>
Net assets at end of year	<u>\$ 18,220,659</u>	<u>\$ 12,632,189</u>	<u>\$ 50,077</u>

The accompanying notes are an integral part of these statements.

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SACKRIDER & COMPANY, INC.
SUBJECT TO FINAL REVIEW

Gibault Ventures, Inc.	Summit Academy of Vigo County, Inc.	Eliminations	Consolidated Total	2010 Consolidated Total
\$ -	\$ -	\$ -	\$ 122,850	\$ 124,820
-	-	1,015,129	-	-
-	-	-	415,240	643,922
-	-	-	48,033	39,219
-	-	<u>1,015,129</u>	<u>586,123</u>	<u>807,961</u>
-	-	-	8,192,408	9,119,433
-	-	301,200	7,527	-
-	-	-	1,776,198	1,683,188
144,894	-	-	144,894	366,097
828	-	-	235,579	794,150
10,568	-	825,000	71,816	92,234
-	-	-	280,074	313,883
-	-	110,000	-	-
-	-	-	36,356	8,261
-	-	-	102,909	9,445
34	-	-	105,616	51,103
-	-	(243,470)	-	-
-	-	7,284	-	-
<u>156,324</u>	<u>-</u>	<u>1,000,014</u>	<u>10,953,377</u>	<u>12,437,794</u>
<u>156,324</u>	<u>-</u>	<u>2,015,143</u>	<u>11,539,500</u>	<u>13,245,755</u>
-	-	-	147,411	111,234
<u>156,324</u>	<u>-</u>	<u>2,015,143</u>	<u>11,686,911</u>	<u>13,356,989</u>
8,532	3,000	1,236,200	12,424,919	12,354,916
138,080	-	-	138,080	346,520
-	-	-	218,680	220,955
-	-	-	10,340	12,662
-	-	1,015,129	-	-
2,428	-	-	2,428	4,731
<u>149,040</u>	<u>3,000</u>	<u>2,251,329</u>	<u>12,794,447</u>	<u>12,939,784</u>
<u>7,284</u>	<u>(3,000)</u>	<u>(236,186)</u>	<u>(1,107,536)</u>	<u>417,205</u>
-	-	-	131,440	119,476
-	-	(21,025)	-	-
-	-	-	(147,411)	(111,234)
-	-	<u>(21,025)</u>	<u>(15,971)</u>	<u>8,242</u>
-	-	-	-	652
-	-	-	-	652
7,284	(3,000)	(257,211)	(1,123,507)	426,099
<u>(21,321)</u>	<u>(19,396)</u>	<u>12,903,044</u>	<u>19,344,166</u>	<u>18,918,067</u>
<u>\$ (14,037)</u>	<u>\$ (22,396)</u>	<u>\$ 12,645,833</u>	<u>\$ 18,220,659</u>	<u>\$ 19,344,166</u>

GIBAULT, INC., THE GIBAULT FOUNDATION, INC.,
 GIBAULT CARE, INC., GIBAULT VENTURES, INC.
 AND SUMMIT ACADEMY OF VIGO COUNTY, INC.

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Consolidating Statements of Cash Flows
 (with summarized financial information for the year ended December 31, 2010)
 For the Year Ended December 31, 2011

SACKRIDER & COMPANY, INC.

SUBJECT TO FINAL REVIEW

	2011		
	Gibault, Inc.	The Gibault Foundation, Inc.	Gibault Care, Inc.
Cash flows from operating activities:			
Increase (decrease) in net assets	\$ (1,123,507)	\$ (398,552)	\$ 137,057
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:			
(Gain) loss on disposal of equipment	-	(102,909)	-
(Gain) loss on sales of investments	(51,217)	(143,709)	-
Net unrealized (gains) losses on investments	46,134	139,756	-
Gifts of investments	-	(4,388)	-
Change in interest in net assets of The Gibault Foundation, Inc., Gibault Care, Inc., and Summit Academy of Vigo County, Inc.	264,495	-	-
Change in investment in Gibault Ventures, Inc.	(7,284)	-	-
Depreciation & amortization	348,065	341,111	67,773
Increase in cash surrender value of life insurance policies	-	(36,356)	-
Change in assets and liabilities:			
Accounts receivable	336,302	-	(57,009)
Due from Related Party	(25,368)	-	-
Accrued interest receivable	548	4,445	-
Contributions receivable	179,879	31,000	-
Inventories	12,676	-	-
Prepaid expenses	17,877	-	7,618
Deferred income taxes	-	-	-
Accounts payable	(99,962)	-	9,041
Due to Related Party	-	90,482	(67,838)
Accrued compensation and other liabilities	(35,239)	(3,744)	22,960
Annuity liability	-	(46,155)	-
Estimated health insurance liability	(40,000)	-	-
Net cash provided by operating activities	<u>(176,601)</u>	<u>(129,019)</u>	<u>119,602</u>
Cash flows from investing activities:			
Proceeds from sales of equipment	-	115,243	36,500
Proceeds from sale of investments	1,147,826	4,299,224	-
Purchases of investments	(1,188,985)	(4,154,823)	-
Expenditures for land, buildings and equipment	(314,314)	-	(61,367)
Net cash used by investing activities	<u>(355,473)</u>	<u>259,644</u>	<u>(24,867)</u>
Cash flows from financing activities:			
Repayments of long-term obligations	(300,000)	-	(105,528)
Proceeds from long-term obligations	500,000	-	-
Repayment of bonds payable	-	(155,274)	-
Net cash provided by financing activities	<u>200,000</u>	<u>(155,274)</u>	<u>(105,528)</u>
NET INCREASE (DECREASE) IN CASH	(332,074)	(24,649)	(10,793)
Cash at beginning of year	<u>611,148</u>	<u>37,632</u>	<u>74,075</u>
Cash at end of year	<u>\$ 279,074</u>	<u>\$ 12,983</u>	<u>\$ 63,282</u>

The accompanying notes are an integral part of these statements.

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SACKRIDER & COMPANY, INC.
SUBJECT TO FINAL REVIEW

<u>Gibault Ventures, Inc.</u>	<u>Summit Academy of Vigo County, Inc.</u>	<u>Eliminations</u>	<u>Consolidated Total</u>	<u>2010 Consolidated Total</u>
\$ 7,284	\$ (3,000)	\$ (257,211)	\$ (1,123,507)	\$ 426,099
-	-	-	(102,909)	(9,445)
-	-	-	(194,926)	262,130
-	-	-	185,890	(814,416)
-	-	-	(4,388)	(4,591)
-	-	264,495	-	-
-	-	(7,284)	-	-
3,847	-	-	760,796	799,521
-	-	-	(36,356)	(8,261)
2,182	-	-	281,475	(306,919)
(1,610)	-	(26,978)	-	-
-	-	-	4,993	3,110
-	-	-	210,879	(13,308)
12,762	-	-	25,438	21,947
-	-	-	25,495	(10,016)
2,428	-	-	2,428	4,731
-	3,000	3,000	(90,921)	28,747
1,334	-	23,978	-	-
141	-	-	(15,882)	(59,289)
-	-	-	(46,155)	(26,870)
-	-	-	(40,000)	(20,000)
<u>28,368</u>	<u>-</u>	<u>-</u>	<u>(157,650)</u>	<u>273,170</u>
-	-	-	151,743	16,214
-	-	-	5,447,050	2,896,265
-	-	-	(5,343,808)	(2,772,913)
-	-	-	(375,681)	(296,092)
<u>-</u>	<u>-</u>	<u>-</u>	<u>(120,696)</u>	<u>(156,526)</u>
-	-	-	(405,528)	(86,903)
-	-	-	500,000	-
-	-	-	(155,274)	(148,770)
<u>-</u>	<u>-</u>	<u>-</u>	<u>(60,802)</u>	<u>(235,673)</u>
28,368	-	-	(339,148)	(119,029)
<u>129,708</u>	<u>-</u>	<u>-</u>	<u>852,563</u>	<u>971,592</u>
<u>\$ 158,076</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 513,415</u>	<u>\$ 852,563</u>

GIBAULT, INC., THE GIBAULT FOUNDATION, INC.,
GIBAULT CARE, INC., GIBAULT VENTURES, INC.
AND SUMMIT ACADEMY OF VIGO COUNTY, INC.

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Consolidating Statements of Cash Flows ~~Considered & COMPANY, INC.~~
(with summarized financial information for the year ended December 31, 2010)
SUBJECT TO FINAL REVIEW

For the Year Ended December 31.

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

	2011		
	<u>Gibault, Inc.</u>	<u>The Gibault Foundation, Inc.</u>	<u>Gibault Care, Inc.</u>
Cash paid during the year for interest	\$ 1,169	\$ 168,502	\$ 49,569

No cash was paid for income taxes during the year.

NONCASH INVESTING AND FINANCING ACTIVITY:

During the year ended December 31, 2011, Gibault, Inc. traded in vehicles with a total book value of \$35,383 on the purchase of new vehicles.

During the year ended December 31, 2011, The Gibault Foundation, Inc. received donated stock valued at \$4,388.

During the year ended December 31, 2010, Gibault, Inc. received donated stock of \$3,454.

During the year ended December 31, 2010, The Gibault Foundation, Inc. received donated stock valued at \$1,137.

DISCLOSURE OF ACCOUNTING POLICY:

Cash, as used in the statement of cash flows, is the amount reported as "cash" in the consolidated balance sheet, which includes cash on hand and all checking accounts.

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SACKRIDER & COMPANY, INC.
SUBJECT TO FINAL REVIEW

<u>Gibault</u>	<u>Summit Academy</u>					<u>2010</u>
<u>Ventures, Inc.</u>	<u>of Vigo County, Inc.</u>	<u>Eliminations</u>	<u>Consolidated Total</u>			<u>Consolidated Total</u>
\$ -	\$ -	\$ -	\$ 219,240	\$		221,491

GIBAULT, INC., THE GIBAULT FOUNDATION, INC.
GIBAULT CARE, INC., GIBAULT VENTURES, INC.
AND SUMMIT ACADEMY OF VIGO COUNTY, INC.

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Notes to Consolidating Financial Statements

December 31, 2011

SACKRIDER & COMPANY, INC.

SUBJECT TO FINAL REVIEW

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Gibault, Inc. operates a residential treatment facility in Terre Haute, Indiana for delinquent and pre-delinquent boys and girls ages 8 to 18 years at time of admission. Gibault, Inc. also provides various programs in Springfield, Ohio, Shelbyville, Indiana, New Castle, Indiana, Rensselaer, Indiana and Terre Haute, Indiana. Gibault, Inc. provides treatment services and is reimbursed from State and County Agencies at negotiated per diem rates. Gibault, Inc. also provides psychiatric treatment to clients through its PRTF program. Fees for these services are charged to Indiana Medicaid program. Additionally in 2010, Gibault, Inc. assumed management of Henry County Youth Center in New Castle, Indiana. This facility provides daily youth programs as well as detention and residential treatment services.

The Gibault Foundation, Inc. was organized at the direction of the board of trustees for Gibault, Inc. for the purpose of providing support to Gibault, Inc. During 1989, a portion of Gibault, Inc.'s investments were gifted to the Foundation. In January 1990, Gibault, Inc. gifted all of its land, land improvements, buildings and the related bonds payable to the Foundation. The membership of The Gibault Foundation, Inc. shall consist of one class, namely the members of the Foundation's board of directors.

In 2001, Gibault Counseling, Inc. was established to provide behavioral health counseling treatment and therapy services. Gibault Counseling, Inc. began operations in November 2002. Gibault Counseling, Inc. receives payment for these services from third party payers which includes Medicaid and individuals receiving counseling. Gibault Counseling, Inc. is governed by a board of directors which is approved by the board of directors of Gibault, Inc. During 2007, Gibault Counseling, Inc. ceased operations. During 2008, Gibault Counseling, Inc. was renamed Gibault Care, Inc., d/b/a McGivney Health Care Center. Additionally, the exempt purpose of the organization was amended to include long-term residential care to persons with chronic illness or disability in a health care center (formerly referred to as a nursing home). On October 31, 2008, Gibault Care, Inc. purchased and began operating a nursing home in Carmel, Indiana.

In 2005, Gibault Ventures, Inc., d/b/a Top of the Hill Auto Sales, was established. The Corporation sells used automobiles to the general public for profit and to Gibault, Inc. for use in its operations. The profits are to be used to subsidize Gibault, Inc.'s operations. Gibault, Inc. owns 100% of the outstanding stock of the Corporation and its board of directors consists of employees of Gibault, Inc.

In 2009, Summit Academy of Vigo County, Inc. was established to operate a fully accredited, charter school under the laws of the State of Indiana. Summit Academy of Vigo County, Inc. has filed an application to obtain 501(c)(3) status under the internal revenue code. The corporation's board of directors and officers are employees of Gibault, Inc. As of December 31, 2011, the Corporation had not received a charter. As a result of not receiving its charter, the Internal Revenue Service has not yet granted the Summit Academy of Vigo County, Inc. 501(c)(3) status.

Consolidation Policy

The accompanying consolidated financial statements include the accounts of Gibault, Inc., The Gibault Foundation, Inc., Gibault Care, Inc., Gibault Ventures, Inc. and Summit Academy of Vigo County, Inc. Inter-entity transactions and balances have been eliminated in consolidation.

Comparative Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2010, from which the summarized information was derived.

Support and Expenses

Contributions received are measured at their fair values and are reported as an increase in net assets. Gifts of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated

GIBAULT, INC., THE GIBAULT FOUNDATION, INC.,
GIBAULT CARE, INC., GIBAULT VENTURES, INC.
AND SUMMIT ACADEMY OF VIGO COUNTY, INC.

Notes to Consolidating Financial Statements

December 31, 2011

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SAGKRIER & COMPANY, INC.

SUBJECT TO FINAL REVIEW

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES - continued

time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activity as net assets released from restrictions.

Donated securities are recorded as contributions at their estimated fair values at the date of donation. Only those in-kind contributions for which a market value can be objectively determined are recorded as revenue.

Expenses are recorded when incurred in accordance with the accrual basis of accounting.

Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Accounts Receivable

Trade receivables and notes receivables are carried at their estimated collectible amounts. Trade receivables do not bear interest because they are created from established per diem rates with various state agencies under contract. Trade receivables are periodically evaluated for collectability based on conversations with representatives from the various state agencies.

Allowance for Doubtful Accounts

The allowance for doubtful accounts for Gibault, Inc., Gibault Care, Inc. and Gibault Ventures, Inc. is zero at December 31, 2011. The direct write-off method is used for recognizing bad debts, which would not be materially different from the allowance method that is called for by generally accepted accounting principles. Balances that are outstanding after management has used reasonable collection efforts are written off using the direct write-off method.

Inventory Valuation

Inventories of Gibault, Inc., which consist of provisions and supplies, are recorded at the lower of cost or market determined by using the first in, first out (FIFO) method.

Vehicle inventory of Gibault Ventures, Inc. is valued at cost. Cost includes the original purchase price plus repair costs to prepare vehicle for sale.

Investments

Investments in marketable securities are stated at fair market value.

Derivatives

Mortgage-backed securities are recorded at fair value using quoted market prices. Realized gains and losses are recognized when payments are received. The organization does not engage in the trading of derivatives. Mortgage-backed securities are purchased and held as part of the organizations portfolio to achieve investment return.

Land, Buildings and Equipment

Land, buildings, and equipment owned at April 1, 1975 are recorded at appraised value. Property purchased after April 1, 1975 is recorded at cost. Donated property is recorded at fair value on the date of gift.

Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives, principally on a straight-line basis. Gibault Ventures, Inc. records depreciation using accelerated methods.

GIBAULT, INC., THE GIBAULT FOUNDATION, INC.
 GIBAULT CARE, INC., GIBAULT VENTURES, INC.
 AND SUMMIT ACADEMY OF VIGO COUNTY, INC.

Notes to Consolidating Financial Statements

December 31, 2011

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SACKRIDER & COMPANY, INC.
SUBJECT TO FINAL REVIEW

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES - continued

Deferred Income Taxes

Deferred taxes are provided in accordance with FASB ASC 740, "Accounting for Income Taxes". Deferred taxes are provided for accumulated temporary differences due to basis differences for assets and liabilities for financial reporting and income tax purposes, including alternative minimum taxes. The temporary difference is due to net operating loss carryforward.

Advertising Costs

Advertising costs are expensed as incurred and amounted to \$19,252 for the year ended December 31, 2011.

Subsequent Events

Management has evaluated subsequent events through _____, the date which the financial statements were available for issue and concluded nothing occurred requiring adjustment to the financial statements or disclosure in the notes to the financial statements.

NOTE 2 - ACCOUNTS RECEIVABLE

Accounts receivable at December 31, 2011 consist of the following:

Per diem	\$ 1,043,078
Other	71,568
Patient revenue	<u>192,123</u>
	\$ 1,306,769

NOTE 3 - INVESTMENTS

Investments are held in agency accounts and are carried at fair value. The cost and fair values of investment securities are as follows at December 31:

	2011		2010	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Cash equivalents	\$ 128,697	\$ 128,697	\$ 516,750	\$ 516,750
Municipal bonds	341,244	370,771	253,180	253,834
Other fixed income	183,644	183,809	54,851	54,750
U.S. Government obligations	2,611,718	2,733,646	2,478,563	2,599,006
Corporate bonds	1,099,515	1,132,903	1,123,451	1,147,822
Common stock	3,450,565	4,230,916	3,664,788	4,719,993
Mutual funds	<u>372,407</u>	<u>421,595</u>	<u>-</u>	<u>-</u>
	\$ 8,187,790	\$ 9,202,337	\$ 8,091,583	\$ 9,292,155

The following schedule summarizes the investment return and its classification in the Statement of Activities for the year ended December 31,:

	2011				2010 <u>Total</u>
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>	
Interest and dividend income	\$ 226,679	\$ -	\$ -	\$ 226,679	\$ 241,864
Realized gains (losses) based on original cost	194,926	-	-	194,926	(262,130)
Net unrealized gains (losses)	<u>(186,026)</u>	<u>-</u>	<u>-</u>	<u>(186,026)</u>	<u>814,416</u>
Total investment return	\$ 235,579	\$ -	\$ -	\$ 235,579	\$ 794,150

GIBAULT, INC., THE GIBAULT FOUNDATION, INC.,
 GIBAULT CARE, INC., GIBAULT VENTURES, INC.
 AND SUMMIT ACADEMY OF VIGO COUNTY, INC.

Notes to Consolidating Financial Statements

December 31, 2011

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SACKMIDER & COMPANY, INC.
SUBJECT TO FINAL REVIEW

NOTE 4 - FAIR VALUE MEASUREMENT

Assets measured at fair value on a recurring basis at December 31, 2011 are as follows:

<u>Assets</u>	Based on		
	<u>Quoted Prices In Active Markets</u>	<u>Other Observable Inputs</u>	<u>Unobservable Inputs</u>
Cash equivalents	\$ 128,697	\$ -	\$ -
Equities:			
Consumer discretionary	561,055	-	-
Consumer staples	411,567	-	-
Energy	549,877	-	-
Financials	522,787	-	-
Health care	498,450	-	-
Industrials	517,081	-	-
Information technology	929,150	-	-
Materials	240,948	-	-
International equity mutual funds	421,595	-	-
U.S. Government obligations	2,733,646	-	-
Corporate bonds	-	1,132,904	-
Asset and mortgage-backed securities	-	38,998	-
Municipal bonds	-	370,771	-
Other fixed income securities	-	144,811	-
	<u>\$ 7,514,853</u>	<u>\$ 1,687,484</u>	<u>\$ -</u>

In 2011, realized gains of \$194,926 and unrealized losses of \$186,026 are reported in the Statements of Changes in Net Assets Available as investment income.

Following is a description of the valuation methodologies used for assets at fair value.

For all *cash equivalents, United States government obligations, equities and mutual funds* fair value is determined by reference to quoted market prices. The *corporate bonds, asset and mortgage backed securities, municipal bonds and other fixed income securities* are valued based on yields currently available on comparable securities of issuers with similar credit ratings.

Assets measured at fair value on a non-recurring basis comprised the following:

<u>Description</u>	<u>Fair Value at December 31, 2011</u>
Medicaid beds	\$ 650,000
Goodwill	100

Fair value was determined as follows:

	Based on	
	<u>Other Observable Inputs</u>	<u>Unobservable Inputs</u>
Medicaid beds	\$ -	\$ 650,000
Goodwill	-	100
	<u>\$ -</u>	<u>\$ 650,100</u>

GIBAULT, INC., THE GIBAULT FOUNDATION, INC.
 GIBAULT CARE, INC., GIBAULT VENTURES, INC.
 AND SUMMIT ACADEMY OF VIGO COUNTY, INC.

Notes to Consolidating Financial Statements

December 31, 2011

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SUBJECT TO FINAL REVIEW

NOTE 4 - FAIR VALUE MEASUREMENT - continued

The fair value of Medicaid beds and goodwill is determined based on the discounted expected future cash inflows expected over future periods. These amounts were recorded as the purchase amount at the closing of the nursing home purchased by Gibault Care, Inc. in October 2008.

NOTE 5 - PROMISE TO GIVE

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. The allowance for uncollectible promises to give is \$0. All promises to give were thought to be collectible.

Unconditional promises to give are expected to be received as follows:

Due in less than one year	\$ 19,657
Due in one to five years	-
Due in more than five years	-

NOTE 6 - LAND, BUILDINGS AND EQUIPMENT

Land, buildings and equipment and accumulated depreciation balances are summarized as follows:

	Cost or Appraisal December 31, 2011	Accumulated Depreciation December 31, 2011
Land	\$ 969,700	\$ -
Land improvements	1,227,025	1,124,131
Buildings	18,641,591	8,826,689
Leasehold improvements	1,844,023	774,998
Equipment	2,918,673	2,436,538
Vehicles	308,178	175,124
	<u>\$ 25,909,190</u>	<u>\$ 13,337,480</u>

Depreciation expense in 2011 was \$745,880.

NOTE 7 - INTANGIBLE ASSETS

As part of the purchase of Gibault Care, Inc. during 2008, the company acquired intangible assets of \$740,000. Of that amount, \$650,000 has been assigned to Medicaid beds; such intangible assets are not subject to amortization. The \$89,900 balance of acquired intangibles has been assigned to a non-compete agreement, which is subject to periodic amortization over the estimated useful life of 3 years. Goodwill of \$100, which is not subject to amortization, arose in connection with the acquisition.

The following is a summary of non-goodwill intangibles at December 31, 2011:

Intangibles subject to amortization:	
Non-compete agreement	\$ 89,900
Less accumulated amortization	<u>(89,900)</u>
	-
Intangibles not subject to amortization:	
Medicaid beds	650,000
Goodwill	<u>100</u>
	<u>650,100</u>
	<u>\$ 650,100</u>

Amortization expense for 2011 was \$14,917; estimated amortization expense for the year ending December 31, 2012 is \$0.

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NOTE 8 - RETIREMENT PLAN

Gibault, Inc. has a defined contribution retirement plan for the purpose of providing retirement benefits for employees meeting certain eligibility requirements. Contributions are based on 6% of eligible salaries and are funded as accrued. Total pension expense amounted to \$4,470 for the year ended December 31, 2011. During the year ended December 31, 2009, management elected to stop employer contributions. Effective January 1, 2011, Gibault, Inc. terminated the plan.

Effective January 1, 2011, Gibault, Inc. established a new 403(b) Thrift Plan. The plan allows eligible employees to contribute to the plan through salary reduction and for employer matching contributions as determined annually by Gibault, Inc.'s board of directors. There were no matching contributions during 2011.

NOTE 9 - TAX STATUS

Gibault, Inc., The Gibault Foundation, Inc., and Gibault Care, Inc. are exempt from federal and state income taxes under section 501(c)(3) of the Internal Revenue Code.

Gibault Ventures, Inc. is a for-profit corporation subject to federal and state income taxes.

Summit Academy of Vigo County, Inc. has not been awarded at tax status by the IRS as of December 31, 2011. The application for exempt status under section 501 (c)(3) of the Internal Revenue Code has been placed on suspension until the school's charter can be provided to the IRS.

NOTE 10 - ECONOMIC DEVELOPMENT REVENUE BONDS

In December 2002, Gibault, Inc. and The Gibault Foundation, Inc. contracted to issue a series of economic development revenue bonds in an amount up to \$5,000,000. As of December 31, 2006, Gibault, Inc. and The Gibault Foundation, Inc. have issued all of the bonds. Principal and interest payments of \$152,723 are to be made semi-annually over a twenty-five year period with interest accruing on the unpaid principal balance. The interest rate will then be adjusted based on a formula as defined in the bond document. The interest rate was adjusted to 4.3255% in December 2007 and will adjust every fifth year that follows. The bonds are secured by land, improvements and buildings owned by Gibault, Inc. and The Gibault Foundation, Inc.

Maturities of the bonds for the five years following December 31, 2011 are as follows:

2012	\$ 162,064
2013	169,159
2014	176,555
2015	184,274
2016	192,322

NOTE 11 - LINE OF CREDIT

During 2011, Gibault, Inc. renewed its line of credit agreement with a local bank for \$1,500,000, to be drawn upon as needed. The principal is due on demand or October 13, 2012, if no demand is made. Interest is to be paid monthly at the prime rate as published in the Wall Street Journal. At December 31, 2011 the rate was 3.05%. The line of credit is secured by investments held in a trust account at the same bank. Interest expense paid on the line of credit during 2011 totaled \$712. At December 31, 2011, the outstanding balance was \$200,000.

NOTE 12 - NOTES PAYABLE

During 2008, Gibault Care, Inc. obtained a note payable from a local financial institution for \$2,000,000 for the purchase of a nursing home in Carmel, Indiana. Gibault Care, Inc. is to make six consecutive interest payments beginning in November 2008 on the unpaid principal balance. Beginning May 30, 2009, sixty consecutive monthly principal and interest payments are to be made on the note. Interest is calculated on the unpaid principal balance at the prime rate of the local financial institution less .75 percentage points. The rate at December 31, 2011 was 2.50%.

GIBAULT, INC., THE GIBAULT FOUNDATION, INC.
 GIBAULT CARE, INC., GIBAULT VENTURES, INC.
 AND SUMMIT ACADEMY OF VIGO COUNTY, INC.

Notes to Consolidating Financial Statements

December 31, 2011

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SUBJECT TO FINAL REVIEW

NOTE 12 - NOTES PAYABLE - continued

The interest rate is adjustable monthly. The note is secured by \$2,300,000 investments of The Gibault Foundation, Inc. held at the same financial institution. The note is being repaid under a loan amortization of approximately 17 years instead of the terms of the note with the anticipation of refinancing the note for an additional period.

Repayments on long-term obligations for each of the five years following 2011 are:

2012	\$ 99,764
2013	102,445
2014	1,543,552
2015	-
2016	-
Thereafter	-

NOTE 13 - TEMPORARILY RESTRICTED NET ASSETS

During the year ended December 31, 2011, temporarily restricted net assets were released from restrictions by incurring expenses satisfying the restricted purposes specified by the donors.

Temporarily restricted net assets were used to accomplish the following purposes:

Generator	\$ 35,524
Various programs	86,668
Renovations of facilities	1,300
Time restrictions satisfied	<u>23,919</u>
Total net assets released from restrictions	\$ <u>147,411</u>

Temporarily restricted net assets are available for the following purposes:

Programs	\$ 577
Bibles	275
Annuity agreements	65,306
Phraselator	2,300
Education needs	4,283
Cribs	2,100
Playground equipment	<u>1,925</u>
	\$ <u>76,766</u>

NOTE 14 - PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted assets of \$30,455 are restricted to investments in perpetuity, the income from which is expendable to support Gibault, Inc.'s operations.

NOTE 15 - OTHER RESTRICTIONS

The board of directors of The Gibault Foundation, Inc. have designated \$6,105,972 of unrestricted net assets as additional endowment funds. The earnings from these assets are available to be used to support Gibault, Inc.

NOTE 16 - CONCENTRATION OF CREDIT RISK

Gibault, Inc. grants credit to those entities it provides services for, most of whom are some type of county or state governmental agency.

Gibault, Inc. routinely has deposits throughout the year in Indiana financial institutions in amounts that exceed the limits of insurance provided by the Federal Deposit Insurance Corporation.

GIBAULT, INC., THE GIBAULT FOUNDATION, INC.
 GIBAULT CARE, INC., GIBAULT VENTURES, INC.
 AND SUMMIT ACADEMY OF VIGO COUNTY, INC.

Notes to Consolidating Financial Statements

December 31, 2011

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SUBJECT TO FINAL REVIEW

NOTE 17 - MAJOR CUSTOMERS AND CONTRIBUTIONS

During the year ended December 31, 2011, two entities accounted for \$5,942,336 or 72% of the consolidated per diem revenue of Gibault, Inc. and consolidated subsidiaries. Additionally, the accounts receivable balance for per diem for these two entities represented 69% of the total consolidated accounts receivable balance at December 31, 2011.

During the year ended December 31, 2011, one donor accounted for \$168,169 or 29% of the consolidated public support of Gibault, Inc. and consolidated subsidiaries.

NOTE 18 - BEQUESTS AND ANNUITIES

The Gibault Foundation, Inc. is also the holder of twelve charitable gift annuities. A charitable gift annuity is an arrangement in which the donor contributes assets to an organization in exchange for a promise by the organization to pay a fixed amount for a specified period of time to the donor or to individuals or organizations designated by the donor. The assets received are recorded as temporarily restricted net assets net of the present value of the future cash flows of the annuity payment liability. The value of charitable gift annuity assets at December 31, 2011 are \$65,306 (net of the annuity liability of \$68,087).

In March 2002, The Gibault Foundation, Inc. purchased real estate for cash of \$120,000 and issuance of a two-life annuity contract. The annuity contract requires the Foundation to pay the annuitants \$5,000 per month for ten years or until the second annuitant dies. After ten years, if either or both annuitants survive, the Foundation will pay \$4,000 per month until the second annuitant dies. Upon closing of this real estate transaction, the annuitants relinquished all rights with regard to the real estate. The property was recorded by the Foundation at the present value of the annuity payments, plus the \$120,000 cash paid. The Foundation also recorded an annuity liability for the present value of the annuity payments owed the annuitants. At December 31, 2011 present value of the annuity payments was \$418,718.

The Gibault Foundation, Inc. is the beneficiary of forty-nine life insurance policies. The Foundation has recorded the cash surrender value of these policies at December 31, 2011 of \$107,307.

NOTE 19 - GRANTS

Federal and state grants received during 2011 are as follows:

Unrestricted

Department of Agriculture school breakfast program and national school lunch program passed through the Indiana Department of Education	\$ 176,341
Department of Education Chapter I - financial assistance to meet special education needs of disadvantaged children operated by local education agencies	83,978
Department of Education, Division of School Finance and Educational Information - textbook reimbursement	3,190
Department of Agriculture food distribution program	2,390
Indiana Department of Education - CHOICE Scholarship	<u>14,175</u>
	280,074

Temporarily restricted

Jasper County, Indiana - CASA program grant	31,852
Newton County, Indiana - CASA program grant	<u>18,764</u>
	\$ <u>330,690</u>

GIBAULT, INC., THE GIBAULT FOUNDATION, INC.
 GIBAULT CARE, INC., GIBAULT VENTURES, INC.
 AND SUMMIT ACADEMY OF VIGO COUNTY, INC.

Notes to Consolidating Financial Statements

December 31, 2011

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SUBJECT TO FINAL REVIEW

NOTE 20 - RELATED PARTY TRANSACTIONS

During the year ended December 31, 2011, Gibault, Inc. purchased twelve vehicles from Gibault Ventures, Inc. The gross purchase price was \$79,188. The cost of these vehicles was \$76,916. Gibault, Inc. traded in nine vehicles on these purchases and received a trade in allowance of \$39,284 and paid cash of \$39,904.

NOTE 21 - INCOME TAXES

The deferred tax asset included in the consolidating balance sheet results from the net operating loss carryforward from Gibault Ventures, Inc. Federal income tax expense of \$2,428 consists of the recognition of part of the deferred tax asset resulting from the net operating losses carried forward from prior years. The prior year operating losses were used to reduce current year operating profit. The valuation allowance for the deferred tax asset is zero. The net operating loss carryforward was thought to be realizable in future years. The net operating losses can be carried forward as follows:

<u>Year of loss</u>	<u>Loss</u>	<u>Carryforward Expires</u>
2005	\$ 4,523	2025
2006	13,451	2026

Gibault, Inc.'s, The Gibault Foundation, Inc.'s, Gibault Care, Inc.'s and Summit Academy of Vigo County, Inc.'s information returns and Gibault Venture, Inc.'s income tax returns are subject to examination by the appropriate taxing jurisdictions. As of December 31, 2011, the Organization's federal and state tax returns for the last three years are open for examination as each year's returns remain open for examination for three years.

NOTE 22 - ENDOWMENT FUND

The Gibault Foundation, Inc. has an endowment consisting of unrestricted board-designated and permanently restricted assets. When the Foundation receives gifts from donors restricted as endowment funds, the Foundation records these gifts as permanently restricted assets to be held in perpetuity. Additionally, in accordance with established policy, when an unrestricted bequest is received by Gibault, Inc. or The Gibault Foundation, Inc., the gift is deposited into the Foundation endowment fund as a board designated endowment fund. The board designated endowment funds and the investment earnings on the permanently restricted endowment funds are to be used to support the programs and operations of Gibault, Inc.

The assets in the endowment fund are maintained in two trust accounts and in-house as investments in Series E and EE government savings bonds. The Foundation's board has established an investment policy for the investment of the endowment funds. The purpose of endowment fund is to generate and invest income from operations and to supply cash for the daily expenses with a sufficient surplus to maintain a reserve balance equivalent to 30 to 45 days of operating expenses. The policy also details the investment portfolio allocation percentages for which the endowment funds may be invested.

In accordance with established policy, at least annually, the endowment fund is to transfer to Gibault, Inc., the investment earnings, net of applicable fees. These funds are to be used to support the programs and operations of Gibault, Inc. Additionally, as needed, additional appropriations may be approved by the Foundation's board to be transferred to Gibault, Inc. for operations.

For the year ended December 31, 2011, The Gibault Foundation, Inc. had the following endowment related activities:

GIBALT, INC., THE GIBALT FOUNDATION, INC.
 GIBALT CARE, INC., GIBALT VENTURES, INC.
 AND SUMMIT ACADEMY OF VIGO COUNTY, INC.

Notes to Consolidating Financial Statements

December 31, 2011

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NOTE 22 - ENDOWMENT FUND - continued

	Board Designated Endowment Funds <u>Unrestricted</u>	Permanently Restricted
Endowment principle, beginning of year	\$ 5,973,889	\$ 30,455
Investment return:		
Investment income (loss)	169,031	-
Realized gain (loss)	\$ <u>121,196</u>	\$ <u>-</u>
Total investment return	<u>290,227</u>	-
Contributions	9,278	-
Appropriation of endowment funds for expenditure	<u>(167,422)</u>	-
Endowment principle, end of year	\$ <u>6,105,972</u>	\$ <u>30,455</u>

GIBALT, INC., THE GIBALT FOUNDATION, INC.,
 GIBALT CARE, INC., GIBALT VENTURES, INC.
 AND SUMMIT ACADEMY OF VIGO COUNTY, INC.

Statement of Functional Expenses - Gibalt, Inc.
 Year Ended December 31, 2011

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Program, Services and Administrative Expenses

	CARE	Aspergers	Education	PRTF	Group Home	ISIS
Personnel costs						
Salaries	\$ 550,384	\$ 236,549	\$ 560,145	\$ 1,347,606	\$ -	\$ 109,931
Employee health insurance	23,013	25,060	41,393	85,300	-	7,926
Payroll taxes	49,790	16,861	60,277	131,285	-	8,283
Employee pension	-	-	-	-	-	-
	<u>623,187</u>	<u>278,470</u>	<u>661,815</u>	<u>1,564,191</u>	<u>-</u>	<u>126,140</u>
Advertising	-	-	-	-	-	-
Allowances/honor jobs - clients	4,310	416	445	3,910	-	486
Athletic and other equipment	-	-	-	110	-	-
Awards and recognition	632	391	7,046	1,376	-	281
Bad debt expense	-	-	-	-	-	-
Bank fees	-	-	-	-	-	-
Chapter I expenses	-	-	77,378	-	-	-
Clinical supplies	-	-	-	621	-	-
Clothing	7,008	221	-	10,252	-	561
Commissary	747	30	-	190	-	29
Computer/software supplies	-	-	-	-	-	-
Contracted services	-	-	3,005	48,500	-	-
Copier lease payments	-	-	-	2,114	-	-
Depreciation	-	-	-	-	-	-
Directors fund	-	-	1,015	28	-	-
Donor Development	-	-	-	-	-	-
Exhibit fees	-	-	-	-	-	-
Furnishings and linens	2,135	49	83	3,010	-	263
Gas and oil	4,261	1,655	150	1,628	-	362
Health care	-	-	-	-	-	-
Household supplies	12,926	2,516	2,401	18,745	-	2,152
Insurance	-	-	-	-	-	-
Lease payments	-	-	-	-	-	-
Maintenance supplies and contracts	-	-	9,052	-	441	-
Miscellaneous	-	-	1,135	-	-	-
Office supplies	2,488	1,040	3,893	8,879	-	129
Outings and special events	6,302	1,538	2,827	3,796	-	831
Parent classes	-	-	-	-	-	-
Personal hygiene supplies	4,335	265	67	1,817	-	167
Postage	231	-	-	70	-	-
Printing and publications	-	-	-	-	-	-
Professional development fees	6	-	695	30	-	-
Provisions	910	277	37	929	-	145
Recreational supplies	723	306	-	974	-	25
School supplies	21	263	27,587	384	-	-
Scholarships/Tuition	-	-	-	-	-	-
Sick leave	-	-	-	-	-	-
Staff development	170	-	2,590	73	-	-
Staff travel	4,457	376	2,367	2,324	-	558
Student travel	-	-	-	-	-	-
Telephone	1,695	780	485	2,335	1,042	-
Utilities	35,967	2,224	-	68,452	1,230	9,007
Vehicle repairs	-	-	-	-	-	-
	<u>\$ 712,511</u>	<u>\$ 290,817</u>	<u>\$ 804,073</u>	<u>\$ 1,744,738</u>	<u>\$ 2,713</u>	<u>\$ 141,136</u>

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Aftercare	Ohio Campus	Ohio Visitation	Shelbyville	Foster Care	JCYC	HCYC
\$ -	\$ -	\$ 51,275	\$ 209,750	\$ 9,554	\$ 289,886	\$ 901,973
-	-	4,159	15,373	4,719	7,800	37,499
-	-	5,566	18,242	751	21,830	91,484
-	-	-	-	-	-	-
-	-	61,000	243,365	15,024	319,516	1,030,956
807	-	-	777	-	180	1,806
-	-	-	1,290	-	-	629
-	-	-	-	-	17	916
-	-	358	20	-	-	139
-	-	-	-	-	-	-
-	-	-	-	-	66	-
-	-	-	-	-	-	-
-	-	-	778	-	-	10,621
-	-	-	584	-	-	1,332
-	-	-	64	-	-	2,023
-	-	-	-	-	125	-
-	-	-	1,014	-	360	11,374
-	-	6,550	6,576	-	5,520	6,712
-	29,402	-	7,550	-	2,203	1,770
-	-	-	323	-	-	327
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	2,157	375	-	74	159
1,621	-	476	7,977	571	1,806	15,638
-	-	-	8	-	-	36,639
-	-	-	-	-	-	-
-	-	1,700	2,134	-	8,969	14,191
-	-	1,597	-	-	-	28,891
-	-	-	-	-	-	-
-	-	1,916	10,944	-	7,136	31,262
-	-	-	4,316	-	5,187	933
-	-	-	-	-	-	-
-	-	569	540	-	757	5,171
-	-	840	678	-	3,882	1,838
-	-	-	-	-	489	-
-	-	-	485	-	-	1,528
-	-	100	664	-	(338)	1,017
-	-	-	315	-	315	-
-	-	-	250	-	185	697
-	-	-	10,031	-	35,872	75,579
-	-	-	653	-	-	227
-	-	1,553	-	-	2,175	198
-	-	-	291	-	-	-
-	-	-	-	-	-	-
378	-	354	146	-	1,783	942
950	-	315	452	116	519	3,848
-	-	-	-	-	-	-
855	-	600	6,579	670	3,099	7,785
-	-	-	12,503	-	14,545	84,391
-	-	-	1,828	-	147	8,836
<u>\$ 4,611</u>	<u>\$ 29,402</u>	<u>\$ 80,085</u>	<u>\$ 323,510</u>	<u>\$ 16,381</u>	<u>\$ 414,589</u>	<u>\$ 1,388,375</u>

GIBALT, INC., THE GIBALT FOUNDATION, INC.,
 GIBALT CARE, INC. AND GIBALT VENTURES, INC.,
 AND SUMMIT ACADEMY OF VIGO COUNTY, INC.

Statement of Functional Expenses - Gibault, Inc. - Continued

Year Ended December 31, 2011

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SUBJECT TO FINAL REVIEW

Program, Services and Administrative Expenses

	CASA	Odyssey House	Program Support	Support Services	Marketing	General Administrative	Fundraising	Total
Personnel costs								
Salaries	\$ 27,950	\$ 1,660	\$ 530,753	\$ 485,451	\$ 211,177	\$ 603,953	\$ 93,181	\$ 6,221,178
Employee health insurance	2,714	-	26,257	22,725	12,025	32,208	8,850	357,021
Payroll taxes	1,786	107	39,627	40,840	15,476	49,848	6,402	558,455
Employee pension	-	-	-	4,470	-	-	-	4,470
	<u>32,450</u>	<u>1,767</u>	<u>596,637</u>	<u>553,486</u>	<u>238,678</u>	<u>686,009</u>	<u>108,433</u>	<u>7,141,124</u>
Advertising	1,573	7	525	-	1,025	6,424	-	13,124
Allowances/honor jobs - clients	-	-	11,860	2,531	-	-	-	25,877
Athletic and other equipment	300	530	-	686	-	18,033	-	20,592
Awards and recognition	180	-	-	-	-	2,859	692	13,974
Bad debt expense	-	-	-	45,712	-	-	-	45,712
Bank fees	-	-	-	4,384	-	25	-	4,475
Chapter I expenses	-	-	-	-	-	-	-	77,378
Clinical supplies	-	-	(98)	-	-	-	-	11,922
Clothing	-	-	236	(1,345)	-	-	-	18,849
Commissary	-	-	63	1,331	-	-	-	4,477
Computer/software supplies	-	-	-	-	-	5,930	1,705	7,760
Contracted services	1,000	-	304,975	165,197	-	4,318	52	539,795
Copier lease payments	1,075	-	20,584	-	6,030	5,328	-	60,689
Depreciation	-	-	-	307,140	-	-	-	348,065
Directors fund	-	-	1,996	9	352	3,527	364	7,941
Donor Development	-	-	-	-	-	-	4,476	4,476
Exhibit fees	-	-	-	-	193	-	-	193
Furnishings and linens	-	1,152	1,461	5,285	-	962	-	17,165
Gas and oil	134	-	17,909	12,831	4,297	8,127	1,979	81,422
Health care	-	-	104	29,126	-	-	-	65,877
Household supplies	-	340	3,255	12,322	-	345	-	81,996
Insurance	1,000	-	-	279,353	-	-	6,054	316,895
Lease payments	1,200	-	-	798,841	-	30,000	-	830,041
Maintenance supplies and contracts	-	359	-	100,506	-	2,814	838	165,268
Miscellaneous	-	-	1,057	577	-	34,088	-	47,293
Office supplies	465	-	7,832	1,837	427	11,733	1,726	47,486
Outings and special events	1,152	-	827	-	269	(43)	8,361	33,098
Parent classes	-	-	-	-	-	-	-	489
Personal hygiene supplies	-	66	-	27	-	-	-	8,757
Postage	633	-	48	12,686	79	599	22,312	38,101
Printing and publications	-	-	-	-	2,520	-	32,123	35,273
Professional development fees	850	311	624	18,540	250	2,055	21	24,514
Provisions	-	212	24	240,089	-	-	-	364,105
Recreational supplies	-	-	6,555	-	-	-	-	9,463
School supplies	-	-	-	110	-	-	-	32,291
Scholarships	-	-	-	-	-	-	-	291
Sick leave	-	-	-	12,467	-	-	-	12,467
Staff development	901	275	3,089	2,908	1,122	7,400	-	22,131
Staff travel	1,048	-	2,387	14,552	5,438	4,431	2,478	46,616
Student travel	-	-	18	-	-	-	-	18
Telephone	600	-	18,305	14,549	1,560	31,725	1,475	94,139
Utilities	1,000	542	-	198,520	-	20,936	-	449,317
Vehicle repairs	-	-	30	30,733	-	-	-	41,574
	<u>\$ 45,561</u>	<u>\$ 5,561</u>	<u>\$ 1,000,303</u>	<u>\$ 2,864,990</u>	<u>\$ 262,240</u>	<u>\$ 887,825</u>	<u>\$ 193,089</u>	<u>\$ 11,212,510</u>

GIBAULT, INC., THE GIBAULT FOUNDATION, INC.,
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 AND SUMMIT ACADEMY OF VIGO COUNTY, INC.

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Statement of Functional Expenses - Gibault Care

Year Ended December 31, 2011

	Program, Services and Administrative Expenses		
	Program Services	Management & General	Total
Personnel costs			
Salaries	\$ 1,216,995	\$ -	\$ 1,216,995
Employee health insurance	91,131	-	91,131
Payroll taxes	102,764	-	102,764
Employee pension	-	-	-
	<u>1,410,890</u>	<u>-</u>	<u>1,410,890</u>
Advertising	6,128	-	6,128
Assessments	111,970	-	111,970
Athletic and other equipment	7,326	-	7,326
Awards & Recognition	-	190	190
Bad debt expense	5,315	-	5,315
Contracted services	11,843	22,523	34,366
Depreciation and amortization	67,773	-	67,773
Directors fund	-	(360)	(360)
Drug testing	500	-	500
Dues and subscriptions	-	614	614
Fees and licenses	223	-	223
Furnishings and linens	2,071	-	2,071
Health care	8,800	-	8,800
Household supplies	10,051	-	10,051
Insurance	41,284	-	41,284
Maintenance supplies and contracts	45,764	-	45,764
Management fees	10,682	50,000	60,682
Medical supplies	53,006	-	53,006
Miscellaneous	1,194	-	1,194
Office supplies	-	2,698	2,698
Postage	-	184	184
Printing and publications	-	5	5
Provisions	68,335	-	68,335
Property taxes	-	20,859	20,859
Recreation supplies	720	-	720
Staff development	-	508	508
Staff travel	-	7,651	7,651
Telephone	-	6,297	6,297
Utilities	45,757	-	45,757
Vehicle repairs	1,376	-	1,376
	<u>\$ 1,911,008</u>	<u>\$ 111,169</u>	<u>\$ 2,022,177</u>

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SACKRIDER & COMPANY, INC.
SUBJECT TO FINAL REVIEW

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT
AUDITING STANDARDS***

Board of Directors
Gibault, Inc., The Gibault Foundation, Inc., Gibault
Care, Inc., Gibault Ventures, Inc., and Summit
Academy of Vigo County, Inc.
Terre Haute, Indiana

We have audited the consolidating financial statements of Gibault, Inc., The Gibault Foundation, Inc., Gibault Care, Inc., Gibault Ventures, Inc. and Summit Academy of Vigo County, Inc. as of and for the year ended December 31, 2011, and have issued our report thereon dated . We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Gibault, Inc., The Gibault Foundation, Inc., Gibault Care, Inc., Gibault Ventures, Inc. and Summit Academy of Vigo County, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the consolidating financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Gibault, Inc., The Gibault Foundation, Inc., Gibault Care, Inc., and Gibault Ventures, Inc. and Summit Academy of Vigo County, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Gibault, Inc., The Gibault Foundation, Inc., Gibault Care, Inc., Gibault Ventures, Inc., and Summit Academy of Vigo County, Inc.'s consolidating financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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We noted certain matters that we reported to management of Gibault, Inc., The Gibault Foundation, Gibault Ventures, Inc., and Summit Academy of Vigo County, Inc. in a separate letter dated ~~SACKRIDER & COMPANY, INC.~~, Inc. Gibault

SUBJECT TO FINAL REVIEW

This report is intended solely for the information and use of management, the internal affairs committee, Board of Directors, and is not intended to be and should not be used by anyone other than these specified parties.

Terre Haute, Indiana

ATTACHMENT 24
LITIGATION DOCUMENTATION - N/A

The organization has not been involved in any past litigation or arbitration.