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): Christel House Academy, Inc. Christel DeHaan, Founder & CEO, Christel House Names, roles, and current employment International Joseph P. Schneider, SVP & CFO, Christel House International Carey Dahncke, Principal and Chief Academic Officer, Christel House Academy, Inc. Cheryl J. Wendling, SVP, Christel House International Designated applicant representative: Cheryl J. Wendling Address: 10 West Market Street, Suite 1990 Indianapolis, IN 46204 Office and cell phone numbers: Direct: 317-464-2336 Cell: 317-413-3485 **Email address:** cwendling@christelhouse.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
Christel House DORS I - Gary	2017	Dropout Recovery	Gary, IN	Gary Community Schools Corporation	9-12
Christel House DORS II - Gary	2019	Dropout Recovery	Gary, IN	Gary Community Schools Corporation	9-12

Christel House	2021	Dropout	Gary, IN	Gary	9-12
DORS III -		Recovery	-	Community	
Gary				Schools	
				Corporation	

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 <u>and</u> maximum number of enrolled students by grade level for each year. (You may duplicate the table as needed.)

Proposed School Name:	Christel House Academy I - Gary	
Academic Year	Grade Levels	Student Enrollment (Planned/Maximum)
Year 1 (2017)	9-12	175 / 175
Year 2	9-12	225 / 225
Year 3	9-12	275 / 275
Year 4	9-12	300 / 300
Year 5	9-12	350 / 300
At Capacity	9-12	300 / 300

Do any of the proposed schools expect to con (ESP) or other organization for school manage If yes, identify the ESP or other partner organizat	• — —
Will an application for the same charter schoo Yes☐ No X☐	I(s) be submitted to another authorizer in the near future?
If yes, identify the authorizer(s):	
Planned submission date(s):	
Please list the number of <u>previous</u> submissio <u>past five years</u> , as required under IC § 20-24-3	ns for request to authorize this(ese) charter school(s) over the -4. Include the following information:
Authorizer(s):	None
Submission date(s):	

CHRISTEL HOUSE ACADEMY DORS SCHOOL NETWORK PROPOSAL NARRATIVE

Submitted to the Indiana Charter School Board March 15, 2013

EXECUTIVE SUMMARY

MISSION AND VISION

Christel House Academy (hereinafter "CHA") proposes to locate up to three dropout recovery ("DORS") charter schools in Gary, Indiana over the next five to eight years as part of its Network Expansion, in furtherance of its strategic vision to positively impact education within the state of Indiana in the areas of greatest need. The mission of CHA is to be a provider of outstanding education to an underserved population and to maintain high standards of academic rigor, efficiency and accountability. It will provide students with the academic proficiency necessary for higher education, equip them with the desire for lifelong learning, strengthen their civic, ethical and moral values, and prepare them to be self-sufficient, contributing members of society. These expansion schools will be modeled after Christel House DORS, located on Indianapolis' near south side, and which serves a high-needs, inner city population. Plans are still evolving, but opening dates of 2017, 2019 and 2021 are currently targeted.

CHA's strategic vision is to impact two of the most challenged public school systems in the state—Indianapolis Public Schools and Gary Community School Corporation—with a concentration of schools in each community to offer students in those communities, especially those who were unsuccessful in the traditional system and did not earn a high school diploma, viable options for public education. Charters for the Indianapolis expansion schools are currently being sought from the Office of the Mayor; the Indiana Charter School Board is the desired authorizer for our proposed Gary expansion.

EDUCATIONAL NEED

According to schooldigger.com, Gary is ranked 389th out of 400 Indiana cities evaluated for the quality of education available. It stands to reason, then, that Gary's dropout rate will be extremely high. According to the IDOE, its graduation rate is only 57% http://mustang.doe.state.in.us/TRENDS/corp.cfm?corp=4690&var=grad4 and its four major high schools are all rated "F." Three of these are among the ten worst high schools in the state. It is not just the Gary Community School Corporation that has failed the community. Of the 7 charter schools located there, 4 received "F" ratings from the Indiana DOE; 2 received "D's" and only one school achieved a grade of "C." Of the 32 schools rated by the DOE in Gary, 22 received a grade of "F." Six received "D's" and only 2 got a grade of "C,: However, proving that success IS possible with this challenging population, Benjamin Banneker Elementary—a public K-8 school, received an "A" grade, and The Frankie W. McCullough Academy for Girls—a K-6 public school—received a B. CHA anticipates replicating the ethos of its Indianapolis school, and creating much needed opportunities for students whom the existing system failed.

The income per capita in Gary is 2.2% less than the Indiana average, and 40.4% less than the National average. The median household income in Gary is 38.4% less than the Indiana average and 46.8% less than the National average. The poverty level in Gary is 189.6% greater than the Indiana average and 109.8% greater than the national average. http://www.areavibes.com/gary-in/employment/ The unemployment rate in Gary is 9.7% http://www.bls.gov/eag/eag.in_gary_md.htm

TARGET POPULATION

Christel House expansion schools will serve at-risk young adults from inner-city environments. Demographically, we anticipate that the schools' populations will mirror those of the surrounding communities. Students at CH DORS in Indianapolis, which opened in 2012, are 84% free and reduced lunch, 40% African American, 31.8% Latino, 1.8% multi-racial, 1.2% Asian and 25% Caucasian. The city of Gary, Indiana is home to about 110,000 people with a median annual household income of less than \$29,000. Median average income for our state is about \$43,000. Only 14% of the population over age 25 has a college degree. Data shows that Gary is 84% African American, 5% Latino and 11% Caucasian. Nearly 40% of households have children under age 18, and 18% of households are headed by single mothers with no father present. http://gary.areaconnect.com/statistics.htm Crime in Gary is worse than the national average for murder, rape, robbery, burglary, theft and motor theft. Gary's murder rate is nearly 7 times the national average, and close to 3 times the murder rate in Indianapolis. Clearly, the need to provide effective solutions to revitalize this community is enormous. http://gary.areaconnect.com/crime1.htm

COMMUNITY ENGAGEMENT

CHA has not begun community engagement strategies, but would use those that have been effective both in Indianapolis and in communities around the world where Christel Houses are located. These include gaining grass roots support by working with churches, non-profit organizations, neighborhood associations and local government officials.

EDUCATION PLAN/ SCHOOL DESIGN

Christel House DORS (Dropout Recovery School) will empower students by providing them with the tools necessary to achieve high school graduation and post-secondary success. DORS re-engages students who have previously left the educational system and allows them to choose their individual pathway to academic success. DORS serves as a gateway for students to realize their hopes and dreams by becoming self-sufficient, contributing members of society.

Christel House DORS expansion charter anticipates operating in collaboration with Ivy Tech Community College and Gateway to College, employing a "hybrid" of non-traditional educational models to meet each student where they are. Whether subsequent DORS expansion charters are formally part of the Gateway to College/ Ivy Tech collaboration, or simply tap into the processes, systems and learnings from the initial school model remains to be seen. Regardless, each DORS student will have an Individual Success Plan and DORS staff will work diligently to ensure students have the support they need to reach their goals. Additionally, DORS will leverage community partners to provide robust life-skills training, career guidance and training courses and other complementary student services to ensure long-term success.

NETWORK GOVERNANCE AND LEADERSHIP

The Christel House Network Schools - Gary will be governed by a highly skilled and diverse group of professionals, including educators, business leaders, a CPA, an attorney and a philanthropist, all of whom are passionately devoted to establishing charter schools that succeed in preparing children, regardless of ability, income or background, to reach their fullest potentials.

In the initial stages of development, the existing Christel House Academy Board of Directors will govern the network of charter schools, including the Gary charters. As the schools mature, the Board will weigh options for establishing local boards, if it believes the schools will be better served by that arrangement.

The individuals serving on Christel House Academy's Board of Directors are identified in **Attachment 6**, and their credentials outlined therein.

SECTION I: EVIDENCE OF CAPACITY FOUNDING GROUP

Founding Group Membership

- 1. The following individuals are key members of the Founding Group for Christel House Network Expansion:
 - Christel DeHaan, Founder, Christel House International and Christel House Academy
 - Joseph P. Schneider, Chief Financial Officer and Senior Vice President, Christel House International
 - Carey Dahncke, Chief Academic Officer and Principal, Christel House Academy
 - Cheryl Wendling, Senior Vice President, Christel House International
 - Emily Masengale, Principal, Christel House DORS

This group possesses outstanding qualifications for establishing high quality schools in Indiana, and is responsible for creating the global network of Christel House schools around the world, which currently serve nearly 3400 students in India, Mexico, South Africa, as well as the United States.

Christel DeHaan is legendary for her vision, business acumen and leadership capabilities. She ensures that all aspects of the organization are operated to the highest standards of excellence and integrity. She is extremely knowledgeable in the areas of both educational and business best practices, and holds staff accountable with rigorous performance metrics.

Carey Dahncke provides exceptional capabilities in the areas of school leadership, administration, curriculum, instruction and school operations management. Since 2006, Mr. Dahncke has served as Principal of Christel House Academy in Indianapolis. Mr. Dahncke acts as the charter school's chief role model by providing direct, hands-on leadership to the staff; developing and supervising instructional programs; ensuring compliance with state, federal and local laws; setting funding priorities and monitoring all budgets; hiring and evaluating all teachers and staff; and actively engaging students, parents, the Board of Directors, government officials and the general public.

Mr. Dahncke is an accomplished educator and school administrator. Under his leadership, the Indianapolis charter school has realized dramatic improvement in student performance, attendance and retention. In 2011, CHA students' ISTEP+ standardized test scores exceeded the Indiana state average for the third consecutive year. Additionally, during his tenure, staff engagement and retention have reached their highest levels in the school's history. Family involvement, which is particularly challenging among the culturally diverse and underserved population served by the charter school, has also improved substantially thanks to a home visit program launched by Mr. Dahncke.

Mr. Dahncke will act as the Director of the Network during CHA's expansion; he will report jointly to the Board of Directors and Christel House International's CEO.

He will be responsible for day-to-day management and operation of the schools, and for ensuring that all charters are effectively and genuinely implemented. Dahncke will also help the Board achieve its oversight responsibilities and goals, by keeping it well informed on educational practices, student achievement, staffing, managerial, fiscal, and other matters. Furthermore, he will be available to work interactively with the Board on policies that are necessary to ensure the establishment and operation of a successful school.

He will be empowered to employ additional school staff to assist with adequately fulfilling all aspects of school management, including those individuals with specialized knowledge in areas of school finance and information management. When appropriate, he will also employ contracted business organizations who will support the management personnel in most effectively.

Joseph P. Schneider brings expertise in the areas of finance, business and facilities management. As Senior Vice President, Treasurer and Chief Financial Officer of Christel House International, Mr. Schneider is responsible for ensuring all accounting, finance, risk management, human resources, facilities and information systems activities are conducted with complete transparency through rigorous business practices and high measures of accountability. He oversees all finance-related matters for Indianapolis-based Christel House International, as well as its nine affiliated entities located in the United States, India, Mexico, and South Africa.

Mr. Schneider has played a vital role in streamlining policies and procedures for the organization's network of learning centers worldwide. He developed the organization's Policies and Operations Manual which describes Christel House International's expectations and measurements for the successful operation of every learning center/school which bears the Christel House name. Policies and procedures relating to every aspect of operation, from academic to administrative, are clearly delineated in this document.

In 2009 and 2010, Mr. Schneider successfully negotiated and implemented construction contracts for both Christel House Academy-Watanabe High School (Indianapolis) and Christel House Lavasa (2nd learning center opened in India). He developed and scrutinized all budgets throughout the construction process, closely liaised with construction managers for quality control, and ensured on-time project completion.

Cheryl Wendling brings expertise in governance, operations management and business, as well as extensive experience in the start-up of school operations. A member of the senior leadership team since the inception of Christel House, Ms. Wendling was responsible for start-up processes in Mexico, India, South Africa, Venezuela and the United States, including analyzing social and market conditions, selecting and procuring facilities, determining legal and regulatory requirements, formally establishing and incorporating non-governmental organization entities,

identifying and securing senior level employees and board members, and coordinating pre-opening activities.

Emily Masengale is Principal of Christel House DORS. She led all pre-launch activities for the new charter school, which opened in August 2012, including writing the full charter application and liaising with the Office of the Mayor of Indianapolis; conducting research and developing curriculum options; forging community partnerships; securing and orienting high quality teaching and program staff; promoting the program to the Indianapolis community; researching possible funding sources and liaising with the Christel House International fundraising team to secure financial support. DORS Principals-In-Training will spend considerable time shadowing Ms. Masengale.

Also Included at **Attachment 1** are the full resumes for the Founding Group Members

2. CHA believes strongly in the value of collaborations and partnerships, and once established, will seek to bring others into its programming to provide specific services. For example, Christel House DORS in Indianapolis currently partners with all of the following organizations: Gateway to College, Ivy Tech Community College, Indiana Department of Education, Eli Lilly Federal Credit Union, Indy Reads, Dale Carnegie Training, Planned Parenthood, WFYI and Cummins Behavioral Health Systems.

However, CHA will not utilize any organizations, agencies or consultants for purposes of planning or establishing the schools proposed.

_3. CHA has achieved significant local and national attention for its exceptional programming and outcomes. Understanding that Indiana—and Gary in particular—needs more good school choices, the CHA's Board of Directors have tasked the organization's leadership with developing the capacity to grow and replicate. The CHA Board, staff and management are all committed to giving at-risk, inner city students the opportunity to receive a rigorous, high quality, college-preparatory education. Access to charter schools that are free, public, non-selective in admissions, will enable all school children, regardless of background, income, ability or special need, to have an opportunity to excel academically to their fullest potential. Christel House Academy Network Schools will offer such an opportunity.

School Leader and Leadership Team

1. There are currently no school leaders identified for Christel House Academy Network Expansion in Gary. The applicant believes it has sufficient time and an effective process for the identification and training of such leaders. Mr. Dahncke will spearhead a Principal-in-Training program, and all future academic leaders for Christel House will shadow him and Ms. Emily Masengale closely, so that they will be able to replicate the ethos and environment they have successfully inculcated at Christel House Academy and DORS. Ms. Masengale will guide DORS Principals-in-Training in the school start-up process.

Mr. Dahncke will have additional responsibilities for the network expansion, including screening, interviewing and hiring the best prospective school leaders for the Principal-In-Training program; identifying the most desirable expansion facility locations to reach

our target population; liaising in lease and/or purchase discussions; and overseeing day-to-day expansion issues to ensure our high-quality standards are maintained. Mr. Dahncke's responsibilities as Principal of CHA will be delegated to individuals under his supervision who are Principals-In-Training, thus freeing his time to focus on expansion.

Also involved in the network expansion will be Joseph P. Schneider and Cheryl Wendling. Mr. Schneider will be primarily responsible for budgeting and financial oversight of the network, facilities acquisition and human resource policies and procedures. Principals-In-Training will shadow Mr. Schneider for some period of time to gain a thorough understanding of the POM as it applies to charter school operations, and to become solidly grounded in the business disciplines by which Christel House operates. Ms. Wendling will be primarily responsible for contracts and other legal matters, corporate governance and start-up operations.

Development of leadership staff is of primary importance to the successful growth of the organization. The following organizations are being utilized to assist in identifying potential talent to bring into CHA:

- The Indianapolis Principal Fellowship Program identification and training of highly talented educators, early in their leadership development
- Teach for America identification of teachers with strong leadership skills
- The Indianapolis Teaching Fellows identification of educators with a strong educational background outside of education
- The University of Indianapolis iLead program university principal preparation program for teachers
- University of Indianapolis CELL development of a teacher mentor program, to ensure strong development of teacher leaders & implementation of Indiana TAP
- Expeditionary Learning consultation and leadership development around instructional improvement
- Indiana Association of School Principals principal development programming
- 2. Dahncke, Schneider and Wendling all devote full-time efforts to Christel House, although Schneider and Wendling have additional responsibilities for international operations. CHA compensates Dahncke; Schneider and Wendling are compensated by Christel House International. It is likely that the time these individuals expend on behalf of CHA's Network Expansion will be reimbursed to the employing entity at actual cost at such time as cash flow will allow.
- 3. Outlined below are the primary responsibilities and qualification of the schools' administrative/ management team. At this point, the applicant has not identified any individuals who will fill these roles.

PRINCIPAL – reports to the Chief Academic Officer of the Christel House Academy Network.

JOB SUMMARY: Is the chief academic member of the school, providing leadership in administering and supervising the instructional program of the school, and provides oversight of the entire organization's operation.

EDUCATION: Master's Degree in Education

MAJOR RESPONSIBILITIES:

- Provides direct and hands-on leadership in the organization with the development and supervision of all instructional programs.
- Provides indirect leadership of all non-instructional programming.
- Ensures compliance with state, federal and local laws and with the CH-POM.
- Sets the priorities for budgeting, in conjunction with the Network Director, Christel House International staff and the Board of Directors.
- Coordinates and supervises community based support programs.
- Monitors and evaluates the performance of teachers and staff.
- Monitors and evaluates the performance of student(s) using formal and informal data.
- Promotes and implements research based best practices.
- Provides mentoring and guidance to teachers and other instructional staff.
- Assists in the development and implementation of professional development activities / programs related to the instruction.
- Cooperates in establishing positive relations between home, school, and the community in order to create an effective public relations program.
- Oversees substitute teachers and ancillary staff.
- Engages in outreach activities to enhance programs and operations.
- Works with the other staff to enforce the rules and regulations using various disciplinary measures including, but not limited to, parent/student conferences.
- Ensures the needs of parents and students are met within the organization.
- Monitors all equipment maintenance requests and transportation activities.
- Monitors and evaluates the performance of teachers and staff.
- Ensures the school's climate is inviting and conducive to teaching and learning.

ASSISTANT PRINCIPAL – reports to the Principal

JOB SUMMARY: Assists the principal in the general leadership and administration of the school, with specific responsibility in providing leadership in administering and supervising the instructional program at the secondary level.

EDUCATION: Master's Degree in Education

MAJOR RESPONSIBILITIES:

- Provides direct and hands-on leadership in the organization with the development and supervision of all instructional programs in coordination with the Principal.
- Provides indirect leadership of non-instructional programming.
- Assists the Principal in maintaining compliance with state, federal and local laws and with the CH-POM.
- Coordinates and supervises community based support programs at the secondary level.
- Under the direction of the Principal, assists in monitoring and evaluating the performance of teachers and staff.
- Monitors and evaluates the performance of student(s) using formal and informal data.
- Promotes and implements research based best practices within the philosophical parameters of the school.
- Provides mentoring and guidance to teachers and other instructional staff.
- Assists in the development and implementation of professional development activities / programs related to the instruction.
- Cooperates in establishing positive relations between home, school, and the community in order to create an effective public relations program.
- Oversees designated substitute teachers and ancillary staff.
- Works with the other staff to enforce the rules and regulations using various disciplinary measures including.
- Ensures the school's climate is inviting and conducive to teaching and learning.

SCHOOL SOCIAL WORKER – Reports to the Principal

JOB SUMMARY: The Social Worker is responsible for the delivery of the school social work services program.

EDUCATION: Master's Degree in Social Work (MSW)

MAJOR RESPONSIBILITIES:

1. Planning and Development:

- a. Assisting in the formulation of administrative procedures, policies, and curriculum which directly affect the welfare of students.
- b. Develops school social work objectives.
- c. Assists in the development of plans that will improve the quality of services that agencies provide to students based on assessed needs.
- 2. Service to Students:
- a. Providing individual or group counseling for children who are experiencing problems in school, home, or community adjustment with an emphasis upon early intervention.
- b. Encouraging and assisting families in their pursuit of community services that may assist in the remediation of school centered problems.

3. Services to Parents:

- a. Assisting parents in preventing problems by facilitating communication with the school.
- b. Assisting parents to understand problems experienced by their children. This is accomplished through home visits, group counseling, parent training and referrals to community services.

4. Services to Teachers:

- a. Providing collaboration and consultation regarding student problems and coordinating plans and actions to meet them.
- b. Facilitating the involvement of community agencies in efforts directed toward the remediation of student problems in school adjustment.
- d. Provides professional development to teachers

5. Services to the Community:

- a. Meeting with individual and community groups to explain school programs and student problems.
- b. Assisting community agencies in their understanding of student clients.

7. Program Administration:

a. Maintaining records of all services provided.

- b. Maintaining reports of work with students to include social histories, adaptive behavior, reports of differential diagnoses and prescriptions of truancy reports.
- c. Provides reports to appropriate local, state, and federal agencies.

GOVERNANCE

Legal Status and Governing Documents

Please see attached, Attachment 4

Governing Board

- 1. Governance Structure and Composition. Initially, and most likely on an ongoing basis, the new CHA schools in Gary will be governed by the network-level CHA board. Per the organization's bylaws, there are a minimum of 5 and a maximum of 15 directors. Currently the following 13 individuals serve on Christel House Academy's Board of Directors:
 - Mr. Murvin Enders: Chair, Executive Director of 100 Black Men of Indianapolis
 - Ms. Christel DeHaan: VP, Founder of Christel House International
 - Mr. Alan Levin: Treasurer, Managing Partner at Barnes & Thornburg
 - Ms. Cheryl Wendling: President, Sr VP at Christel House International
 - Mr. Thomas Kegley: Secretary, President of Home Health Monitoring Service
 - Dr. Alfonso Alanis: Member, Chairman and Chief CEO of Anaclim LLC
 - Ms. April Jones: Member, School Representative
 - Heather Macek: Member, Attorney at Barnes & Thornburg
 - Margaret R. Watanabe: Member, Indiana University School of Medicine
 - Mr. Carey Dahncke: VP, Director of Christel House Academy
 - Ms. Hope Hampton, Member, Community Leader
 - Mr. Stephen Osborn, Member, CE Solutions, Inc.
- 2. CHA is an existing charter school and therefore will require no adaptation of its governance structure.
- 3. CHA's Chief Academic Officer, Mr. Dahncke, is responsible for reporting regularly to the Board on all Indiana charter schools within the network. Legal and fiduciary obligations will carry over to all schools and the future Academies' governance will be managed by the existing by-laws and procedures, as already established by the Christel House Academy's Board of Directors.
- 4. The board of Christel House Academy Educational Network meets four times annually, in March, July, September and December. It has maintained this frequency from inception. Currently the board has no Committees; however, with expansion of the network it is expected that the board will revisit their usefulness.

All board meetings are open to the public, duly noticed and agendas are posted as required by IC 5-14-1.5. Minutes of every meeting are kept, and available to the public for review or photocopying. Executive Sessions are held when needed to discuss matters falling within the scope of the statute, and public notice is provided. Memoranda of Executive Sessions are kept, detailing the substance of discussions and certifying that no other topics were discussed.

- 5. The Conflict of Interest Policy and Conflict of Interest Statement are included as **Attachment 7**. The policy is reviewed annually in the last board meeting of the year, and directors sign a conflict of interest disclosure at this time.
- 6. No Advisory Bodies are contemplated at this time.
- 7. The School Handbook will contain a grievance processes substantially identical to those adopted by CHA DORS. Students are provided with clear guidance, which reads as follows:

Procedural Due Process

Procedural Due Process is afforded to all students subject to discipline and includes the following:

- Opportunity to respond to charges in front of a qualified teacher or administrator of the school
- 2. Opportunity to present witnesses
- 3. Notification of all evidence
- 4. Notification of formal outcome within a certain number of days of hearing
- Right to appeal

Procedures for all Expulsion Hearings

- 1. A presentation of the evidence against the student is stated by an independent Hearing Officer.
- 2. A presentation by the student and or student's designee (individual) of any defense or mitigating circumstances.
- 3. Submission of written statements from any person in defense of the student accepted by the Hearing Officer. The student may present witnesses and evidence in rebuttal of the school's allegation to the Hearing Officer.
- 4. The Hearing Officer records a summary of the facts and disputed evidence.
- 5. Failure of the pupil (or parent if under 18) to appear at the hearing without good cause constitutes a waiver of the hearing and the case is reviewed by the Hearing Officer. A decision is rendered on the evidence available.
- 6. On the day of the hearing, a presentation detailing the reasons for the decision is given to the student (parent or guardian if under 18). Formal findings from the hearing officer will be mailed within 10 days of the hearing. The decision may authorize return to school at an earlier date, and may

include an alternative educational plan or an evaluation request under Chapter 766.

General School Rules and Policy

DORS facilitates the development of disciplined individuals toward fostering a community of learners' attitude and environment. DORS celebrates the development of our students and recognizes the positive growth in all areas, while at the same time correcting the negative choices and teaching the proper way.

Policies and consequences consistent with our mission are necessary to ensure a safe learning environment for every student.

Inappropriate Behavior

Examples of inappropriate behavior include, but are not limited to:

- Disrespectful or inappropriate talk and actions
- Disobedience
- Misusing school equipment, or that of others
- Running in class, or in the hallways
- Littering
- Teasing
- Horseplay
- Bullying
- Sexual harassment
- Inappropriate displays of public affection

Teachers will discuss the above behaviors with students and will work together to resolve. If the student's behavior problems continue, a referral to the office Resource Specialist or administration may occur.

SCHOOL MANAGEMENT CONTRACTS

Not Applicable

NETWORK VISION, GROWTH PLAN AND CAPACITY

- 1. CHA's five-year strategic expansion plan is in the process of development and therefore, **Attachment 9** is intentionally left blank. Responses to questions 2 5 follow.
- 2. CHA's strategic vision is to impact two of the most challenged public school systems in the state—Indianapolis Public Schools and Gary Community School Corporation—with a concentration of schools in each community to offer students and parents in those communities viable options for public education. Planned schools will be some combination of K-12 and dropout recovery schools, patterned after the two charter models CHA is currently operating in Indianapolis. These models will be efficiently operated in tandem, with a K-12 school using the facility during the school day, and the DORS program utilizing the facility at night and on weekends. (K-12 charters are being requested from the ICSB pursuant to a separate application submitted contemporaneously herewith.)

The commitment of CHA is to serve the most at-risk and impoverished communities in our state. Should other charter operators open schools in Gary, or should those schools currently located there improve significantly, such that the need for Christel House is lessened, CHA would request approval from the ICSB to relocate its expansion to another community where greater impact could be achieved.

While more research is required, preliminary thinking would be to open K-12 schools in 2016, 2018 and 2020, and DORS schools in 2017, 2019 and 2021. The approximate size of these schools will be comparable to CHA in Indianapolis. Each K-12 school, when filled to capacity, could serve 720 students; DORS schools are expected to have a maximum capacity of 300.

CHA holds itself to very high standards for student achievement, and would expect to deliver similar results with CHA Network Schools - Gary. As a benchmark, the accomplishments of CHA's K-12 charter school in Indianapolis follow. Because CH DORS is still so new, performance data is not available about that school.

CHA was the lowest performing school in the State of Indiana on the 2002 ISTEP+ exam, with only 22% of 3rd grades passing the math portion and 41% passing language arts. The percentage of students passing both language arts and math was a dismal 28.4%. With a focus on improving instructional quality, student attendance and retention, ISTEP+ results have steadily improved over the past nine years.

In 2008-2009, CHA's average ISTEP+ pass rate was 74.3%, with 73.6% of students passing language arts and 74.9% passing math. The school met AYP in 27 reportable categories, received Indiana Department of Education's "Exemplary" rating for the third consecutive year, was designated as a Title 1 High Performing School, and Mr. Carey Dahncke was named a Distinguished Title I Principal.

In 2009-2010, CHA's students outperformed the Indiana state average ISTEP+ score with a 79.895% pass rate. Students scored an 81.1% pass rate in language arts and

78.69% in math. The school met AYP in 29 reportable categories (one of only a very small number of schools in the State of Indiana measured so aggressively) and again received IDOE's "Exemplary" rating. In April 2009, Indiana State Superintendent of Public Instruction Tony Bennett recognized CHA as a Title 1 school that is "defying conventional wisdom." Referring to Hosford Park Elementary (Gary, IN), Lakeside Elementary (Indianapolis) and Christel House Academy, Bennett said, "These are examples of three schools – two traditional public schools and a public charter school – that are facing all the challenges we know so well and beating the odds. Clearly there isn't a one-size- fits-all model for success, but these schools prove what's possible for all Indiana schools."

In 2010-2011, CHA's students again outperformed the Indiana state average ISTEP+ score with an 83.837% pass rate. Students scored an 80.4% pass rate in language arts and 83.4% in math. CHA exceeded the ISTEP+ scores of Indianapolis Public Schools, with a comparable student demographic, by 25 percentage points. The school again met AYP in 29 reportable categories, received IDOE's "Exemplary" rating, and was lauded as a Title 1 High Performing School. In the spring of 2011, CHA achieved the highest growth rate in English/Language Arts proficiency among students in grades 3-8 in Indiana.

3. Since 1998, Christel House International has established Learning Centers in Mexico, Venezuela, India and South Africa, serving over 4,000 impoverished children worldwide. All Christel House Learning Centers maintain a strong focus on English, computer literacy, life skills and the mastery of core academic subjects.

In addition to academic rigor, Christel House focuses on character development through the inculcation of four core values—Respect, Responsibility, Independence and Integrity. Through a number of enrichment programs, it provides a holistic approach to child development, including outreach programs to help parents learn and advance. Children attending Christel House Academy I, II and III - Gary will achieve dignity and success, and upon graduation, will have the skills necessary to lead self-sufficient, productive lives.

The schools' leadership staff will benefit from collegial support, as well as through the bi-annual global leadership conference held for Heads of Christel Houses. This opportunity allows for school leaders to share and learn from best practice internationally.

4. Christel House International has launched school in numerous international locations. Recently, Christel House India was selected as a highly effective model by an India commercial real-estate developer. Faced with the need for a new school for very impoverished students in a remote location in India, Christel House International worked with the Bangalore learning center to replicate its programming. Two years ago, Christel House Lavsa was established. This replication endeavor has been highly successful.

Domestically, Christel House International will assist Christel House Academy in the expansion efforts. The same resources and expertise that was used to replicate the Christel House India learning center will be available to assist the Academy.

Additionally, Christel House Academy was awarded a Mind Trust Charter School Incubator grant, demonstrating the confidence of this esteemed organization in CHA's capacity to replicate effectively.

Human Capital is a key component of the expansion plan. It is expected that the additional campuses will leverage the expertise of some existing Christel House Academy employees, and could possible relocate key talent. Additionally, the development of additional campuses in the state will allow for increased professional development opportunities at all schools.

CHA's expansion schools will not directly employee staff, but will lease staff from Christel House Academy, Inc. for the purposes of operating the school pursuant to a Client Services Agreement. All expenses will be passed through to the purchasing school at cost, and without mark-up.

All recruitment, benefits and payroll services will be provided to the network charter schools by Christel House Academy, Inc.

Christel House Academy uses Taleo Talent Intelligence tools for online applicant tracking and recruiting—branded as the CHA Careers Site.

- 5. The greatest anticipated risks and challenges to achieving CHA's desired outcomes are set forth below, together with strategies to mitigate.
 - Inability to find qualified school leadership CHA has already implemented a Principal-In-Training (PIT) program, where it identifies and hires strong prospective leadership to shadow with current leadership for a period of at least one year, thereby creating a transfer of knowledge and processes to ensure most effective replication.
 - Turnover in school population To be effective, CHA's model requires a
 longitudinal approach. If the school population turns over rapidly, results will not
 meet expectations. To minimize this risk, school leadership emphasizes
 developing strong relationships with students and families. Home visits are an
 important component of the model, as are expanded social work and behavioral
 counseling services.
 - Inability to find suitable facilities which can be financed effectively within the charter schools' budgets – CHA will work with state and municipal governments to identify properties which may be available on a cost-effective basis. If facilities cannot be procured in this manner, CHA has access to fundraising staff who can assist in executing a capital campaign.

 Pervasive culture of drugs, gangs and violence in the communities in which our students live – Christel House has significant experience in overcoming the debilitating effects of poverty and developing young people with strong values, a good work ethic and a desire to make the world a better place. An emphasis on character and values in every aspect of the school is necessary to effect this transformation. Opening the DORS schools with only 175 students in the first year, and growing organically thereafter, will enable CHA to firmly set the ethos and culture of the school.

NETWORK MANAGEMENT

As a replication site, the future Academies' governance will be managed by the existing bylaws and procedures, established by the Christel House Academy's Board of Directors.

The Chief Academic Officer ("CAO") of CHA will act as the Director of the Network during expansion of the program. The CAO will report jointly to the Board of Directors and Christel House International's CEO.

The CAO is responsible for day-to-day management and operation of the schools, and is responsible for ensuring that all charters are effectively and genuinely implemented. The CAO also helps the Board achieve its oversight responsibilities and goals, by keeping the Board well informed on educational, student achievement, staffing, managerial, fiscal, and other matters. Furthermore, the CAO will be available to work interactively with the Board on policies that are necessary to ensure the establishment and operation of a successful school.

The CAO will report to the Board as necessary, on fiscal, educational and related issues; and will also oversees personnel matters regarding employee files, statements of hire, payroll, and benefits, coordinates and oversees all services provided by outside contractors and vendors, is responsible for all financial transactions and record keeping.

The CAO will employ additional school staff to assist with adequately fulfilling all aspects of school management, including those individuals with specialized knowledge in areas of school finance and information management. When appropriate, the CAO will also employ contracted business organizations who will support the management personnel in the most effective means.

The network schools will operate within the framework of the existing Christel House Academy charter school in Indianapolis. As such, the schools will utilize existing services for financial and business services where practical. Charges for such services will be billed back to the school served at actual cost to CHA. Additional staff will be employed to extend the capacity of the Business Office, however all financial controls and business processing systems will stay in place.

All network schools' staff will also be employed by CHA, and the school to which the staff member is assigned will be billed for all costs of employment, on the basis of actual cost.

To ensure fiscal and operational vitality, CHA will develop a Five-Year Network Strategic Plan approved first by Christel House International, and then by the CHA Board of Directors. This strategic plan will be updated annually as part of the business planning process.

The Academies will each develop their local business plans, following the guidelines established for Christel House learning centers worldwide, in collaboration with Christel House Academy's Chief Academic Officer. These business plans set concrete goals for all aspects of the school's operation. At the end of each academic year, the school will provide CHA and the CHA Board with a Close-Out Report which specifically delineates actual results compared to goal. Updates to the business plan will be submitted to Christel House International for monthly monitoring. Christel House International will assist the schools' Boards in tracking the progress made in completing the objectives in the business plan.

Annually, the Academies will develop a budget in conjunction with Christel House Academy. These budgets will be approved by the CHA board and tracked both by Christel House Academy and Christel House International.

FUNCTION	NETWORK ORGANIZATION DECISION-MAKING	SCHOOL DECISION MAKING	
Performance Goals	X		
Curriculum	X		
Professional Development	X		
Data Management and Interim Student Assessments	X		
Grade Level Promotion Criteria	X		
Culture	Х		
Budgeting, Finance and Accounting	X		
Student Recruitment		X	
School Staff Recruitment and Hiring	Х		
HR Services (Payroll, benefits, etc.)	Х		
Development	X		

Community Relations		X
Information Technology	X	
Facilities Management		X
Vendor Management/	X	
Procurement		
Other Operational	TBD	TBD
Functions		

3. Organizational Charts for the Network, and school-level organizational charts are attached as **Attachment 10.** Responsibilities of the governing board and teaching staff are included therein.

SECTION II: SCHOOL DESIGN

Education Plan

Curriculum and Instructional Design

1. Christel House DORS (Dropout Recovery School) will empower students by providing them with the tools necessary to achieve high school graduation and post-secondary success. DORS re-engages students who have previously left the educational system and allows them to choose their individual pathway to academic success. DORS serves as a gateway for students to realize their hopes and dreams by becoming self-sufficient, contributing members of society.

The first Christel House DORS charter operates in collaboration with Ivy Tech Community College and Gateway to College, employing a "hybrid" of non-traditional educational models to meet each student where they are. We will continue to partner with Ivy Tech Community College as it has a campus in Gary as well. Gateway to College has also reconfigured and we will work with the national network to try to have all replication sites also identified as Gateway to College affiliates. Currently, only our 18-24 year old students qualify as "Gateway to College" students, but the entire school, regardless of age, ascribes to the same core values and our goal is for every DORS graduate to be college ready when he/she leaves us. All students have the opportunity to participate in dual enrollment courses when they meet those academic prerequisites. We fully plan on utilizing Ivy Tech's dual enrollment system that is strong statewide during the school year and as an option for summer programming. Each DORS student will have an Individual Success Plan and DORS staff will work diligently to ensure students have the support they need to reach their goals. Additionally, DORS leverages community partners (currently including Indy READS, Lion's Club International, Marion County Commission on Youth) and others to provide robust life-skills training, career guidance and training courses and other complementary student services to ensure long-term success. Every effort will be made to locate partnerships that provide a similar level of quality and expertise in Gary; however, if these partners cannot be found, DORS will develop internally managed and directed volunteer programs to secure committed individuals who will fulfill these same functions.

If adequate facilities can be secured in Gary, DORS day classes may be located on-site in a secured area of the K-12 Christel House Academy. In Indianapolis, our building has security systems in place that lock off the DORS portion of the building. Two separate and secure entrances allow DORS and CHA programming to occur at the same time. While this would impact the budget slightly, we would still be sharing the overhead costs of the building with CHA. There are numerous strategies, including using "Professors on Loan" and making DORS dual-enrollment classes available to Ivy Tech students, that would be thoroughly explored in order to ensure the day-instruction component of DORS can operate within the existing budget framework, regardless of the location in which classes are offered.

DORS utilizes individualized instruction, which is highly effective in at-risk student populations. This method is complemented by inquiry-based and multi-disciplinary project-based learning, small class sizes, blended digital/online learning with APEX learning systems and the resources available through the Ivy Tech Community College partnership to specifically meet the needs of DORS students.

The Core Content Standards will be the basis for the core of all instruction in all of the academic components. Each student will be given the opportunity to master the standards in all content areas. The objective of the school curriculum is to equip students with the knowledge necessary to be self-sufficient in life, prepare students for success in college, inspire a lifelong love of learning, and foster responsible citizenship. The skills of collaboration and problem solving are emphasized. The curriculum is designed to establish a balanced, well-rounded education in alignment with the Core 40 academic diploma requirements.

DORS offers four distinct Pathways to Success and the appropriate pathway will be determined during the student enrollment process. Below is a description of each Pathway:

Foundation Pathway—Designed for students who are well below grade level in reading or math or who are English Language Learners, the Foundation Pathway utilizes the APEX Foundation curriculum, the Indy Reads Learning Lab and small group intervention to provide students with the basic skills needed to master high school level courses. Once students are prepared to meet the rigors of high school coursework, they will advance to the Achieve Pathway. We would explore the Gary Public Library's Adult Literacy program as a potential partner. However, if we are unable to find a partner that can offer the same support provided in the current DORS program by Indy Reads, a part time instructional support staff member would be hired using money budgeted for the Literacy Lab.

<u>Achieve Pathway</u>—The Achieve Pathway is designed for students who will utilize DORS for their regular high school courses. These students will also take one or two dual enrollment courses through Ivy Tech Community College to gain exposure to the collegiate atmosphere; however they will not receive a significant amount of dual credit. Earning a high school diploma is the goal of this Pathway.

<u>Gateway to College Career and Technical Pathway</u>—Students in this Pathway will possess an eighth grade or higher reading level and be pursuing significant dual credit. These students will be working toward earning a high school diploma as well as an lvy Tech diploma or career/technical certification.

<u>Gateway to College Academy</u>—Students in this Pathway will possess an eighth grade or higher reading level and be pursuing significant dual credit in an area outside of career/technical education. Academy students will earn their high school diploma and take core content classes through the Core Transfer Library. The significant college

credits earned can be applied toward an Ivy Tech diploma or transferred to a four-year university.

2. The DORS curriculum promotes academic, physical, social, emotional, and ethical growth. Our dedicated faculty nurtures the building of self-esteem at every opportunity – inside or outside the classroom, encourages learning and achievement, and fosters a positive, caring attitude toward others by nurturing the values of cooperation and diversity.

The curriculum will be delivered in a blended learning model in which students are able to independently navigate the curriculum at a self-paced speed and also have an in class teacher to provide one on one support. The instructor will also lead the group in dialogue as well as projects to expand the learning experience.

Dual enrollment courses will follow that state appointed dual enrollment course syllabus and mirror the courses taught on campus at Ivy Tech Community College. Dual enrollment classes may be taught on the DORS campus or on the Ivy Tech campus depending on the number of students ready for each course each semester. Resource Specialists will help students register for dual enrollment courses.

DORS will offer classes during both day and evenings hours to give students the flexibility to attend school while still taking care of outside familial and financial responsibilities. Day classes will be offered at a variety of times, Monday through Friday, and evening classes will be offered Monday through Thursday. Saturday Labs will complement the school week program to provide all students with additional opportunities for support.

Online courses through APEX will be available 24 hours per day on any computer with internet access. This allows students to advance at their own pace outside class time. Each student will be equipped with a school-issued laptop computer with wireless internet access to remove all technology barriers to success.

With a comprehensive menu of academic programs and life skills training, DORS will empower and support young adults as they strengthen and improve their lives, the lives of those depending upon them and, ultimately, the wider Indianapolis and central Indiana community.

- 3. At this time we do not expect any educational features at the network schools to differ from the CHA model.
- 4. Curriculum scope and sequence is provided as Attachment 11.

Pupil Performance Standards

1. CHA's exit standards for graduating students at each level are provided in **Attachment 12**. The CHA educational program includes enhanced national and state-

mandated educational objectives, implemented with a strong focus on life skills & character development. Students participate in service learning projects and are exposed to an internationally focused perspective on the world.

Christel House DORS students will be expected to show mastery in all subject areas. In addition to attaining passing scores on class work, students will be expected to meet minimum expectations on standardized ECA's. TABE testing will be used to assess student progress in meeting state standards relative to graduation requirements. Locally created assessments will track student progress in meeting the curriculum. PSAT scores will further be monitored to track growth.

Continuous evaluation of student learning is an integral part of the instructional process at DORS. Assessment of student learning is done in many ways, depending on the subject area. Following is a short description of various types of assessment tools used at the school.

TABE Adaptive

The TABE Adaptive will be taken by students every six months to monitor progress in numeracy and literacy. The TABE Adaptive provides reliable, skill-level data. It provides diagnostic information for adult learners to assist the instructors in moving adult students forward in important skill areas for success.

ISTEP + End of Course Assessments (ECAs)

As mandated by state law, DORS administers the Indiana Statewide Testing of Educational Progress Plus End of Course Assessments (ISTEP + ECAs). The *ECAs* are criterion-referenced assessments developed specifically for students completing their instruction in Algebra I, Biology I, or English 10.

Mid-Term Progress Reports

Mid-term progress reports will be given to students during the middle of each academic term to ensure that they have an understanding of their progress.

High School Graduation Requirements

Set forth in **Attachment 12**

School Calendar and Schedule

1. The network schools' calendars will be substantially the same as the calendar of CH DORS in Indianapolis. A copy of the 2013-14 calendar is included as **Attachment 13.**

School Culture

The Network Schools will maintain a culture and ethos which promotes the delivery of outstanding education to an underserved population. To do this, it will maintain high standards of academic rigor, efficiency and accountability. It will provide students with the academic proficiency necessary for post-secondary education and prepare them to be self-sufficient, contributing members of society.

The Network Schools will maintain an atmosphere of order and structure; discipline will be fairly and consistently administered, in a way that will promote positive student growth, rather than punitive measures. A culture of continuous learning will permeate the school at all levels, and intellectual curiosity will be encouraged and supported.

Common to all Christel Houses around the world are four core values—Respect, Responsibility, Independence and Integrity—which permeate every Christel House school community. As part of this value structure, service learning is a major component and students actively find ways to help those who are less fortunate, locally and around the world.

2. From day-one, students and staff will be exposed to a "No Excuses" philosophy. Taking responsibility for one's actions, and being accountable for results are key drivers of this philosophy. Students will be treated with respect—and expected to demonstrate respect in return. There is no magic formula to create this culture overnight; it requires continuous reinforcement and ongoing daily attention to maintain and expand—but it is essential to achieving the desired outcomes.

Student learning conferences are held four times each year, once each quarter. The. Appointments **must** be set to allow adequate attention and time to meet with each student. Resource Specialists and other members of the Student Success Team for each student will attend the meeting. Conferences with Student Success Teams, teachers and/or members of the administration can also be arranged as needed throughout the school year.

3. For purposes of illustration, a typical DORS' student, we will call him Joe, would be in the evening program, because he works part-time during the day at an auto repair shop. He dropped out of school as a sophomore, when he was failing every subject, smoking a lot of pot, and wanting to rebel against authority. Now at 23 he and his girlfriend have a child, and he has realized he must become more responsible.

Joe's day begins at 4:30 p.m., when he arrives at the CHA facility on the Indianapolis near-south side for a conference with his English teacher. He is struggling with composition, and understanding the difference between complete sentences, run-on sentences, and sentence fragments. His first class begins at 5:00, with that same teacher. The class runs until 6:45 on Mondays and Wednesdays. On Tuesdays/ Thursdays he has biology during this time block. At 6:45 there is a half-hour dinner break, and the second session of classes—Algebra 1 for Joe--begins at 7:15 and runs until the 9:00 p.m. dismissal.

4. For purposes of illustration, we will call Sarah's math teacher Mrs. Smith. She arrives at the DORS campus located within Ivy Tech Community College at 11:30, to be available for student conferences before her first class begins at noon. With two small children at home, the DORS schedule is ideal for her. Mrs. Smith drops the children off at her neighbor's house—a stay at home mom who appreciates the chance to make a little extra money—and then heads to school. Mrs. Smith is teaching Algebra 1, and her first class runs until 1:45. It is followed by a 30 minute break for lunch and additional time for student conferences, followed by her second course, General Math, from 2:15

to 4:00. In interacting with students, Mrs. Smith must be very adaptable, as all are at different points of understanding and she has no common baseline to start from. The APEX software is extremely valuable here, as it allows Mrs. Smith to focus struggling students on remedial exercises, but give those who are moving faster through the material an opportunity to master concepts and move on. This ability to differentiate instruction in the classroom is important to positioning all DORS' students for success.

Supplemental Programming

- 1. A four-week Summer Term in June is required of all DORS students who lack proficiency in any core academic class in which they will take Foundations classes. Students who do not need remediation will have the opportunity—but not be required—to take two intensive courses over the four week period in courses they need to meet personal graduation credit requirements. Summer term offers electives not available during the year—e.g., Gym, Health and a third option for those with gym and health credits. If students are taking an Ivy Tech summer course they are exempt from taking DORS.
- 2. Students must participate in two Resource Events per month. Students will work with their Resource Specialist to identify which events they will participate in. At DORS, we feel that it is very important for our students to be deeply connect with the community. As stated in our Mission, we aim to re-engage students and serve as a gateway to becoming self-sufficient, contributing members of society. Depending on a student's particular situation, they may need to utilize resources to help themselves or their families or they may be in a situation where they can offer their time and volunteer to help an agency that is helping the community. Resource Specialists will help students identify areas in which they need community resources or ways in which they can help the community. Opportunities will be coordinated each month and students will participate in at least two of the opportunities. They will keep a log of the opportunities and check in with their Resource Specialist during Success meetings. A school designee or representative from the community agency will sign off on their log after they have completed a session. Students are encouraged to recommend session

topics or to help Resource Specialists develop volunteer opportunities.

- 3. With its adult population, DORS serves as a conduit to connect students with both physical and mental health care providers. Resource Specialists and Social Workers are key connectors, and make every effort to understand the challenges facing the DORS' students, and assist them in reaching satisfactory solutions that will enable them to reach their educational goals.
- 4. Strategies are addressed above.

Special Populations and At-Risk Students

1. DORS will provide support to attempt to meet the needs of all students regardless of age.

During the enrollment process, DORS will determine if a student had an IEP at his/her previous school. Each student with an IEP who is under the age of 21 will have a Teacher of Record to ensure compliance and guide other staff members in the accommodations needed by the specific student.

During the student's Welcome Meeting each student will complete a Special Services History sheet. At this time, students should notify Resource Specialist of any special needs. Additionally, the former school of each student will be notified during the enrollment process and will be sent a Request for Student Records, including copies of IEPs.

Students who qualify for Special Education services will participate in a move in conference within the first ten days of the school year. If their IEP is out of date, the student will be re-evaluated by a licensed School Psychologist to ensure that all information is current. All state and federal Special Education laws and guidelines will be followed.

2. DORS will have Special Education aides employed to offer additional assistance to students who need it. We will contract out Occupational Therapy and Physical Therapy services with Crossroads Easter Seals and Mental Health referrals through Cummins Behavioral Health.

DORS staff members will use anchor activities to monitor students who seem to be struggling. Anchor activities are ongoing assignments that students work on throughout a unit or grading period, rather than in a set short period of time. Anchor activities give staff members a long-term example of a student's work so that they may make an educated decision about whether testing is needed. If it is decided that testing is needed, the student will be referred for a psychological evaluation to determine eligibility of services. DORS will contract out for the testing as well.

DORS will also help Special Education students who are over 21connect with Vocational Rehabilitation (VR) counselors to see if they are eligible for services through VR. The Resource Specialist will help any student enrolled in Ivy Tech courses access the college's Disability Support Services. The Office of Disability Support Services provides assistance to students, who qualify for reasonable accommodation under the Americans with Disabilities Act (ADA), and Sections 504 and 508 of the Rehabilitation Act.

3. There are many ways to identify students in need of language services, but with an adult population this will be relatively simple, and self-identification can be relied upon.

DORS will also employ an ESL teacher for students with English Language Learning needs. Christel House DORS will follow all federal and state laws regarding special education and students with limited English proficiency. Indy Reads will have a Learning Lab at Christel

House DORS where students can get additional Literacy and English language support. The

APEX online learning program has built in supports for English language learners as well as students with special needs (such as audio to aid reading, visuals, grade level content presented on individualized reading level, etc.). Special Education and ESL staff will work with students in one on one sessions or small groups during these times. Specific student to teacher ratios, and procedures for general and special education staff collaboration, roles, and responsibilities will be driven by students' IEPs.

CHA's School Network, in compliance with all federal requirements and Title VI of the Civil Rights Act, *will not* exclude students on the grounds of race, color, or national origin or deny those benefits of any program or activity.

CHA's School Network will not lower the standards or expectations for ELL students, including exiting from ELL services. Students must demonstrate the same proficiency required of non-ELL students.

- 4. CHA's School Network is built on the premise of identifying student learning gaps and closing them before they have a chance to widen and significantly derail the learning experience. Frequent assessments and extensive data analysis of the results is key to effectively accomplishing this. TABE, and similar assessment instruments are regularly administered.
- 5. Academically advanced students will have the opportunity to take Honors and AP courses through APEX and dual credit courses through Ivy Tech Community College. DORS teachers will give students extensions to their work to keep them engaged and challenge them academically, enriching their educational experience. DORS teachers will collaborate in professional development sessions in collaboration with Christel House Academy teachers and

Ivy Tech staff members in which the needs of special student populations will be

addressed...

Student Recruitment and Enrollment

- 1. To ensure strong demand, CHA Network Schools will engage in considerable enrollment outreach activities.
 - 1) Social media will be utilized to attract attention the development of the schools
 - Print media, such as Billboards, will be used in mostly low income areas to draw attention to the development of the schools and will provide enrollment information in the general catchment area.
 - 3) A special website will be developed early, to develop broad interest in the development of the schools
 - 4) CHA will employ a community outreach coordinator, who will attend community based events and programs.
- 2. Included as **Attachment 14** is a draft Enrollment Policy for the Network Schools. While it is unlikely, it is possible that some adaptation would be required for the Network Schools to be located in Gary.

Student Discipline

Teaching and learning can only occur in an orderly environment. At Christel House Academy, the purpose of the school's discipline program is to provide direction, set limits, and promote self-discipline; thereby creating a learning environment that is neither permissive nor oppressive. By maintaining a disciplined environment in which expectations are clearly stated, students are allowed to develop skills necessary to function efficiently within a community.

Students are expected to behave in a manner that is acceptable to everyone concerned—other students, teachers, administrators, and society in general. All students have the responsibility to respect the rights of teachers, students, administrators, and all others involved in the educational process. In serious disciplinary cases, students may be suspended from school for an extended period of time, in accordance with state laws and regulations. The term of each suspension is at the discretion of the administration. Expulsion may result from one major infraction or repetitive minor infractions. All recommendations for expulsion will be presented to the Board.

Christel House Academy will comply with Indiana School Code and other applicable Indiana and federal statutes pertaining to student discipline policies and school safety. Therefore, the school will fully comply with due process requirements involving expulsion of students.

2. The CHA DORS Network Schools' Discipline Policy is included as Attachment 15.

PARENTS AND COMMUNITY

1. A list of high school options in Gary Indiana follows:

CALUMET HIGH SCHOOL

students

21ST CENTURY CHARTER SCHOOL OF GARY DOE RATING: C Charter/ K-12; 360

students

EMERSON VPA SCHOOL DOE RATING: D Public/ 6-12; 486

DOE RATING: F Public/ 9-12; 621

students

LEW WALLACE HIGH SCHOOL DOE RATING: F Public/ 7-12; 1,223

students

THEA BOWMAN LEADERSHIP ACADEMY DOE RATING: D Charter/ K-12; 1450

students

THEODORE ROOSEVELT HIGH SCHOOL DOE RATING: F Public/ 7-12; 1,587

students

GARY CAREER CENTER SCHOOL DOE RATING: NONE Public/ 9-12

2. Gary Community School Corp has an enrollment of nearly 12,000 students with over 80% of these students living in poverty (using federal free and reduced lunch data). Nearly all of the school corporation's achievement data falls below state averages. However, for the last 7 years, achievement of non-free/reduced lunch students in Gary has significantly outperformed their free/reduced lunch peers. This is of particular interest to Christel House, whose approach is to offer curriculum and programming designed to offset the factors that hinder low-income students from performing at pace with their paid lunch peers. Christel House's free/reduced lunch students routinely perform at-pace (and sometimes higher) than their paid lunch peers.

According to the Indiana Department of Education's web site, there are many Gary students annually falling through the cracks and dropping out. Those students are now members of the community with few options in the workforce. The graduation rate for Gary Community Schools has shifted over the past few years. In 2009 there was a 59.7% graduation rate. In 2010 it increased to 70%. It dropped in 2011 to 67.5% and in 2012 decreased yet again to 60.2%.

Wishing to become a partner in Gary's education reform movement, Christel House will, after receiving authorization to charter outside Indianapolis, start dialogue with community leaders to determine strategies for partnerships in specific areas related to under-performing low income students in traditional K-12 schools, and engagement of 'drop outs' over the age of 18. The ability to maintain a focus within Christel House's

strategic mission is vitally important to the organization.

At this point, Christel House has intentionally decided to allow for a flexible timeline pertaining to the establishment of the charter school(s). The following would be strategic priorities for Christel House's leadership team after being granted authority to charter within the Gary community:

- 1. Establish a grass roots parent outreach program, to identify 'pockets' within the community desiring increased parental choices for public education. This outreach program will eventually lead to an establishment of a parent advisory committee.
- 2. Establish consistent dialogue with educational leaders in the city, particularly at the central office level in Gary, to explore the possibility of strategic partnerships. Emphasis will be on creating collaborative partnerships that bring increased value to the entire educational community.
- 3. Meet with Gary city leadership staff, including Mayor Karen Freeman-Wilson, to determine the viability of Christel House Academy campus(es) within the City of Gary. Particular attention will be paid to economic implications and accessibility of property for development, rehabilitation or re-purposing.
- 3. Not applicable to an adult learning community.
- 4. Special effort will be made to establish community partnerships with the following:
- Local health services, including mental health providers, in the close geographic proximities to the new location.
- Community Centers that serve areas near the school and areas where concentrations of the new families live
- Local law enforcement commanders
- Community Development groups and Neighborhood Outreach groups
- Local colleges and further education institutions
- Nearby churches and civic groups

In another class of community partnerships are:

- Banks and financial institutions with interests in the schools' neighborhoods
- Local retail establishments
- Major employers in the area

A Community Outreach Coordinator will be employed at Christel House Academy during the next academic year. His/her responsibilities will include early establishment of these relationship and forums for community leadership to participate and engage school officials.

5. At this point in the development of CHA's Network School Expansion Plan, support from community partners in Gary has not yet been developed; therefore, **Attachment 16** has been intentionally left blank.

PERFORMANCE MANAGEMENT

- 1. Every Christel House around the world sets goals and measures in connection with a standardized business planning process. The Business Plan is submitted to the Board and Christel House International at least 90 days before the beginning of the next academic year, and a final closeout report detailing results achieved toward each goal must be submitted within 30 days of the close of the academic year.
- **2.** Continuous evaluation of student learning is an integral part of the instructional process at DORS. Assessment of student learning is done in many ways, depending on the subject area. Following is a short description of various types of assessment tools used at the school.

TABE Adaptive

The TABE Adaptive will be taken by students every six months to monitor progress in numeracy and literacy. The TABE Adaptive provides reliable, skill-level data. It provides diagnostic information for adult learners to assist the instructors in moving adult students forward in important skill areas for success.

ISTEP + End of Course Assessments (ECAs)

As mandated by state law, DORS administers the Indiana Statewide Testing of Educational Progress Plus End of Course Assessments (ISTEP + ECAs). The *ECAs* are criterion-referenced assessments developed specifically for students completing their instruction in Algebra I, Biology I, or English 10.

Other assessments will be used in individual courses to help drive instruction and student progress.

Mid-Term Progress Reports

Mid-term progress reports will be given to students during the middle of each academic term to ensure that they have an understanding of their progress.

Student Learning Conferences/Student Success Team Meetings

Student learning conferences are held four times each year, once each quarter. The. Appointments **must** be set to allow adequate attention and time to meet with each student. Resource Specialists and other members of the Student Success Team for

each student will attend the meeting. Conferences with Student Success Teams, teachers and/or members of the administration can also be arranged as needed throughout the school year.

Report Cards

Report cards are distributed four times a year, shortly after the end of the grading term. Report cards list a student's proficiency for each of the courses that term and his/her attendance records.

- 3. CHA's success is attributed in large measure to its data-driven instruction model. Significant professional development is dedicated to this topic, and all teachers are held accountable for the progress of their individual students. The schools' Principals will be primarily responsible for overseeing the collection, interpretation and utilization of data, under the supervision of the network's Chief Academic Officer.
- 4. Student Performance Data will be stored in the ARK Student Information Service; the schools' Principals have primary responsibility for data-driven instruction. A Technology Manager will be responsible for systems storage, and teachers will be responsible for collection and analysis of data.
- 5. CHA Network Schools will schedule 10 days of professional development annually for teachers. Because this accountability measure drives the calculation of performance bonuses paid, teachers are highly incentivized to understand, apply and implement their learning from these training sessions. Specific professional development curricula will be developed based on the needs of the Network Schools' staff when hired.
- 6. If a CHA Network School falls short of academic expectations, an extensive analysis of the causes of the deficiencies would be undertaken by the Chief Academic Officer. Leadership would be carefully scrutinized, as would individual teachers and the performance of their individual students. Once the causal factors were identified, appropriate changes would be made and a school improvement plan would be documented and rigorously implemented.

SECTION III IMPLEMENTATION PLAN

Human Capital

Network-wide Staffing	2014	2015	2016	2017	2018
Number of elementary schools	2	2	3	3	4
Number of middle schools	0	0	0	0	0
Number of high schools	2	3	3	4	4
Total schools	4	5	6	7	8
Student enrollment	1000	1150	1300	1450	1700
Management Organization	2244				
Positions	2014	2015	2016	2017	2018
[Specify all positions	2014	2015	2016	2017	2018
	2014	2015	2016 1	2017	2018 1
[Specify all positions		2015 1		1	2018 1
[Specify all positions Chief Academic Officer	1	1 1 1	1	1 1 1	1 1 1

Assistant to CAO	1	1	1	1	1
Total back-office FTEs	4	5	5	6	6
Elementary School Staff	2014	2015	2016	2017	2018
Principals	2	2	3	3	4
Assistant Principals	0	0	0	0	0
Classroom Teachers (Core Subjects)	30	32	45	48	62
Classroom Teachers (Specials)	4	4	6	6	8
Student Support Position 1 [e.g, Social Worker)	2	2	3	3	4
Student Support Position 2		1	1	1	2
Specialized School Staff 1 [Librarian]	2	2	3	3	4
Specialized School Staff 2 [specify]					
Teacher Aides and Assistants	15	17	23	25	31
School Operations Support Staff (Contracted)					
Total FTEs at elementary schools	55	60	84	89	115
High School Staff (7-12)	2014	2015	2016	2017	2018
Principals	2	3	3	4	4
Deans	2	3	3	4	4
Classroom Teachers (Core Subjects)	12	24	26	38	42
Classroom Teachers (Specials)	3	4	4	5	5
Student Support Position 1 [e.g, Social Worker)	4	6	6	8	8
Student Support Position 2 (Technology)	2	3	3	4	4
Specialized School Staff 1 [Resource Specialists]	3	6	6	9	9
Specialized School Staff 2 [specify]					
Teacher Aides and Assistants	4	6	6	8	8
School Operations Support Staff					

Total FTEs at high schools	32	55	57	80	84
Total Network FTEs	91	120	146	175	205

School Leadership and Staff Hiring, Management and Evaluation

To accomplish the expansion of its network and replication of its model, Christel House will implement a "Principal-In-Training" program in order to thoroughly orient new school leaders to the philosophies, expectations and methodologies of the organization. In addition to shadowing the current school leadership and Christel House International senior management, Christel House new school leaders will also pursue academic coursework through a university program yet to be determined. This course work will be a combination of both education and business, to firmly ground our prospective school leaders in both disciplines. It is anticipated that the Principal-In-Training program will last 12 – 18 months, during which the new school leader will also be engaged in certain start-up activities to ensure the successful opening of his/ her Network expansion charter school.

Mr. Carey Dahncke, CHA's Principal and Chief Academic Officer, will spearhead the Principal-in-Training program, and all future academic leaders for Christel House will shadow him closely, so that they will be able to replicate the ethos and environment he has so successfully inculcated at Christel House Academy / Indianapolis. Mr. Dahncke has served as Principal of CHA since 2006, and during his tenure the school's ISTEP scores have improved by 25.4 percentage points. His thoughtful problem-solving skills, knowledge of educational best practices, and ability to empower and motivate his faculty and staff to excel are some of the key drivers of his success, and those we hope he will be able to convey to future Christel House school leaders. Principal Dahncke will have responsibility for screening, interviewing and hiring the best prospective school leaders for the Principal-In-Training program. Each Principal-In-Training will be hired 12 – 18 months prior to the scheduled opening date of his/ her network expansion school opening. It is expected that the per-principal cost of the PIT program will be \$100,000, including benefits.

Also involved in the network expansion will be Emily Masengale, Principal, CH DORS Indianapolis, and Joseph P. Schneider, Senior Vice President and Chief Financial Officer of Christel House International. Principals-In-Training will shadow Ms. Masengale to learn the substance of the DORS model, and key components of the start-up process. They will shadow Mr. Schneider to gain a thorough understanding of the Policies and Operations Manual ("POM") as it applies to charter school operations, and to become solidly grounded in the business disciplines by which Christel House operates.

2. The faculty at every Christel House school is the most important resource in achieving the school's educational goals. Therefore, utmost care and attention is given to the process of recruiting, screening, interviewing and hiring of all staff. Teaching and administrative staff members will be selected on the basis of specific requirements of

each position and all hiring decisions will be made in compliance with local, state and federal employment practices.

All administrators and teachers will be required to hold a four-year university degree and be considered highly qualified by the Indiana Department of Education, or be engaged in an official transition program to ensure proper licensing. Network expansion schools will comply with Indiana law regarding minimum requirements for teaching/instructional staff and ensure proper certification is on file.

Other important criteria include:

- Excellent subject knowledge;
- Enthusiasm for teaching & learning;
- A 'Whatever It Takes' approach to ensuring students learn;
- Creativity and/or an innovative spirit in education;
- Clearly defined preparation or preparation plan for active teaching pedagogy.

Christel House will utilize a variety of sources to help identify teaching talent, including but not limited to: Teach for America; The Indianapolis Teaching Fellows; University of Indianapolis iLead program and University of Indianapolis CELL.

CHA will conduct background checks on all potential employees, as required by law. All employees at Christel House Academy will be "employees at will." The employer or the employee may terminate the employment relationship at any time, with or without notice.

- 3. Staff at CHA Network Schools are organized in "houses," which identifies a multigrade level group of teachers who work together for the success of all the students in the house. This allows flexibility for students struggling with a concept to re-learn that material in another teacher's classroom. It also creates strong mentoring relationships between skilled and experienced "master teachers" and younger teachers who are still learning best practices. Also supporting excellence in the classroom is regular classroom observation and feedback from the Principal, and a variety of teaching peers for every teacher.
- 4. Every school leader and every teacher will be evaluated annually by rigorous performance metrics developed specifically for him/ her. The Principal is responsible for teacher evaluations; the Chief Academic Officer evaluates Principals. Metrics also drive calculation of bonus payment to teaching staff. Factors such as the following are considered:
 - Student growth in TABE
 - School's grade per IDOE
 - ECA scores
 - Additional responsibilities undertaken

- 5. Unsatisfactory performance at any level of the CHA organization is unacceptable, and terminations will take place if performance cannot be improved through a clear and measurable performance plan.
- 6. Teachers are paid a competitive salary, based on the market compensation rate. Each year in the budgeting process, a collection of nearby schools are selected to develop a market range for teachers at various levels of experience. These then become the target pay ranges for the academic year. Within these ranges, salary increases are applied to individual teachers. Teachers are encouraged to develop a portfolio, to help communicate their relative value to the organization.

In addition to a base salary, teachers frequently have opportunities to earn additional compensation by taking on additional responsibilities to coordinate subjects, coach sports, run after school clubs, tutor students, and take on teacher leadership roles. At the end of each academic year, teachers also earn bonuses based on accomplishments and student performance.

Christel House Academy participated in the Indiana Charter School Health Care Consortium several years ago. The Academy has been grandfathered into certain terms and is able to offer a very attractive collection of plans:

- An Advantage HMO Plan that emphasizes health and wellness, to promote healthy lifestyles and improved health outcomes, while managing medical costs. The HMO Plan includes primary care physicians from a broad network of Physician Hospital Organizations (PHOs). With this plan, there is no deductible to meet - only nominal co-pay. As an option, the ADVANTAGE HDP offers employees the flexibility of a traditional insurance plan, but with cost containment features of a managed care plan. Employees can go to most in-network specialists without a PCP referral, but must meet a high deductible. In both plans, disease management and complex case management are included without additional cost.
- Metlife Dental insurance provides coverage in a national network of approximately 90,000 dentists' locations. Unlike many managed dental benefit programs, members have the freedom of selecting any dentist they want whether the dentist is in or out-of-network.
- Employee & immediate family members are eligible for free assistance with an Employee Assistance Program. The program is intended to help employees deal with personal problems that might adversely affect their work performance, health, and well-being. The EAP generally includes assessment, short-term counseling and referral services for employees and their household members.
- Life and AD&D for employees is paid by Christel House Academy for one time the base salary. Additional insurance, up to 5 times the base salary, is available for purchase at the group rate. Children and spouse plans are also available.

- Christel House Academy pays 100% of the Short Term and Long Term Disability for all employees.
- Employees may participate in a Flexible Spending Account program where certain medical out-of-pocket costs and day care expenses may be taken out of paycheck on a pre-tax basis, and reimbursed to employee.
- Christel House Academy participates in the Indiana Teachers' Retirement Fundthe statewide pension plan for Indiana teachers. In addition to the state
 guaranteed pension plan, Christel House Academy staff have access to an
 employer sponsored 403(b) plan with ING North America. TFG Financial Group,
 an ING Financial Partner, manages the ING 403(b) plan for Christel House. ING,
 Internationale Nederlanden Groep N.V., is a Dutch banking and insurance
 conglomerate based in Amsterdam, Netherlands.

Professional Development

1. Every year to 18 months, Christel House International holds a week of global meetings for its leadership from around the world. Principals share best practices and new approaches to common problems. They build consensus and a shared vision of how to best accomplish our mission. Topics for these meetings are carefully selected based on current needs at our schools, and range from character development programs, to the best methods of sex education, to career planning and preparation. School leadership has input on topics and often shares in presentation responsibility.

The Chief Academic Officer likewise will closely mentor all Principals, and continue to foster their development, just as he did during the Principal-In-Training process.

- 2. Prior to opening of each Network School, a minimum of two weeks' professional staff development will take place. This will focus on team building and the Christel House "ethos" desired at the school. It will also cover important philosophical approaches as well as processes and procedures to which everyone will be held accountable.
- 3. Ten days of professional development are provided for each teaching staff member within the school year. Some of these days involve all teachers; others are structured for small groups to cover a very specific topic. When less than the full staff is involved in Professional Development, qualified substitute teachers are secured so that learning in the classroom will continue. When the Principal evaluates data from interim assessments, and identifies an area of instructional weakness, he/ she will work closely with the Chief Academic Officer to develop a plan to address this shortfall through the school's Professional Development offerings.

START-UP & OPERATIONS

A detailed Start-Up Plan for the first replication DORS Network school is provided as **Attachment 17**. For subsequent school openings, the same processes will be followed, and only the dates and responsible individuals will change.

The Start-Up Staffing and Costs Workbook is provided as **Attachment 19**.

CHA Network Schools will not provide student transportation for this adult population, but will assist students in optimizing public transportation.

Maintaining safety and security of CHA Network Schools is of paramount importance. The following general Emergency and Safety Procedures will be in place at each DORS school:

A crisis management plan is reviewed each year with all staff. Staff, in cooperation with the principal, is responsible for the implementation of any needed procedures related to a crisis in the school building.

Emergency Procedures

A crisis management plan is reviewed each year with all staff. Staff, in cooperation with the principal, is responsible for the implementation of any needed procedures related to a crisis in the school building.

Accidents

For serious incidents, an Accident Report Form is completed and maintained by the school office. Instances of serious accidents may include some or all of the following procedures:

- A staff member contacts the Emergency Contact to pick up the student for medical care.
- In cases where the designated emergency persons cannot be reached, or where immediate medical attention is needed, the school calls a local emergency unit for treatment and/or transportation to a hospital. A staff member will meet the student at the hospital.
- 3. In cases of extreme emergency, staff may contact the local emergency unit before calling the student's designated emergency contact.

Child Abuse Protocol

Indiana law requires immediate reporting of suspected child abuse to authorities and to the appropriate individual in charge of the school. Failure to do so is a violation of the law.

School policy prevents CH DORS staff from divulging details of any CPS reporting to families while there is an active investigation. Questions regarding any child abuse concerns or reporting concerns should be directed to the Resource Specialists or Principal.

Emergency Cards

All students are required to fill out a set of two emergency cards. Most information is kept electronically, but the emergency cards provide a backup if the computer system is inoperable.

In emergency situations, the school calls the numbers listed on the card. It is essential that students update the Administrative Assistant if their address, phone number, or emergency contact person changes.

Fire and Inclement Weather Drills

Fire drills are conducted on a regular basis. Fire exit directions and procedures are posted in all rooms and teachers review fire exit procedures with students on a regular basis.

In the event of a fire, everyone is evacuated from the building immediately. If students are unable to return to the building because of smoke or fire conditions, the school follows emergency evacuation procedures. STUDENTS ARE NOT TO LEAVE THE SCENE OF EVACUATION WITHOUT SEEKING PERMSSION TO DO SO FROM THE INCIDENT OFFICER OR PRINCIPAL. It is imperative that teachers and school staff be able to keep track of students during drills and actual emergencies for the safety of all.

Inclement weather drills are conducted each semester. Procedures are reviewed by teachers, and practiced by students. Exit directions and procedures are posted in all rooms.

Visitation Policy

All visitors must report to the office before visiting any part of the school. Visitors wishing to visit the classrooms must call ahead and coordinate the visit with the classroom teacher.

Anyone wishing to volunteer in the school must complete a volunteer application form and pre-arrange visits with the teacher(s).

Registered sex offenders are not allowed to visit the school or school grounds.

All visitors must check-in at the school secretary's desk with a government issued photo ID (such as a driver's license). The ID will be used to verify identify and check against the National Sex Offender's Database. The school principal has final authority on approving or denying any visitations or volunteers.

The CHA Network Schools will maintain insurance coverage sufficient to cover their obligation to indemnify the Indiana Charter School Board, the Indiana Department of Education, related entities and their respective members, officers, employees officials and agents. Liability policies will also name the ICSB and IDOE as Additional Insureds. Provided as **Attachment 18** are current coverages for CHA DORS, which will be expanded to include the new Network Schools in a manner that aligns with the ICSB requirements.

FACILITY PLAN

1 . CH DORS will utilize the facility secured for the first K-12 charter school in Gary. If that facility cannot be successfully acquired, CHA will consider available alternatives for delivery of DORS programs, including lease of another facility or collaborating with another Gary School. It will also explore the possibility of locating DORS day classes on the Gary Ivy Tech campus.

If adequate facilities can be secured in Gary, DORS day classes may be located on-site in a secured area of the K-12 Christel House Academy. In Indianapolis, our building has security systems in place that lock off the DORS portion of the building. Two separate and secure entrances allow DORS and CHA programming to occur at the same time. While this would impact the budget slightly, we would still be sharing the overhead costs of the building with CHA. There are numerous strategies, including using "Professors on Loan" and making DORS dual-enrollment classes available to Ivy Tech students, that would be thoroughly explored in order to ensure the day-instruction component of DORS can operate within the existing budget framework, regardless of the location in which classes are offered.

CHA is still in the evaluation stages of Facilities Planning; however to expand and replicate the Christel House network, our strategy will be first to explore and exhaust available school facilities currently unutilized by the Gary Community School Corporation. Because a charter is necessary in order to pursue discussions regarding the lease or purchase of any unutilized facility, serious exploration of possible future locations cannot commence until charters are secured from the ICSB. The timing and willingness of the Gary school district to engage in these discussions is beyond our control; therefore backup facility plans and strategies will be developed. In the event an acceptable facility is not available through the Gary school district, CHA will explore the options for taking over a struggling charter school's facility, and/or engaging in discussions with the City of Gary to identify potential municipal properties that could be made available cost-effectively.

The initial review of possible sites will begin with a Goggle Earth review of the surrounding areas, together with an analysis of poverty levels, demographics, and crime statistics, as well as ISTEP performance and IDOE ratings of surrounding schools, to identify the areas of highest need. CHA will utilize Deb Kunce, Core Planning Strategies, as a Construction Consultant. She served in this capacity on the most recent expansion of the CHA facility in Indianapolis, and proved extremely valuable. Deb will provide input regarding the potential cost of refurbishment, and ensure compliance with all state and local health and safety requirements for a school facility, as required by the State Department of Health, State Fire Marshall, Department of Public Works and corresponding local agencies. Once a facility is selected, Deb will act as the Owner's Representative in selecting the contractor(s) for refurbishment work, supervising the performance of the work, and liaising with appropriate governmental agencies to address compliance issues.

CHA has experience in facilities management and costs thereof both from the operation of the Indianapolis school, as well as those located internationally. Because charters receive no government facilities funding, the identification of cost effective facilities is essential to the implementation of the Network Expansion Plan.

Once an acceptable location is identified for the first Network Expansion School, and discussions with the Gary Community Schools successfully concluded, work on readying the facility for opening will commence. This will include thorough inspection of all structural, mechanical, electrical and plumbing elements, and repair or replacement of any items found to be defective. It will also include thorough cleaning of the facility, and any necessary cosmetic improvements, such as repainting, or replacement of flooring, light fixtures, handrails, and similar items. Finally, new furnishings for the facility will be need to be ordered and assembled in time for the opening of grades K-2 in August 2015.

- 2. CHA's facility planning, as described above, has not yet reached this level of specificity.
- 3. In the event discussions with Gary Community Schools to acquire one or more of its unutilzed facilities cannot be successfully concluded on a timeline to accommodate the successful opening of the planned Network Expansion Schools, alternative locations—either temporary or permanent—will be explored. Alternatively, if cost effective facilities cannot be secured in Gary, CHA will begin exploration of other high-needs communities where facilities may be more readily available. If these facilities are not available, and acceptable alternatives cannot be identified, CHA will not move forward with expansion, as financial sustainability could not be assured.

BUDGET AND FINANCE

- 1. CHA's financial management is under the direction of Joe Schneider, Senior Vice President, Chief Financial Officer and Treasurer of Christel House International. He is responsible for the financial oversight of the global network of schools. Assisting him with the CHA Network will be Becky Hawkins, Controller, Christel House International, and Diana Woodworth, Bookkeeper, CH International. Together they have 17 years' experience with Christel House, and each has more than 30 years' experience working in the finance sector. This team will oversee the work of the CHA Finance and Business Manager. Currently, we are undertaking a search for the individual to assume these responsibilities, as the prior staff member was not performing to our standards in this role. With additional schools contemplated, the importance of competency in this role could not be underestimated. It is anticipated the new staff member will be hired within the next 30 days, and be well versed in all CHA finance matters well before the opening of the first Network Expansion School.
- 2. Included at **Attachment 19** is a Five-Year Pro-Forma budget for the CHA Network, as well as a pro-forma budget for a single DORS school. It is anticipated that all DORS

charters' budgets and staffing models will be very similar, and therefore only one school's budget has been provided. However, the Staffing Workbook Template provided at the beginning of this Section III has been completed contemplating the full network.

3. **Attachment 20** contains the budget summary and assumptions used for arriving at cost and revenue projections, as well as contingency plans in the event revenue shortfalls are experienced.

SECTION IV: INNOVATION

THIS SECTION INTENTIONALLY LEFT BLANK. PROPOSED SCHOOLS ARE REPLICATION OF EXISTING CHRISTEL HOUSE DORS MODEL

SECTION V PORTFOLIO REVIEW & PERFORMANCE RECORD

1. Attachment 21 provides a summary of CHA Network schools, which to date include Christel House Academy and Christel House DORS. The latter has not completed its first full year of operation; therefore assessment and graduation data is not available. Performance data from CHA has been included as representative of the performance standards to which the organization holds itself accountable. However, anecdotal data

provides some preliminary indicators of success. DORS reached its enrollment target of 175 students in year one and its waiting list has grown to over 200 students. Academic data will be available following this year's ECA window; however, all DORS students take the TABE (Test of Adult Basic Education) every six months to monitor academic growth. Mid-year assessment showed that DORS students showed over 8 months academic growth in a single semester—twice as much as would be expected.

DORS is not only impacting the lives of our current students, but also influencing their peers and children. Currently, 8% of students are enrolled in dual enrollment courses at lvy Tech. One DORS student has the highest grade in her lvy Tech course, ENGL111, a class offered to the general lvy Tech student population, not just other dual enrollment students. Eighty percent of new DORS students this school year have been referrals from current students, evidence that DORS students find value in the opportunity and are spreading the word about the school. A CHA middle school teacher recently shared a story with about the transformation she witnessed in one of her eighth grade students. When she commended his improvements, he responded, "My mom is a DORS student so we study together, have homework time and talk about school." Not only are the educational outcomes of our DORS students changing, the academic habits of their children are improving as well.

2. Since 2002, Christel House Academy (CHA) has been an agent of transformation for traditionally underserved and at-risk students in Indianapolis. CHA pursues its mission of breaking the generational cycle of poverty by providing young people with the academic and life skills necessary to achieve success in the 21st Century. With robust programs and services, CHA is rapidly closing the achievement gap for students who would otherwise be disenfranchised within the conventional academic setting. CHA's program works by providing (1) high quality and challenging academic curriculum; (2) on-site mental health and social services, (3) outreach to parents and families and (4) art, music and extracurricular activities.

Christel House Academy (CHA) received its charter from the Mayor of Indianapolis' Office in 2001 and opened in August 2002 providing instruction to students in grades K-4, adding an additional grade each year thereafter. CHA amended its original charter in 2009 to include grades 9-12.

CHA has one of the most diverse student populations among Indiana's charters: 35% Hispanic, 30% Caucasian, 25% African-American and 10% multi-racial. Its free and reduced lunch rate is 92%; 30% of students speak English as a second language and 16% qualify for special education services. Additionally, a growing percentage of students are being raised by relatives as a result of parental incarceration, substance abuse or immigration issues.

Internal assessments demonstrate CHA students continue to make great strides academically. CHA was the lowest performing school in the State of Indiana on the 2002 ISTEP+ exam, with only 22% of 3rd grades passing the math portion and 41% passing language arts. The percentage of students passing both language arts and math was a dismal 28.4%. With a focus on improving instructional quality, student

attendance and retention, ISTEP+ results have steadily improved over the past nine years.

In 2008-2009, CHA's average ISTEP+ pass rate was 74.3%, with 73.6% of students passing language arts and 74.9% passing math. The school met AYP in 27 reportable categories, received Indiana Department of Education's "Exemplary" rating for the third consecutive year, was designated as a Title 1 High Performing School, and Mr. Carey Dahncke was named a Distinguished Title I Principal.

In 2009-2010, CHA's students outperformed the Indiana state average ISTEP+ score with a 79.895% pass rate. Students scored an 81.1% pass rate in language arts and 78.69% in math. The school met AYP in 29 reportable categories (one of only a very small number of schools in the State of Indiana measured so aggressively) and again received IDOE's "Exemplary" rating. In April 2009, Indiana State Superintendent of Public Instruction Tony Bennett recognized CHA as a Title 1 school that is "defying conventional wisdom." Referring to Hosford Park Elementary (Gary, IN), Lakeside Elementary (Indianapolis) and Christel House Academy, Bennett said, "These are examples of three schools – two traditional public schools and a public charter school – that are facing all the challenges we know so well and beating the odds. Clearly there isn't a one-size- fits-all model for success, but these schools prove what's possible for all Indiana schools."

In 2010-2011, CHA's students again outperformed the Indiana state average ISTEP+ score with an 83.837% pass rate. Students scored an 80.4% pass rate in language arts and 83.4% in math. CHA exceeded the ISTEP+ scores of Indianapolis Public Schools, with a comparable student demographic, by 25 percentage points. The school again met AYP in 29 reportable categories, received IDOE's "Exemplary" rating, and was lauded as a Title 1 High Performing School. In the spring of 2011, CHA achieved the highest growth rate in English/Language Arts proficiency among students in grades 3-8 in Indiana.

Over the past three academic years, CHA's student attendance rate has averaged 96.5% and year-to-year retention averaged 92.8%. Family involvement, always a challenge among the at-risk student population, is consistent, with approximately 50% of parents and other family members engaged in the PTO and volunteering with sporting and other events. Participation in parent-teacher conferences is a requirement for the release of student report cards at the conclusion of each grading period. Presently 98% of families participate in these conferences.

Accomplishing this degree of change within nine years is indicative of CHA's commitment to instructional quality, teacher assessment and professional development, student attendance and retention, and family involvement. Given the broad diversity of CHA's student population and the high percentage of limited English proficiency students, this consistent academic improvement is noteworthy and the organization's management team fully expects comparable results among its charter replications.

According to the Indiana Department of Education's website, comparative data for schools located near Christel House Academy paint a less hopeful picture for student

performance. IPS #31 (James A Garfield School) serving grades K-6, posted a 39.5% ISTEP+ pass rate in 2011. This school has not met AYP for 4 of the last five years (in 2008-2009 AYP was not calculated).

Students at Emma Donnan Middle School, also located near CHA, posted a 32.5% pass rate on 2011's ISTEP+, among its 600+ students in grades 7 and 8. The school has not met AYP for three of the last five years (AYP not calculated in 2008-2009). In 2011, this school became subject to state intervention for remaining on Indiana Department of Education's Academic Probation list for the sixth consecutive year.

The expansion charters will all be located in an educationally distressed area of the city, where there are a limited number of high quality educational seats.

3. Because CHA does not have more than one K-12 charter school, it is unable to answer question 3, other than to reflect on the early years of CHA's operation, which did not meet our standards or expectations. Performance on ISTEP was dismal, student turnover was high, parent involvement was confrontational and both teacher and student attendance was poor. Discipline in the school was fragmented and not fairly administered. Teachers were frazzled and exhausted at the end of every day—many were young and unprepared for the challenges of our population.

To address these issues, CHA studied the root causes, which were determined to be lack of effective Principal leadership, lack of sufficient teaching experience at the classroom level, and lack of parental support for the school. To address these concerns a new Principal was identified and hired, poorly performing teachers were let go at the end of the school year and replaced with more tenured teachers, and parents were engaged family by family, and asked to commit to the schools values and standards by signing a written agreement. Those who did not agree with our philosophies often took their children elsewhere.

CHA expects that the population in Gary will present many of the same problems experienced in the early days of CHA-Indianapolis, and we will approach them in the same way, although now with much more experience to draw from. Experienced teachers who have a mission-driven passion for education will be essential to the success of the school. Likewise, the Principal must be strong, willing to be firm in addressing both children and parents when unacceptable behavior is demonstrated, and must truly believe that he/ she can create transformational change in this community.

CHA's expectation is to see an average of at least one year's growth in academic performance over one year's time in every grade level.

- 4. **Attachment 22** contains the last three years' audited financial statements for CHA as well as the most recent internal financial statements (including balance sheets and income statements) for both CHA and DORS.
- 5. **Attachment 23** contains the last three years' audited financial statements for Christel House International, as well as its most recent internal financial statements (including balance sheets and income statements).

6. Prior to opening its first school, CHA contracted with Sabis Educational Systems as an Educational Management Organization, believing that we needed to identify an "expert" to operate our U.S. based schools. CHA terminated this relationship because of unsatisfactory performance by Sabis. Similarly, CHA next engaged Edison Schools as an EMO, for the same reason, and with the same result. We have realized that our standards of excellence are not widely shared, even among EMO's.

7. None

- 8. None
- 9. CHA is party to one lawsuit for a slip and fall case that occurred on ice outside the school's cafeteria. Damages sought were medical expenses, and the school's insurer is managing the litigation and covering costs of defense. The litigation is immaterial, and therefore **Attachment 24** has been intentionally left blank.

ATTACHMENT 1

RESUMES OF FOUNDING GROUP MEMBERS

Christel DeHaan - DIRECTOR, CHRISTEL HOUSE ACADEMY

Founder, Christel House International and Christel House Academy

Co-Founder, Resort Condominiums International

Christel DeHaan is the founder of Christel House International, an Indianapolis-based public charity that works to break the cycle of poverty for some of the world's poorest children.

Education is the cornerstone of the Christel House program. The organization also provides children with nutritious meals and medical care, instills universal values, encourages personal accountability, and empowers families and communities. It teaches the importance of helping others and giving back. Through this holistic approach, Christel House permanently transforms lives and communities, replacing poverty and dependence with dignity and self-sufficiency.

In 1998, DeHaan opened the first Christel House learning center in Mexico City. By 2002, she had started four more schools—in India, South Africa, Venezuela and the United States. In June 2010, Christel House opened its sixth school—and second in India—in the hill city of Lavasa. In August 2010, DeHaan welcomed the first freshman class to the new Christel House–Watanabe High School in Indianapolis.

DeHaan is the former C.E.O. of Resort Condominiums International (RCI), an entrepreneurial business venture she co-founded in 1974. Under DeHaan's leadership, RCI became the world's largest vacation exchange provider. After selling RCI in 1996, DeHaan focused on expanding her philanthropic work. In addition to providing substantial funding for Christel House, she supports artistic, cultural and educational initiatives in Central Indiana through the Christel DeHaan Family Foundation.

DeHaan is widely recognized for her accomplishments in the business, educational and philanthropic sectors. In 1995, President Bill Clinton appointed DeHaan to serve on the White House Conference Task Force on Travel and Tourism. For her leadership in helping to reform public education in Indiana, DeHaan was named Education Leader of the Year (2003) by the Greater Educational Opportunities Foundation. She has twice

received the Sagamore of the Wabash, one of the most prestigious awards presented by the state of Indiana.

DeHaan serves on several boards of directors, including the American Pianists Association, OneAmerica, The Woodrow Wilson National Fellowship Foundation, Spoleto Festival USA and the Ethics Committee of the United Nations World Tourism Organization. She is a member of Indiana's Education Roundtable.

DeHaan holds honorary doctorate degrees from the University of Indianapolis, Marian College (now Marian University) and the University of Nottingham, England. A resident of Indianapolis, DeHaan has three children and five grandchildren.

CAREY J DAHNCKE – PRINCIPAL AND CHIEF ACADEMIC OFFICER, CHRISTEL HOUSE ACADEMY

Professional Teaching & Administrative Experiences

2006-present	Principal & Director Christel House Academy
	Indianapolis
2010-present	Field Experience Faculty Columbia University
	Teachers College
2000 - 06	Principal Christian Park School 82
	Indianapolis Public Schools
1999 - 05	Reserve Deputy Marion County Sheriff's Department
	Rank, Corporal Crime Prevention & Education Unit
1999-00	Assistant Principal William Penn Elementary School 49
	Indianapolis Public Schools
1997-99	Assistant Principal Longfellow Middle School 28
98 & 99	Summer School Principal Indianapolis Public Schools
1996-97	United States Fulbright Shelthorpe Community Primary School
	Exchange Teacher Loughborough, England
1996	Summer School Principal Sunny Heights Elementary School
	MSD Warren Township, Indianapolis
1995 - 96	Instructor, Educational Technology Indiana University
	School of Education IUPUI Campus
1994-96	Intermediate Multiage Teacher Brookview School
	Computer & Technology Coordinator MSD Warren Township, Indianapolis
1993-94	Grade 5 Teacher
1992-93	General Education Teacher Alternative Truancy High School
	Danville Public Schools 118, Illinois

Education & Professional Training

Stanford University, School of Education
School Leadership Institute, Summer Residency Program
Eastern Illinois University, Charleston, Illinois
Master of Science in Education. Educational Administration

Professional Teacher Education Sequence (BA Liberal Arts & Sciences)

American College in London, England

Bachelor of Business Administration, Cum Laude

Professional & Academic Honors

2008 Title I Distinguished Principal, Indiana Department of Education

2006 District 7 Principal of the Year- IASP

MSD Warren Township, Brookview School, Teacher of the Year 1996

US Fulbright Teacher Exchange Award

Graduate School Student Marshal, Eastern Illinois University

Graduate Research & Tuition Scholarship Recipient

Lester Schick Scholarship Recipient

American Institute for Foreign Study, London / Leningrad USSR

Dean's List, American College

Student Government Association Representative, American College

Special Accomplishments

2012 The National Forum - Schools to Watch Award, Christel House Academy

2012 US Healthier Schools- Silver Award, Christel House Academy

2011 Distinguished Title I School (IDOE), Christel House Academy

2010 NAESP and MetLife Foundation's Sharing the Dream Award

2010 Distinguished Title I School (IDOE), Christel House Academy

2009 Healthy Hoosier Award- Silver, Christel House Academy

2008 Panasonic National School Change Award, Christel House Academy

2008 Distinguished Title I School (IDOE), Christel House Academy

2006 Healthy Hoosier Award, Christian Park School 82

Licensing & Certification Indiana

Administration & Supervision – All grades General Elementary Teaching 1-6 Kindergarten Language Arts 7-9

Social Studies 7-9 Business Education 7-9 Illinois

General Administration K - 12 Self-Contained Teaching K-9 Language Arts, Jr. High Social Science, Jr. High

Joseph P. Schneider

SENIOR VICE PRESIDENT AND CFO, CHRISTEL HOUSE INTERNATIONAL; SUPERVISORY RESPONSIBILITIES FOR CHRISTEL HOUSE ACADEMY (Not a Director)

PROFESSIONAL EXPERIENCE

Christel House International

2006- Present

(Not-for-profit organization focused on poverty alleviation serving over 3,300 children and young adults in the United States, Mexico, Venezuela, South Africa and India)

Senior Vice President, Treas. and Chief Financial Officer responsible for accounting, finance, risk management, HR, facilities and information systems of Christel House International as well as nine affiliated entities including Christel House Academy, a charter school operating in inner-city Indianapolis.

Novelty, Inc. 2004-2006

(Privately held, product development and distribution company with sales over \$140 million)

Chief Financial Officer responsible for accounting, finance, risk management, H/R and information systems with operational responsibility over warehousing, logistics and fleet management (270 vehicles). Stabilized infrastructure; redesigned point of sale, handheld, computer system; cut days to close by two thirds; restructured health plan; introduced disability insurance program and established safety program reducing workers comp claims by over 50%.

Independent Stock Trader 2004

2003 -

4004

Self-Employed

Independently trade equities electronically based on technical analysis and market conditions utilizing strict risk control strategies.

Weaver Popcorn Company, Inc.

1993-2002

(Privately held, world leader in popcorn production with sales over \$160 million.)

Finance

Chief Financial Officer (1993 – 2002) Responsible for financial reporting and control, banking, tax planning and compliance, information systems, risk management, compensation and benefits administration. Reduced closing process from 8 days to ½ day; reduced audit cost by over 50%; reduced audit period from 2 months to 2 weeks; reduced P&C insurance cost by over 40%; reduced effective cost of financing by over 125 basis points; restructured underperforming 401(k) plan; challenged and reestablished estate plan of principal; reengineered cost system; established Economic Value Added (EVA) performance measurement tools.

Leadership / Strategy

A leader in the Company's strategic, reorganization and cost reduction initiatives. Actively involved in all significant decisions ranging from acquisitions / divestitures to new product introductions. Demonstrated ability to lead through rapid change in competitive environments.

Operations

Responsible for all aspects of start-up and leadership of Argentine subsidiary. Built Weaver Argentina to over \$15 million in annual sales and into world's leading exporter of popcorn. Coordinated legal and professional services. Key member of commodity hedging team.

Technology

Chief Information Officer (1995 –1999) Responsible for directing the information and data integrity of the Company and its subsidiaries. Led ERP sourcing / implementation.

Ernst & Young LLP 1981-1993

Senior Manager in charge of coordinating and directing accounting, audit, tax and consulting services for up to 15 clients annually, ranging in size from start-ups to billion dollar, international companies. Experience includes formal training in inventory control, total quality management, corporate finance and shareholder value, taxation and human resource management. Directed and participated in acquisition reviews and business mergers. Extensive experience in presentations to senior management, boards of directors, audit committees and professional organizations.

Selected to participate in the firm's internal National Quality Control Review Program Peer Review of another firm. Also selected by Office Managing Partner to form and chair a committee to design and implement an innovative sales / marketing campaign for the Indiana Practice. Campaign resulted in sales exceeding its goal by 30%. Served as instructor in over 20 internal and external training programs.

EDUCATION

Indiana University - 1981

 B.S. with highest distinction. Recipient of the William A. Rawles Award presented annually to the graduating senior with the most distinguished academic record in the School of Business (overall GPA 4.0 on 4.0 Scale).

PROFESSIONAL AND OTHER AFFILIATIONS

- Certified Public Accountant, 1984 State of Indiana
- American Institute of CPA's & Indiana CPA Society

Cheryl J. Wendling

Senior Vice President and Director, Christel House International

President and Director, Christel House Academy

Education

Indiana University Indianapolis, IN

Juris Doctorate 1984

Butler University Indianapolis, IN

M.A. English 1974

B.A. English 1972

Experience

Christel House International

1998-present

Senior Vice President

- Serve as part of four-person senior leadership team that directs and manages the worldwide organization
- Provide in-house legal counsel
- Oversee the organization's US Development Department and provide leadership and guidance for development personnel in Europe, India, Mexico and South Africa
- Liaise and manage Board of Director relationships and projects
- Coordinate and manage special organization projects

Christel DeHaan Family Foundation

1997-1998

Vice President

- Provided counsel for distribution of funds to support the arts, education and human needs in Indiana
- This role changed in 1998 when the concept of Christel House was conceived.

RCI 1991-1997

Senior Corporate Counsel

 Established and lead in-house legal department to manage all corporate legal affairs of multinational company

Mayflower Corporation

1985-1991

Senior Attorney

• Integral member of legal team charged with managing all corporate legal affairs including mergers and acquisitions

Emily Masengale

PRINCIPAL, CHRISTEL HOUSE DORS

2717 South East St. · Indianapolis, IN 46225 · (317) 629 9789 · emasengle@chdors.org

EDUCATION

Teachers College-Columbia University New York, NY

M Ed. Organization and Leadership

Saint Louis University
Louis, MO MA Education Administration

St.

• School Leadership Licensure Exam successfully completed.

Indiana University Bloomington, IN

Bachelor of Science in Education,

Minor: Leadership, Ethics, and Social Action

- License: Mild Interventions at the Middle School/Junior High and High School Settings.
- State exams successfully completed.

Apprenticeship and Student Teaching Experience

- -Emma Donnan Middle School # 72 (7-8 SPED: Resource)- Indianapolis, IN
- -Emmerich Manual High School (11-12 History)- Indianapolis, IN

EXPERIENCE

Founding Principal - Dropout Recovery School/Director: Gateway to College Program

- Wrote full charter application for Christel House DORS developing all elements of school programming. Charter was approved by the Mayor's Office of Indianapolis in December, 2011.
- Conducted research and developed a program targeting students who have dropped out of high school.
- Forged community partnerships for the program.
- Recruited first class of 175 students who will begin August 2012.
- Recruited and hired a full staff of 24 staff members.
- Oversaw community partnership with Ivy Tech Community College in developing Gateway to College partnership, a network of 34 schools across the country targeting similar demographic of students.

Rousseau McClellan School 91 (Indianapolis Public Schools K-8)

Assistant Principal August 2010-2011

- Clearly communicated with 90 staff members, 500 students, and families on a daily basis in person, via email, newsletters, and ConnectEd.
- Completed formal evaluation cycle for 13 staff members and supported teachers not on formal cycle in Professional Growth Plans.
- Managed instructional and custodial supply budgets.
- Facilitated staff development sessions, for example: using test data to guide instruction.
- Participated in planning team for \$5 million building renovation and facilitated family and community meetings with Project Manager.
- Gave teachers weekly written feedback on lesson plans.

Indianapolis Principal Fellow – Teach for America/Teachers College-Columbia University 2010-2011

- Selected to be the first-ever Indianapolis Principal Fellow.
- The Indianapolis Principal Fellowship combines rigorous leadership training and a full-time principal residency in order to prepare fellows to serve as exceptional school leaders in Indianapolis.
- The Indianapolis Principal Fellowship seeks candidates who are exceptional educators, have significant experience in urban education, and are committed to pursuing school leadership in Indianapolis.
- Fellows have a blend of the following competencies: success in an urban education environment, demonstrated by leading students to achieve significant academic gains; proven leadership and relationship-building capabilities, demonstrated by instructional leadership roles and community leadership positions; and a long-term commitment to school leadership and urban schools.
- Completed TC's Summer Principals Academy and worked in a team to develop the New School Design Presentations at the end of the second summer session. Emily was on the design team for

Cultivate Community School designed to meet the needs of the Hunts Point neighborhood in the South Bronx.

Teach for America Corps Member Saint Louis, MO 2006-2008

Selected as one of 3,000 applicants from a pool of 19,000 applicants as a member of national service corps of outstanding recent college graduates who commit to two years to teach in public schools in low-income communities and become lifelong leaders for expanding educational opportunity. I was selected to serve as a Transition Mentor for the 2007 corps members.

The Big Picture Academy, St. Louis Public Schools 2007-2010

Ninth, Tenth, Eleventh Grade Advisor (looped with students)

- Vice Chair for the St. Louis Public Schools Professional Development Committee (2009) comprised of one member from each school in the district. As an Executive Officer I planned and facilitated committee meetings, planned district-wide professional development, and analyzed feedback from staff in district after professional development sessions to evaluate effectiveness.
- Facilitated professional development sessions for entire Big Picture staff as well as all social studies teachers in the St. Louis Public School district on the importance and effectiveness of reading diagnostics, tracking, and intervention as well as a different session on preparing for and scheduling Exhibition Week, internships, and performance based assessments.
- Planned and delivered innovative instruction in Communication Arts and Social Studies courses, utilizing numerous resources including community involvement, guest speakers and complex activities to engage at-risk students in scholastic material.
- Created school schedule for the 2008-2009 and 2009-2010 school years as well as created intricate
 schedule for entire school to use for Exhibition Week to ensure a smooth week of individual
 presentations by all students on work completed throughout the entire quarter while ensuring all
 academic instruction time and class coverage during family meetings were incorporated into the daily
 schedule.
- Responsible for securing internships and community mentors for entire Advisory, 16 students, to facilitate students' learning through interests to enhance their academic experience.
- Selected as 1 of 4 Advisors to launch The Big Picture School, St. Louis Public School's newest
 initiative in alternative education. Facilitated program, curriculum and culture building in preparation
 for opening the school.

Special Education Teacher (9th-12th)/Soccer Coach, Roosevelt High School (SLPS) August 2006-June 2007

- Achieved goal of leading 65 students in rigorous reading intervention, resulting in an average of 1.9
 years reading growth over one school year, over three times higher than district average. Created
 various forms of individualized lesson plans and coursework for all students, focusing on their
 individual academic needs.
- Managed a caseload of 15 special education students, facilitated IEP meetings, created ambitious IEP goals for students to achieve, and advocated for proper placement of students.

AWARDS/HONORS/COMMUNITY INVOLVEMENT

- 2012: Member of Christel House leadership team that received \$1 million Mind Trust Charter School Incubator Grant
- 2012: Talent Alliance Grades 9-12 Implementation Team
- 2012: Panelist for Indiana Black Expo's Education Forum
- January and May 2012: Appeared on "No Limits", WFYI talk radio on Education Leadership and the Dropout Crisis
- January 2012: Homeowner's Association Board Member for residence/downtown condo association
- June 2012: Appeared on "People Helping People" to inform community of dropout crisis and options for students to return to school
- 2011-present: Member, Stand for Children
- 2011-present: Board member of The Sanctuary Outreach, Indianapolis, IN
- 2011-present: Member, SEND (Southeast Neighborhood Development) Education Task Force
- 2011-present: Guide Team Member: WFYI American Graduate Initiative
- 2011-present: Advisory Member: Student Success Initiative, Marion County Commission on Youth
- 2010: Selected as the first Indianapolis Principal Fellow: a partnership with Teach for America and Columbia University-Teachers College's Summer Principals Academy
- Magnet Schools of America 2011 School Tours Planning Committee (2010-2011)
- 2009: Big Picture Academy Teacher of the Year
- 2009: St. Louis Public Schools Teacher of the Year
- 2009: Missouri Teacher of the Year Finalist
- 2009: Member of Big Picture Learning Network Peer Review Team
- 2008-2010: Vice-Chair of the St. Louis Public Schools Professional Development Council
- 2007-2010: Presented over 20 professional development sessions for Big Picture Academy staff as well as entire secondary History staff in St. Louis Public Schools on various topics such as: classroom culture, Project-Based Learning, alternative assessment, etc
- 2006: Board member for Fanning Community Education Center
- 2006: Selected as a member of the 2006 St. Louis Teach for America corps

ATTACHMENT 2

LEADERSHIP HIRING TIMELINE AND CRITERIA

As explained in the Project Narrative, a Principal-In-Training program has been developed to grow future CHA leaders. Currently one Principal-In-Training is being groomed for a future position, but it is likely she will be assigned to an Indianapolis expansion school. Just as soon as Network Expansion Charters are received and a facility located for the first school in Gary, we will begin the search for our next Principal-In-Training. The Principal-In-Training for the first DORS expansion would be identified in January 2015, and begin training no later than June of that year, in preparation for return to Gary in January 2017 and opening of the school in August, 2017. Ideally, this individual would relocate to Indianapolis from Gary for the period of one year to 18 months, and then return to Gary to launch the school.

The search for this candidate will begin in Gary and the surrounding communities, including Chicago. However, we may well determine that the magnitude of work to be accomplished in Gary will require a nationwide search. Criteria and qualifications for this position are set forth in the position description contained within Section 1, FOUNDING GROUP, in the discussion of the School Leader and Leadership Team. In addition to the skills identified therein, CHA will be seeking a leader who is inspirational and charismatic—preferably a leader of color, who has also come from a challenged background, and with whom students and parents can closely identify. Previous experience as a Principal in a high-needs school will be preferable, but not essential. We can teach the "nuts and bolts" during the Principal-In-Training phase, but the non-academic qualifications and criteria necessary for success in this role must be inherent.

ATTACHMENT 3

ADMINISTRATIVE AND MANAGEMENT TEAM

The faculty at every Christel House school is the most important resource in achieving the school's educational goals. Therefore, utmost care and attention is given to the process of recruiting, screening, interviewing and hiring of all staff. Teaching and administrative staff members will be selected on the basis of specific requirements of each position and all hiring decisions will be made in compliance with local, state and federal employment practices.

In an effort to maximize existing human resources at CHA, it is anticipated that network expansion schools will lease their employees from CHA. This will enable CHA to manage all human resource functions, consolidate activities like payroll and benefits administration and gain economies of scale. Additionally, CHA has developed a rich collection of employee benefits that rival local school corporations, ensuring employment in the CHA network is seen as highly desirable by teachers. CHA will bill the network expansion schools for actual costs only.

All administrators and teachers will be required to hold a four-year university degree and be considered highly qualified by the Indiana Department of Education, or be engaged in an official transition program to ensure proper licensing. Network expansion schools will comply with Indiana law regarding minimum requirements for teaching/instructional staff and ensure proper certification is on file. DORS model programs will also work closely with Ivy Tech Community College to seek candidates with Master's level degrees in their content area, making these instructors eligible to teach dual credit courses.

Other important criteria include:

- 1. Excellent subject knowledge;
- 2. Enthusiasm for teaching & learning;
- 3. A 'Whatever It Takes' approach to ensuring students learn;
- Creativity and/or an innovative spirit in education;
- 5. Clearly defined preparation or preparation plan for active teaching pedagogy.

Christel House will conduct background checks on all potential employees, as required by law. All employees at Christel House Academy will be "employees at will." The

employer or the employee may terminate the employment relationship at any time, with or without notice.

The Network Schools' Principals will be hired 12-18 months in advance of the schools' openings. The Assistant Principal (if required), Business Manager, Social Worker and Administrative Assistant will be hired 6 months prior to opening. Teaching staff will be hired during the spring and summer prior to opening.

Recruitment process will focus on Gary and surrounding communities, with special emphasis on educators available through Teach for America and similar organizations.

ATTACHMENT 4

GOVERNANCE DOCUMENTS

Attached please find:

- a. 501(c)(3) Letter of Determination from the Internal Revenue Service for Christel House Academy
- b. Articles of Incorporation for Christel House Academy, Inc.
- c. Copy of Bylaws for Christel House Academy, Inc.



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

Date: SEP | 9 2002

Christel House Academy, Inc. 10 West Market Street Indianapolis, IN 46204 Employer Identification Number: 02-0550824
Issuing Specialist:
Bruce Lewis, 50-18875
Toll Free Customer Service: 877-829-5500
Accounting Period Ending:
June 30
Foundation Status Classification: 509(a)(1) & 170(b)(1)(A)(ii)
Form 990 Required:
Yes

Dear Applicant:

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

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

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

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

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

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

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Christel House Academy, Inc.

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

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

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

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

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Christel House Academy, Inc.

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

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

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

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

Sincerely,

Gerald V. Sack

Manager, Exempt Organizations

Geneld V. Sack

Technical Group 4

ARTICLE OF INCORPORATION INCLUDING SERVICE A CARPENTY INC.

CHRISTEL HOUSE ACADEMY, INC. good COT -5 P.1 3: 47

The undersigned incorporator, desiring to form a corporation (the "Corporation") pursuant to the provisions of the Indiana Nonprofit Corporation Act of 1991 (the "Act"), executes the following Articles of Incorporation:

ARTICLE I

Name

The name of the Corporation is Christel House Academy, Inc.

ARTICLE II

Classification of Corporation

The Corporation is a public benefit corporation.

ARTICLE III

Purposes and Powers

<u>Section 3.1.</u> <u>Purposes.</u> The purposes for which the Corporation is formed are:

- (a) To support, promote, advocate and/or advance the education of children residing in the United States of America.
- (b) To carry out the aforesaid purposes through a variety of charitable activities including, but not limited to, the follow:
 - (i) Receiving and maintaining a fund or funds of real or personal property, or both, and using or applying the whole or any portion of the income therefrom and/or the principal thereof exclusively for the aforesaid purposes;
 - (ii) Raising and expending funds for the aforesaid purposes;

- (iii) Implementing and carrying out programs and activities related to the aforesaid purposes, whether independently or through or with domestic and/or foreign organizations which are organized and operated for the aforesaid purposes;
- (iv) Providing goods, services and/or other support, whether financial or otherwise, to domestic and foreign organizations which are organized and operated for the aforesaid purposes;
- (v) Creating and owning (in whole or in part) domestic and foreign subsidiaries which are organized and operated for the aforesaid purposes, and appointing the directors of such subsidiaries; and,
- (vi) Organizing charter schools or other similar institutions for the aforesaid purposes.
- (c) In furtherance of the aforesaid purposes, to transact any and all lawful business for which corporations may be incorporated under the Act, provided such business is not inconsistent with the Corporation being organized and operated exclusively for aforesaid charitable purposes.

Notwithstanding any other provision of these Articles of Incorporation, the Corporation is not and shall be empowered to engage in activities which are not in furtherance of the aforesaid purposes.

Section 3.2. Nonprofit Purposes.

- (a) The Corporation is organized and operated exclusively for charitable purposes and its activities shall be conducted in such a manner that no part of its net earnings shall inure to the benefit of any member, director, or officer or other private person, 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 Section 3.1.
- (b) 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 any candidate for public office.

- (c) Notwithstanding any other provision of these Articles of Incorporation, the Corporation shall not carry on any other activities not permitted to be carried on:
 - (i) By a corporation exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or corresponding provisions of any subsequent Federal tax laws, or
 - (ii) By a corporation, contributions to which are deductible under Section 170(c)(2), Section 2055(a)(2), or Section 2522(a)(2) of the Internal Revenue Code of 1986, as amended, or corresponding provisions of any subsequent Federal tax laws.
- Section 3.3. Powers. Subject to any limitation or restriction imposed by the Act, any other law, or any other provisions of these Articles of Incorporation, the Corporation shall have the power:
- (a) To do everything necessary, advisable, or convenient for the accomplishment of any of the purposes hereinbefore set forth, or which shall at any time appear conducive to or expedient for the protection or benefit of the Corporation and to do all of the things incidental thereto or connected therewith which are not forbidden by law, including but not limited to granting special powers of attorney to individuals to act as the Corporation's attorneys-in-fact to carry out any of its charitable purposes or exercise any of its corporate powers.
- (b) To engage in transactions, financial or otherwise, with a class of nonprofit corporations exempt from federal taxation pursuant to Section 501(a) of the Internal Revenue Code of 1986, as amended, or corresponding provisions of any subsequent Federal tax laws. Such transactions shall include, but not be limited to, the transfer of assets, bargain sales, the borrowing or leasing of employees, the sharing of goods or services, the guarantee of the

payment of principal, interest, or other payment in whatever form on obligations evidenced by any form of indebtedness, and the guarantee of performance of any obligation of any member of said class of nonprofit corporation. Each member of said class shall be affiliated with the Corporation by

- (i) supporting the Corporation, being supported by the Corporation, or supporting or being supported by the same corporation or corporations as the Corporation pursuant to Section 509(a) of the Internal Revenue Code of 1986, as amended, or corresponding provisions of any subsequent Federal tax laws, or
- (ii) being described in Sections 501(c)(2) or 501(c)(25) of the Internal Revenue Code of 1986, as amended, or corresponding provisions of any subsequent Federal tax laws, by paying over its income, less expenses, to the Corporation or to an organization described in Section 3.3(b)(i).

In any event, the foregoing power or powers shall not be exercised or exercisable in a manner inconsistent with the Corporation's status under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or corresponding provisions of any subsequent Federal tax laws:

(c) To engage in transactions, financial or otherwise, with a class of foreign organizations which are described in Section 509(a)(1), (2) or (3) of the Internal Revenue code of 1986, as amended, or corresponding provisions of any subsequent Federal tax laws (whether or not such organizations have received determination letters from the Internal Revenue Service as to such status), provided that the foregoing power or powers shall not be exercised or exercisable in a manner inconsistent with the Corporation's status under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or corresponding provisions of any subsequent Federal tax laws, and

- (d) To have, exercise and enjoy in furtherance of the purposes herin before set forth all the general rights, privileges, and powers granted to corporations by the Act, as now existing or hereafter amended, and by the common law.
- Section 3.4. <u>Limitations on Powers</u>. If the Corporation is or becomes a private foundation (as defined in Section 509(a) of the Internal Revenue Code of 1986, as amended or corresponding provisions of any subsequent Federal tax laws), the Corporation shall be subject to the following requirements:
- (a) The Corporation shall distribute its income for each taxable year at such time and in such manner as not to become subject to the tax on undistributed income imposed by Section 4942 of the Internal Revenue Code of 1986, as amended, or corresponding provisions of any subsequent Federal tax laws.
- (b) The Corporation shall not engage in any ace of self-dealing that would subject any person to the taxes imposed on acts of self-dealing by Section 4941 of the Internal Revenue Code of 1986, as amended, or corresponding provisions of any subsequent Federal tax laws.
- (c) The Corporation shall not retain any excess business holdings which would subject it to the tax on excess business holdings imposed by Section 4943 of the Internal Revenue code of 1986, as amended, or corresponding provisions of any subsequent Federal tax laws.
- (d) The Corporation shall not make any investments in such a manner as to subject it to the tax under Section 4944 of the Internal Revenue Code of 1986, as amended, or corresponding provisions of any subsequent Federal tax laws.

(e) The Corporation shall not make any expenditures which would subject it to the taxes on taxable expenditures imposed by Section 4945 of the Internal Revenue code of 1986, as amended, or corresponding provisions of any subsequent Federal tax laws.

ARTICLE IV

Distribution of Assets on Dissolution

In the event of the complete liquidation, dissolution of the Corporation, or the winding up of its affairs, the Board of Directors shall, after paying or making provision for the payment of all the liabilities of the Corporation, distribute all the assets of the Corporation exclusively for the purposes of the Corporation in such manner, or, as the Board of Directors shall determine, to one or more organizations which are organized and operated for nonprofit educational purposes and which (i), in the case of domestic organizations, at the time qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or corresponding provisions of any subsequent Federal tax laws, or (ii) in the case of foreign organizations, at the time are described in Section 509(a)(1), (2) or (3) of the Internal Revenue Code of 1986, as amended, or corresponding provisions of any subsequent Federal tax laws (whether or not such organizations have received determination letters from the Internal Revenue Service as to such status) provided, however, any assets received from a governmental agency shall be returned to that agency if required by state law. Any such assets not so disposed of shall be disposed of by the Judge of the Circuit Court of Marion County, Indiana, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

ARTICLE V

Term of Existence

The Corporation shall have perpetual existence.

ARTICLE VI

Registered Office and Registered Agent

Section 6.1. Registered Office and Registered Agent. The street address of the Corporation's registered office is 1990 Market Tower, 10 West Market Street, Indianapolis, Indiana, 46204, and the name of the Corporation's registered agent at that office is Cheryl J. Wendling.

Section 6.2. Principal Office. The post office address of the principal office of the Corporation is 1990 Market Tower, 10 West Market Street, Indianapolis, Indiana, 46204.

ARTICLE VII

Members

The Corporation may have members.

ARTICLE VIII

Board of Directors

Section 8.1 Number and Term of Office. Upon incorporation, the initial Board of Directors shall consist of seven (7) directors. Thereafter, the number of directors shall be as specified in or fixed in accordance with the Bylaws of the Corporation; provided, however, that the minimum number of directors shall be three (3). The term of office of a director shall be as specified in the Bylaws; provided, however, that the term of an elected director shall not exceed five (5) years. Directors may be elected for successive terms. Terms of office of directors may be staggered as specified in the Bylaws.

Section 8.2. Qualifications. Each director shall have such qualifications as may be specified from time to time in the Bylaws of the Corporation or required by law.

Section 8.3. Election of Board of Directors. Other than the initial Board of Directors, the directors shall be elected at the annual meeting of the Corporation as specified in the Bylaws.

Section 8.4. <u>Initial Board of Directors</u>. The names and addresses of the initial Board of Directors of the Corporation are:

<u>Names</u>	Addresses
Sandi Bittner	10 West Market Street, Suite 1990 Indianapolis, IN 46204
Christel DeHaan	10 West Market Street, Suite 1990 Indianapolis, IN 46204
Murv Enders	1220 Waterway Blvd. Indianapolis, IN 46202
Dr. Everette Freeman	1400 East Hanna Avenue Indianapolis, IN 46227
Bob Hasty	5627 Senour Road Indianapolis, IN 46239
Dr. Carol Israel	1400 East Hanna Avenue Indianapolis, IN 46227
Alan Levin	11 South Meridian Street Indianapolis, IN 46204

Name and Address of Incorporator

The name and address of the incorporator of the Corporation is Cheryl J.

Wendling, 10 West Market Street, Suite 1990, Indianapolis, Indiana 46204.

ARTICLE IX

Indemnification

- Section 9.1. Rights to Indemnification and Advancement of Expenses. The Corporation shall indemnify as a matter of right every person made a party to a proceeding because such person is or was
 - (a) a member of the Board of Directors of the Corporation,
 - (b) an officer of the Corporation, or
- (c) while a director or officer of the Corporation, serving at the Corporation's request as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise, whether for profit or not, (each an "Indemnitee") against all liability incurred by such person in connection with the proceeding; provided that it is determined in the specific case that indemnification of such person is permissible in the circumstances because such person has met the standard of conduct for indemnification specified in the Act. The Corporation shall pay for or reimburse the reasonable expenses incurred by an Indemnitee in

Upon demand by a person for indemnification or advancement of expenses, as the case may be, the Corporation shall expeditiously determine whether the person is entitled thereto in accordance with this Article and the procedures specified in the Act.

The indemnification provided under this Article shall be applicable to any proceeding arising from acts or omissions occurring before or after the adoption of this Article.

Section 9.2. Other Rights Not Affected. It is the intent of this Article to provide indemnification to directors and officers to the fullest extent now or hereafter permitted by law consistent with the terms and conditions of this Article. Nothing contained in this Article shall limit or preclude the exercise of, or be deemed exclusive of, any right under the law, by contract or otherwise, relating to indemnification of or advancement of expenses to any person who is or was a director, officer, employee, or agent of the Corporation, or the ability of the Corporation to otherwise indemnify or advance expenses to any such individual.

Notwithstanding any other provision of this Article, there shall be no indemnification with respect to matters as to which indemnification would result in inurnment of net earnings of the Corporation "to the benefit of any private shareholder or individual," within the meaning of Section 501(c)(3) f the Internal Revenue Code of 1986, as amended, or similar provisions of any subsequent Federal tax laws. The provisions of, and the rights and obligations created by, this Article shall not give rise or be deemed to give rise to "compensation for personal services" as described in IC 34-4-11.5-1 et seq., as amended.

Section 9.3. <u>Definitions</u>. For purposes of this Article:

(a) A person is considered to be serving an employee benefit plan at the
 Corporation's request if the person's duties to the Corporation also impose duties on, or

otherwise involve services by, the person to the plan or to participants in or beneficiaries of the plan.

- (b) The estate or personal representative of a person entitled to indemnification or advancement of expenses shall be entitled hereunder to indemnification and advancement of expenses to the same extent as the person.
- (c) The term "expenses" includes all direct and indirect costs (including, without limitation, counsel fees, retainers, court costs, transcripts, fees of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, and all other disbursements or out-of-pocket expenses) actually incurred in connection with the investigation, defense, settlement, or appeal of a proceeding or establishing or enforcing a right to indemnification under this Article, applicable law or otherwise.
- (d) The term "liability" means the obligation to pay a judgment, settlement, penalty, fine, excise tax (including an excise tax assessed with respect to an employee benefit plan), or reasonable expenses incurred with respect to a proceeding.
- (e) The term "party" includes an individual who was, is or is threatened to be made a named defendant or respondent in a proceeding.
- (f) The term "proceeding" means any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative and whether formal or informal.

INWITNESS WHEREOF, the undersigned incorporator executes these Articles of Incorporation and verifies subject to penalties of perjury that the facts contained herein are true.

Dates this 5 Liday of October, 2001.

Cheryl J. Wending

BYLAWS OF <u>CHRISTEL HOUSE ACADEMY, INC.</u>

(Amended March 16, 2006)

ARTICLE I

Board of Directors

Section 1.1. <u>Duties and Qualifications</u>. The business and affairs of Christel House Academy, Inc. (the "Corporation") shall be managed by the Board of Directors.

Section 1.2. Number, Term, Appointment and Election. The Board of Directors shall consist of a minimum of three (3) directors and a maximum of fifteen (15) directors, with the exact number of directors to be determined from time to time by the Board of Directors. The initial Board of Directors shall consist of seven (7) directors.

The term of office of the directors shall be staggered by dividing the total number of directors into three (3) groups which shall be equal in size to the greatest possible extent. The term of office of the first group of directors shall expire at the first annual meeting of the Board of Directors, the term of office of the second group of directors shall expire at the second annual meeting of the Board of Directors, and the term of office of the third group of directors shall expire at the third annual meeting of the Board of Directors. Thereafter, the term of office of each elected director shall be up to three (3) years. Despite the expiration of a director's term, the director shall continue to serve until a successor is appointed or elected and qualifies, or until there is a decrease in the number of directors. One group of directors shall be elected at each annual meeting of the Board of Directors by a plurality of the votes cast by those directors whose terms of office have not expired.

Section 1.3. Chairman of the Board. The Chairman shall be chosen by the Board of Directors at each Annual Meeting. The Chairman, if present, shall preside at all meetings of the Board of Directors.

Section 1.4. Vacancies. Any vacancy among the directors caused by death, resignation, removal, increase in the number of directors or otherwise shall be filled by a majority vote of the remaining members of the Board of Directors. The term of office of a director chosen to fill a vacancy shall expire at the later of the next annual meeting of the Board of Directors, or at such time as a successor shall be duly elected and qualified.

Section 1.5. Removal. Any director may be removed, with or without cause, by a plurality of the votes cast the directors other than the director being considered for removal.

Section 1.6. Annual Meetings. Unless the Board of Directors determines otherwise, the Board of Directors shall meet for the purpose of election of officers of the Corporation, election of directors (if applicable), and consideration of any other business which may be brought before the meeting.

Section 1.7. Other Meetings. Regular meetings of the Board of Directors shall be held pursuant to a resolution of the Board to such effect, and shall be held whenever convenient for the Board of Directors. Unless otherwise provided by the Board of Directors, regular meetings shall be held at the Corporation's operating office; 2717 South East Street, Indianapolis, Indiana. Notice of such meetings shall be in compliance with applicable law. Special meetings of the Board of Directors may be held upon the call of the Chairman of the Board of Directors, the President, or twenty percent (20%) of the directors then in office and upon at least forty-eight (48) hours' notice specifying the date, time, place and purpose or

purposes of the meeting, given to each director either personally or by regular mail, electronic mail, telegram, facsimile transmission, or telephone, and further provided that any public notice requirements are met. Oral notice is authorized. A director may waive any required notice of an annual, regular or special meeting. The waiver must be in writing, signed by the director entitled to the notice, and filed with the minutes or Corporate records. A director's attendance at or participation in a meeting waives any required notice to the director of the meeting unless the director at the beginning of the meeting or promptly upon the director's arrival, objects to holding the meeting or transacting business at the meeting and does not vote for or assent to action taken at the meeting. The foregoing notwithstanding, nothing herein shall be construed to relieve the corporation of any legal obligation to provide public notice of meetings.

Section 1.8. Quorum; Voting. One-third (1/3) of the directors in office when action is taken, but in no event fewer than two (2) directors, shall be necessary to constitute a quorum for the transaction of any business at a meeting of the Board of Directors. If a quorum is present when a vote is taken, the affirmative vote of a majority of the directors present when the act is taken shall be the act of the Board of Directors, unless the act of a greater number is required by law, the Articles of Incorporation, or these Bylaws.

Section 1.9. Action by Consent. Any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting if the action is taken by all directors and is permitted by state law. The action must be evidenced by at least one (1) written consent describing the action to be taken, signed by each director, and included in the minutes or filed with the corporate records reflecting the action taken. Action taken

under this section is effective when the last director signs the consent, unless the consent specifies a prior or subsequent effective date.

Section 1.10. Committee. The Board of Directors may from time to time create and appoint standing, special or other committees to undertake studies, make recommendations, and carry on functions for the purpose of efficiently accomplishing the purposes of the Corporation. Committees to the extent specified by the Board of Directors, may exercise the powers, functions, or authority of the Board of Directors, except where prohibited by law; provided, however, that if a committee is to exercise board powers, functions, or authority, (a) all the persons serving on the committee must be directors, (b) there must be at least two (2) persons on the committee, and (c) the creation of the committee and the appointment of its members shall be by a majority of all directors in office when the action is taken.

ARTICLE II

Officers

Section 2.1. Officers and Qualifications Therefor. The officers of the Corporation shall consist of a President, one or more Vice Presidents, a Secretary and a Treasurer. The officers shall be chosen by the Board of Directors. Any two (2) or more offices may be held by the same person.

Section 2.2. Terms of Office. Each officer of the Corporation shall be elected by the Board of Directors at its annual meeting and shall hold office for a term of one (1) year and until a successor shall be duly elected and qualified, or until resignation, removal, or death.

Section 2.3. Vacancies. Whenever any vacancies shall occur in any of the offices of the Corporation for any reason, the same may be filled by the Board of Directors, and any officer so elected shall hold office until the expiration of the term of the officer causing the vacancy and until the officer's successor shall be duly elected and qualified.

Section 2.4. Removal. Any officer of the Corporation may be removed, with or without cause, at any time by the Board of Directors.

Section 2.5. Compensation. Each officer of the Corporation may receive such compensation for his or her services in such office as fixed by action of the Board of Directors.

ARTICLE III

Powers and Duties of Officers

Section 3.1 President. If the Chairman is not present, the President shall preside at meetings of the Board of Directors. At each annual meeting of the Board of Directors, the President or the President's designee shall report on the activities of the Corporation. Subject to the general control of the Board of Directors, the President shall manage and supervise all of the affairs of the Corporation and shall perform all of the usual duties of the chief executive officer of a corporation. The President shall grant special powers of attorney to such individuals as the President deems necessary or appropriate to act as the Corporation's attorneys-in-fact to carry out the Corporation's charitable purposes and/or to exercise the Corporation's powers.

Section 3.2. Vice Presidents. Subject to the general control of the Board of Directors, if the President is not present, a Vice President shall discharge all the usual

functions of the President and shall have such other powers and duties as these Bylaws, the Board of Directors, or an officer authorized by the Board may prescribe.

Section 3.3. Secretary. The Secretary shall attend all meetings of the Board of Directors, and prepare, keep, or cause to be kept, a true and complete record and minutes of the proceedings of such meetings, and shall perform a like duty, when required, for all committees appointed by the Board of Directors. If required, the Secretary shall attest the execution by the Corporation of deeds, leases, agreements and other official documents. The Secretary shall attend to the giving and serving of all notices of the Corporation required by these Bylaws, shall have custody of the books (except books of account) and records of the Corporation, shall be responsible for authenticating records of the Corporation, and in general shall perform all duties pertaining to the office of Secretary and such other duties as these Bylaws, the Board of Directors, or an officer authorized by the Board may prescribe.

Section 3.4. Treasurer. The Treasurer shall keep correct and complete records of account, showing accurately at all times the financial condition of the Corporation. The Treasurer shall have charge and custody of, and be responsible for, all funds, notes, securities and other valuables which may from time to time come into the possession of the Corporation and shall deposit, or cause to be deposited, all funds of the Corporation with such depositories as the Board of Directors shall designate. At each annual meeting of the members, the Treasurer, or the Treasurer's designee, shall report on the financial condition of the Corporation. The Treasurer, or the Treasurer's designee, shall furnish, at meetings of the Board of Directors or whenever requested, a statement of the financial condition of the Corporation, and in general shall perform all duties pertaining to the office of Treasurer.

Section 3.5. Assistant Officers. The Board of Directors may from time to time designate and elect assistant officers who shall have such powers and duties as the officers whom they are elected to assist shall specify and delegate to them, and such other powers and duties as these Bylaws or the Board of Directors may prescribe. An Assistant Secretary may, in the absence or disability of the Secretary, attest the execution of all documents by the Corporation.

ARTICLE IV

<u>Miscellaneous</u>

Section 4.1. Corporate Seal. The Corporation may, but need not, have a corporate seal. The form of any such corporate seal may be specified in a resolution of the Board of Directors. A corporate seal, however, shall not be required for any purpose, and its absence shall not invalidate any document or action.

Section 4.2. Execution of Contracts and Other Documents. Unless otherwise ordered by the Board of Directors, all written contracts and other documents entered into by the Corporation shall be executed on behalf of the Corporation by the Chairman, President or a Vice President, and, if required, attested by the Secretary or an assistant secretary.

Section 4.3. Fiscal Year. The fiscal year of the Corporation shall begin on July 1 of each year and end on the immediately following June 30.

ARTICLE V

Amendments

Subject to law and the Articles of Incorporation, the power to make, alter, amend or repeal all or any part of these Bylaws is vested in the Board of Directors. The Corporation

must provide notice to the directors of any meeting at which an amendment to the Bylaws is to be considered and voted upon.

Secretary

ATTACHMENT 5

STATEMENT OF ASSURANCES

Signed Copy Attached

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.

It leads to the charter of the CSB 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

HERY J. WEND LING
PRESIDENT, CHRISTEL HOUSE
SIGN NAME

A CADEMY, TNC.

ATTACHMENT 6 BOARD MEMBER RESUMES

Murvin S. Enders

509 Kessler Boulevard West Drive

Indianapolis, IN 46228

Home (317) 251-2591

Work (317) 921-1268

msenders2@comcast.net

Summary

Dynamic, goal-oriented professional with more than thirty years of experience in a broad range of management positions including the not-for-profit sector. Excellent reputation as a strong leader and team builder with the proven ability to deliver results. Experiential assets include:

- Not-For-Profit Leadership
- > CEO, Large Manufacturing Plant
- Management of Modest to Multi-Million Dollar Budgets
- Diverse Department Leadership
- > Human Resources Experience
- > Strong Community Involvement

Work Experience

January 2005 – July, 2012, **Executive Director, 100 Black Men of Indianapolis.**

I am responsible for the day to day operation of the "100" where my primary goal is to improve the long term sustainability of the 100 Black Men of Indianapolis and our youth development programs through continuous improvement of planning, policies & procedures, membership, fund development, administration, communication, and facilities.

With the support of the board, officers and the community, key staff additions were made in fund and program development, six quality mentoring based educational programs (African-American History, Beautillion, Financial Literacy, Scholastic Sports, Summer Academy and Team

Mentoring) are provided for more than 700 Indianapolis and central Indiana children annually, received national awards in financial literacy, education and mentoring and community awareness has been significantly improved.

January 1997 – December 2004 (volunteer) **President, 100 Black Men of Indianapolis.** With teams of committed officers and committee chairs, I lead the "100" from fifty or sixty members to more than one hundred men serving approximately 1000 youth annually for seven years. We won two chapter of the year awards, city-county council recognition, African American History championships, and the Dollars & \$ense financial literacy championship. Our team initiated strategic planning, continuous improvement of programs, a web site, a fund development committee and was involved in developing a model for assessment and outcome measurement of our programs.

May 1998 – March 2003 Vice-President Human Resources, Indianapolis Water Company. I was responsible for all human resources activities including labor relations, employment, safety, training & career planning, benefits, security, food service, and compensation. Working with the management team and the unions, we improved union / management relations, reduced grievances and successfully negotiated bargaining agreements prior to expiration deadlines.

October 1995 – May 1998 **Vice-President Administrative Affairs, IWC Resources Corporation**. I was responsible for corporate senior management human resource support, coordination of human resource initiatives with subsidiary personnel, and marketing, community involvement and other team assignments as required by the chairman.

The following is a synopsis of my career with the **Chrysler Corporation**. I experienced a continuous increase of responsibility to include my former position as **Plant Manager** (October 1993 - December 1994) of the Toledo Machining Plant. I was responsible for the management of **1,200,000 square feet** of manufacturing space, **1,700 employees**, and average annual sales of **\$360 million** in the production of torque converters, steering columns, brake cylinders, calipers, flywheels, etc.

Prior to the Toledo assignment (3/89 - 10/93), I was **Plant Manager** of the Indianapolis Foundry where I was responsible for the management of **500,000 square feet** of manufacturing space, **950 employees**, and average sales of **\$225 million** in the production of gray iron cylinder block castings.

As **Production Manager** (3/86 - 2/89), I was responsible for all production and production control functions effectively meeting production requirements while maintaining budget and quality standards. As **Manager of Manufacturing Engineering** (4/84 - 3/86), I was responsible for the management of Facility and Environmental Engineering. Tool and Process Engineering, the Pattern Shop and Maintenance Departments. I also served on Productivity Improvement Committees.

As **Shift Superintendent**, I managed the second shift production operations and the support activities of Quality Control, Production Control, and Maintenance. I was responsible for core making (isocure and furan), molding, melting, and cleaning operations. During a two and a half year period, I held the position of **Production and Facilities Engineering Manager**.

Biography

Tom Kegley

President, Home Health Monitoring Services

Tom Kegley formed Home Health Monitoring Services utilizing licensed Intellectual Property from Roche Diagnostics in 2009. This software was developed in the Roche Venture Office which operated from 2003-2005. The focus of this business is to maintain a healthier and better lifestyle as well as reducing medical events such as hospitalizations for patients suffering from Chronic Diseases such as CHF, COPD, Diabetes and Coronary Artery Disease. Since his retirement from Roche in 2007 he has been involved in helping companies in developing strategy for IT and addressing healthcare security and privacy issues. Tom visualized the potential to utilize this Roche technology to impact the healthcare marketplace and reduce the total cost of dealing with these diseases. His focus today is to deliver services for the monitoring and reporting of healthcare information from the home.

Tom Kegley was named Vice President of Information Technology at Roche in 1992. During his fifteen years as Head of IT for North America, he focused on leading development of overall e-Business strategy for Roche Diagnostics Corporation and integrating all Roche Diagnostics systems and infrastructure for North America into a single IT environment by 2004. While at Roche Diagnostics, formerly Boehringer Manheim Corporation, Kegley achieved numerous breakthroughs including the creation of the first international IT function to develop worldwide standards, global infrastructure, and global strategies for the integrated business systems of SAP, CRM, desktop and e-mail. Under his United States IT leadership, Kegley created the architecture for the restructuring and integration of disparate IT functions, delivering new SAP-based ERP systems, SFA/CRM Systems and new data warehousing ability to enhance information delivery. He initiated the first official company Internet site in 1997, which subsequently led to the Intranet and e-Commerce becoming fully rolled out within the region. Kegley focused on achieving the company's total business transformation on new business, e-enabling business processes and e-Health opportunities. His organization was recognized by Information Week Magazine as one of the most Innovative (#54 on IW 500 List 2005) and was cited as Top 25 Competency Centers in the Americas by SAP. While at Roche, Kegley was a member of various internal associations such as the Roche Diagnostics Informatics Operating Committee and the Roche Diagnostics North America Operating Committee.

Prior to joining Roche Diagnostics in 1992, Kegley spent 22 years leading IT at Beecham Pharmaceuticals and SmithKline Beecham Corporate Headquarters for the Americas. He also held the role of an independent consultant for Glaxo, Schering Plough and Hoechst.

Tom was a Director of the Pharmaceutical Information Systems Association. He also chaired the Community Hospitals of Indiana IT Advisory Committee, served as President for the Society of Information Management (SIM) for Indianapolis. He is a member of the Indianapolis CIO Roundtable, is a Board Member of the Indiana Health Information Management Systems Society (HIMSS) and the IU Health Informatics Advisory Board. Tom serves as Secretary to the Board of Christel House Academy.



EDUCATION

Purdue University West Lafayette, Indiana Bachelor of Science in Civil Engineering 1978

REGISTRATION

Registered/Licensed Professional Engineer: Indiana, Kentucky, Ohio, W Virginia, Michigan, Mississippi, North Carolina, Washington, Pennsylvania Licensed Structural Engineer: Illinois, Utah (pending)

ACCOLADES

U.S. Jaycees Outstanding Young Men of America

> Theta Chi Fraternity Citation of Honor

Stanley K. Lacy Executive Leadership Program

National Multiple Sclerosis Society Indiana State Chapter Leadership Circle Award

Graduate Dr. Stephen R. Covey's "Seven Habits of Highly Effective People" Workshop

Kiwanis International Foundation 2001 George F. Hixson Fellowship Award Recipient; Kiwanian of the Month

PUBLICATIONS

Engineering Ethics & Professionalism, Indianapolis
Business Journal 1990

Relationships 101, Carmel Business Leader, 2009

Steven P. Osborn, P.E., S.E., CPSM, FSMPS President, CE Solutions

In his first two decades as a structural engineer with large, multi-disciplined firms, Steve gained a wealth of experience managing large-scale, noteworthy projects like downtown Indianapolis' \$300 million Circle Centre Mall. In the years since he founded CE Solutions in 1998, Steve has capably applied the skills he derived working on complex, large-scale projects toward developing creative solutions to unique, one-of-a-kind projects, both large and small. Several award winning engineering projects illustrate his talent. Steve actively contributes his talents toward enhancing the profession. Through leadership positions in professional organizations, he has assisted the State of Indiana with building code provisions and professional service selection procedures. He has delivered the speech, "Seismic Restraint Design of Mechanical, Electrical and Fire Sprinkler Systems" to the Indiana Fire Sprinkler Association, Indiana Subcontractors Association, Mechanical Contractors Association of Indiana, Indiana Construction Specification Institute and Illinois State University School of Construction Management, Steve routinely consults on the same subject. Since the 1986 inception of the Civil Engineering Professional Development Seminar cosponsored by Purdue University's School of Civil Engineering and the Indiana Section of ASCE, Steve has actively participated in the planning and has frequently served as session moderator at this popular continuing education program.

COMMUNITY ORGANIZATIONS

- Stanley K. Lacy Leadership Association, Current Board Member
- · Lacy Society, Charter member
- Multiple Sclerosis Society, Indiana Chapter, Current Board of Trustees Member
- Boy Scouts of America Crossroads of America Council, Past Properties Committee
- Indianapolis Kiwanis Northwest Club, Past Fountain Square Revitalization Committee, Past Chairman; Community Needs Analysis 2000 Committee, Past Chairman
- Theta Chi Fraternity

PROFESSIONAL INDUSTRY ORGANIZATIONS

- Indiana Civil Engineering Professional Development Seminar, Advisory Committee Member since 1986, Past Co-Chair
- American Council of Engineering Companies of Indiana, Committee leadership positions
- · Indiana Qualifications Based Selection Coalition, Past Chairman
- American Society of Civil Engineers, Local, state and national leadership positions
- Metropolitan Indianapolis Branch, Structural Engineering Institute, Founder/Past Chairman
- American Concrete Institute
- Society for Marketing Professional Services, Fellow, Certified Professional Services Marketer, Indiana Chapter Past President, National Practice Analysis Committee

BARNES & THORNBURGLEP

btlaw.com

BIOGRAPHY



Alan A. Levin

Partner

11 South Meridian Street | Indianapolis, Indiana 46204-3535 ph: 317-231-7259 fax: 317-231-7433 e-mail: alan.levin@btlaw.com

Alan A. Levin is a partner in Barnes & Thomburg LLP, resident in the Indianapolis, Indiana office, where he is a member of the Business Department. He currently is the Managing Partner of Barnes & Thomburg and has served in that capacity since 1997. He concentrates his practice on the many legal issues surrounding employee benefits. His practice encompasses a broad spectrum of activities, including drafting and design of both qualified and non-qualified retirement plans, consulting, and an extensive administrative practice with governmental agencies. In addition, he has been involved in all phases of the establishment and operation of ESOPs and, on occasion, has been involved in implementing retirement plans in foreign countries. His practice also includes counseling clients with respect to executive compensation issues, including stock option plans, phantom stock plans and split dollar insurance. As part of his administrative practice, he is closely involved with governmental agencies, including the U.S. Department of Labor and the Internal Revenue Service.

Mr. Levin has been a frequent participant in employee benefit seminars on topics including qualified retirement plans, executive compensation, and ESOPs. He serves on several boards, including as a trustee of The Indianapolis Foundation and the Central Indiana Community Foundation.

Mr. Levin received a B.A. degree *summa cum laude* from Mercyhurst College in Erie, Pennsylvania, in 1976. He received his J.D. *magna cum laude* from Indiana University School of Law-Bloomington in 1982, where he was a member of the Order of the Coif. He joined Barnes & Thornburg in 1982 and became a partner in 1990. Mr. Levin is admitted to practice in the state of Indiana.

HOPE Y. HAMPTON

8811 BERGESON DR. INDPLS., IN 46278 (646)-464-2993 HOPEHAMPTON@YMAIL.COM

EDUCATION PROFESSIONAL - COMMUNITY BUILDER-COUNSELOR

Ten Years' Experience Working with Students Ages Two to Twenty-One in a Multitude of Settings and Twenty Years' Administrative Experience in Academic, Community and Corporate Settings

PROFILE

Accomplished Education Professional and Administrator with a successful track record in the academic, corporate and non-profit arenas. Skilled communicator experienced with diverse communities and groups. Candidate is experienced as both administrator and program developer. Practical experience as both a classroom educator and education administrator with a strong background in adult and child counseling.

SKILLS AND STRENGTHS

Areas of Proficiency:

- Program planning and development
- Assessing the Needs of and Motivating Students
- Managing and hiring staff in educational and non-profit settings
- Conducting Faculty, Administrative Staff Meetings and Family Conferences
- Self-Motivated or Team-Oriented Working in both Academic and Corporate Settings

Positive Characteristics:

- Promotes Diversity through Example
- Effective Written and Verbal Communicator
- Positive Leader with Excellent Rapport
- Able to Enhance Student Self-Esteem

ADMINISTRATIVE EXPERIENCE

Co-founder, Bedford Prep Charter School, NY

2010

Bedford Prep will be the first blended learning charter school in New York City. The model is an integration of face-to-face classroom time with online learning. Our model is based on New York City's iSchool public high school model. Bedford Prep will be a college preparatory high school. The Charter has been accepted and Bedford Prep will open in the fall of 2011. As a co-founder of the school I was motivated by a desire for an underserved Brooklyn community to have access to quality options for college preparatory education.

- Defended the application with board for a DOE panel
- Responsible for gaining community support for the school

Human Resources Manager, Senex Services, IN

2000 - 2001

Senex Services, founded in 2000, is currently a leader in healthcare bad debt purchasing and servicing.

- Managed all aspects of human resources in this start-up company, including:
 - Recruiting and hiring of all management and non-management employees
 - o Ensuring the appropriate training of new hires
 - Planning and organizing all company events

CURRICULUM VITAE

NAME: Watanabe, Margaret Reese

EDUCATION:

Wheaton College, Wheaton, Illinois UNDERGRADUATE:

B.S. with High Honors, Zoology, 1963

Indiana University School of Medicine **GRADUATE:**

Indianapolis, Indiana

M.S., Immunology-Microbiology, 1963

Indiana University School of Medicine

Indianapolis, Indiana

Ph.D., Immunology-Microbiology, 1980

Indiana University School of Medicine

Indianapolis, Indiana

M.D., 1986

POSTDOCTORAL: Indiana University School of Medicine

Department of Internal Medicine

Division of Rheumatology Research Fellow, 1980-1982

Indiana University School of Medicine Department of Obstetrics and Gynecology

Resident, 1986-1990

Diplomate, American Board Obstetrics and Gynecology,

1992

National Science Foundation Fellowship, 1963-1965 FELLOWSHIPS:

Graduate Fellowship, Danforth Foundation, 1974-1980

Postdoctoral Fellowship, National Arthritis Foundation,

1980-1982

ACADEMIC APPOINTMENTS:

Indiana University School of Medicine Department of Obstetrics and Gynecology

Clinical Instructor, 1990-1992

Clinical Assistant Professor, 1992-2003

Heather H. Willey

Partner

11 South Meridian Street Indianapolis, Indiana 46204-3535 United States of America

Heather H. Willey is a partner in Barnes & Thornburg LLP's Indianapolis, Indiana office. She is a member of the Governmental Services & Finance and Healthcare Departments. Ms. Willey concentrates her practice on a variety of legislative issues, including policy development, analysis and negotiations on local, state and federal levels.

Prior to her law firm career, Ms. Willey served in Indiana Gov. Frank O'Bannon's Administration, working in the Office of the Governor from 1997 until 2003. She served as Special Assistant to the Governor and later as Executive Assistant for Education.

She is a member of the Indianapolis, Indiana, District of Columbia and American Bar associations, as well as the American Health Lawyers Association and the Indiana Municipal Lawyers Association.

Ms. Willey is also involved in the community, serving as President of the Governmental Affairs Society of Indiana and on the boards of the Youth Enhancement Training Initiative, Inc. and Christel House Academy. She is the Co-Chair of the Steering Committee for the William S. and Christina S. Hall, Center for Law and Health at Indiana University School of Law at Indianapolis. She is a member of Executive Women in Healthcare and the Indianapolis Symphony Orchestra's FORTE. She is a graduate of the Stanley K. Lacy Executive Leadership Series, Class XXX (2006). She is a member of the Lacy Leadership Association. She is also a graduate of the Indianapolis Bar Association Bar Leader Series and a current member of the Steering Committee for the Bar Leader Series. In addition, she is the Chair-Elect of the Indianapolis Bar Association's Government Practice Section. Most recently, Ms. Willey became a member of the Healthcare Businesswomen's Association (HBA). She also was named a Distinguished Fellow of the Indianapolis Bar Foundation.

She received her B.A. from Indiana University in 1996 and her J.D. from the Indiana University Robert H. McKinney School of Law in 2004. She also earned the Health Law Certificate at the William S. Hall and Christine S. Hall Center for Law and Health.

Ms. Willey is admitted to practice before all Indiana courts and the U.S. District Courts for the Southern and Northern Districts of Indiana, and the U.S. Court of Appeals for the 7th Circuit. She also is admitted to practice in the District of Columbia.

(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.

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Background

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

CHRISTEL HOUSE ACADEMY, INC.

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

 X 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.
- 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

2. Your full name: ALFONSO J. ALANIS, M.D.

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 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

	recise nature of the business that is being or will be conducted.
1 / we do not anticipate conducting any s	uch business. 🗖 Yes
If the school intends to contract with an Education you or your spouse knows any employees, of the affirmative, please describe any such relationship.	ation Service Provider or management organization, indicate whethe fficers, owners, directors or agents of that provider. If the answer is in ationship.
Not applicable because the school does management organization. I / we do not know any such persons.	not intend to contract with an education service provider or school Yes
	ice provider, please indicate whether you, your spouse or other direct ownership, employment, contractual or management interest in de a detailed description.
X N/A. □ I / we have no such interest. □ `	Yes
	on Service Provider, indicate if you, your spouse or other ing, or are conducting, any business with the provider. If so, at is being or will be conducted.
N/A. □ I / we or my family do not anticip	ate conducting any such business. 🗖 Yes
	mmediate family members area director, officer, employee, partner th, any organization that is partnering with the charter school. To the response to prior items, you may so indicate.
Does not apply to me, my spouse or fam	ily. □ Yes
8. Indicate any potential ethical or legal conflict the school's board. ▶ None. ☐ Yes	s of interests that would, or are likely to, exist should you serve on
Certification	
information I am providing to the Indiana Charter Strue and correct in every respect.	certify to the best of my knowledge and ability that the school Board as a prospective board member for Charter School is
	3 - 13 - 13
Signature	Date

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

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Ċ	ibligations at the earliest stage of school development.
	Background . Name of charter school on whose Board of Directors you intend to serve: CHRISTEL HOUSE ACADEMY, INC.
2	. Your full name: MURVIN S. ENDERS
3	. Brief educational and employment history. (No narrative response is required if resume is attached.) X. 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.
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
Dis	sclosures
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.
	□ 1/ we do not know any such trustees. Yes, from the current CHA Board
2.	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.
	(3' 1) wa do not know any cush norcone 17 Vac

3.	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
4.	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 contract with an education service provider or school management organization. □ I/we do not know any such persons. □ Yes
5.	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
6.	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
7.	Indicate whether you, your spouse or other immediate family members area 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
8.	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
Lies processed	Certification
l, infor true	Murvin S Enders certify to the best of my knowledge and ability that the mation I am providing to the Indiana Charter School Board as a prospective board member for Charter School is and correct in every respect. 3/14/13
Sìgn	ature Date

(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.

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Background

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

CHRISTEL HOUSE ACADEMY, INC.

2.	Your full name: HOPE Y. HAMPTON
3.	Brief educational and employment history. (No narrative response is required if resume is attached.) X 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 been on numerous boards a helped to
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
Dis	closures
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 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 know law yers who are involved.
	I know law yers who are involved.

	mily members anticipate conducting, or are conducting, any e nature of the business that is being or will be conducted.
I / we do not anticipate conducting any such t	ousiness. □ Yes
	Service Provider or management organization, indicate whether s, owners, directors or agents of that provider. If the answer is in ship.
management organization.	ntend to contract with an education service provider or school Yes
	ovider, please indicate whether you, your spouse or other townership, employment, contractual or management interest in detailed description.
☑ N/A. ☐ I / we have no such interest. ☐ Yes	
	ervice Provider, indicate if you, your spouse or other or are conducting, any business with the provider. If so, being or will be conducted.
N/A. I / we or my family do not anticipate c	onducting any such business. □ Yes
	diate family members area director, officer, employee, partner y organization that is partnering with the charter school. To the nse to prior items, you may so indicate.
☐ Does not apply to me, my spouse or family.	□ Yes
Indicate any potential ethical or legal conflicts of in the school's board. None. ☐ Yes	nterests that would, or are likely to, exist should you serve on
Certification	
	certify to the best of my knowledge and ability that the I Board as a prospective board member for Charter School is
tolanson	3.13.13
Signature	Date

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

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Background

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

CHRISTEL HOUSE ACADEMY, INC.

- Your full name: HEATHER MACEK WILEY
 Brief educational and employment history. (No narrative response is required if resume is attached.)
 X 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.
- 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.
	■ 1/ we do not know any such trustees. □ Yes
2.	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.

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3.	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
4.	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 contract with an education service provider or school management organization. I / we do not know any such persons. Yes
5.	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
6.	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
7.	Indicate whether you, your spouse or other immediate family members area 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
8.	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
info	Certification Hawking Certification certify to the best of my knowledge and ability that the mation Tam providing to the Indiana Charter School Board as a prospective board member for Charter School is
tiue	and conrect in every respect. While Willey
Sign	ature \\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\

CHARTER SCHOOL BOARD MEMBER INFORMATION

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

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Background

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

please indicate the precise nature of your relationship.

□ I / we do not know any such trustees.

☐ Yes

transacting or will be transacting with the school.

I / we do not know any such persons. 🚨 Yes

CHRISTEL HOUSE ACADEMY, INC.

2.	Your full name: THOMAS KEGLEY
3.	Brief educational and employment history. (No narrative response is required if resume is attached.) X 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.
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
Disc	closures

Indicate whether you or your spouse knows the other prospective board members for the proposed school. If so,

2. 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

J.	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
4.	If the school intends to contract with an Education Service Provider or management organization, indicate whethe 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 contract with an education service provider or school management organization. □ I/we do not know any such persons. □ Yes
5.	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 ir the provider. For any interest indicated, provide a detailed description.
	N/A. □ I / we have no such interest. □ Yes
6.	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
7.	Indicate whether you, your spouse or other immediate family members area 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
8.	Indicate any potential ethical or legal conflicts of interests that would, or are likely to, exist should you serve on the school's board. Alone. Yes
MANAGE	Certification
	certify to the best of my knowledge and ability that the prmation Lam-providing to the Indiana Charter School Board as a prospective board member for Charter School is and correct injewery respect.
	3/13/2012
Sigı	nature Date

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

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Background

	Name of charter school on whose Board of Directors you intend to serve: CHRISTEL HOUSE ACADEMY, INC.
2	2. Your full name: ALAN A. LEVIN
3	Brief educational and employment history. (No narrative response is required if resume is attached.) X 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. Cuttor director of Charles Music Acades
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
Dis	sclosures
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 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
	I am a partner at Barner & Thornhorg which performs to level or Icsalserings for the school but not substated. My perinarial potenti
	15 KJs Thun Jali
	·

3.	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
4.	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 contract with an education service provider or school management organization. I / we do not know any such persons. Yes
5.	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
6.	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
7.	Indicate whether you, your spouse or other immediate family members area 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
8.	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, infor	certify to the best of my knowledge and ability that the rmation I am providing to the Indiana Charter School Board as a prospective board member for Charter School is
true	and correct in every respect.
Cian	pature Date
Sign	ature Date

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:

CHRISTEL HOUSE ACADEMY, INC.

2.	Your full name: CHERYL WENDLING		
3.	Brief educational and employment history. (No narrative response is required if resume is attached.) X 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. 10 years experience on OHA Board		
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		
Disc	closures		
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 □ Serve with all		
2.	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		
	Which or account of the Barnes of Thombers lawfirm, which or account or ally does legal work for CHA: Or know Deb tradyman partner at BKD, LCC, and the firm. Know several individual at Shiel Sexton, Wy whom we may continued at Shiel Sexton, who we may continued as the Sexton.		
	BKD, LC, auditing firm. know several		
	individual at Shiel Sexton, Wy whom we may contra		

3.	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			
4.	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 contract with an education service provider or school management organization. I / we do not know any such persons. I Yes			
5.	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			
6.	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			
7.	Indicate whether you, your spouse or other immediate family members area 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. The Christel House Onlandson Indicate any potential ethical or legal conflicts of interests that would, or are likely to, exist should you serve on			
8.	Indicate any potential ethical or legal conflicts of interests that would, or are likely to, exist should you serve on the school's board. Yes			
	Certification			
info	THERY J. WENDUNC certify to the best of my knowledge and ability that the rmation I am providing to the Indiana Charter School Board as a prospective board member for Charter School is and correct in every respect.			
	hen Rue 3/13/13			
Sig	nature Date			

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:

I / we do not know any such persons. Yes

CHRISTEL HOUSE ACADEMY, INC.

2. Your full name: STEVEN P. OSBORN 3. Brief educational and employment history. (No narrative response is required if resume is attached.) X 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. ORA DORRO 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** 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 SERVES FILE 2. 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.

Indicate if you, your spouse or other immediate business with the school. If so, indicate the pred	family members anticipate conducting, or are conducting, any cise nature of the business that is being or will be conducted.
I / we do not anticipate conducting any suc	
4. If the school intends to contract with an Education you or your spouse knows any employees, office the affirmative, please describe any such relation	on Service Provider or management organization, indicate whether ers, owners, directors or agents of that provider. If the answer is in nship.
Not applicable because the school does no management organization. I / we do not know any such persons.	t intend to contract with an education service provider or school Yes
the provider. For any interest indicated, provide	
N/A. I / we have no such interest. Yes	
indicate the precise nature of the business that is	
N/A. 🗖 I / we or my family do not anticipate	conducting any such business. □ Yes
7. Indicate whether you, your spouse or other imme or member of, or are otherwise associated with, a extent you have provided this information in response.	ediate family members area director, officer, employee, partner ny organization that is partnering with the charter school. To the onse to prior items, you may so indicate.
Does not apply to me, my spouse or family.	☐ Yes
8. Indicate any potential ethical or legal conflicts of the school's board. None. ☐ Yes	interests that would, or are likely to, exist should you serve on
C	ertification
information I am providing to the Indiana Charter School true and correct in every respect.	certify to the best of my knowledge and ability that the ol Board as a prospective board member for Charter School is
	3/13/13
Signature	Date

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:

CHRISTEL HOUSE ACADEMY, INC.

Your full name: MARGARET R. WATANABE 3. Brief educational and employment history. (No narrative response is required if resume is attached.) X 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. O serve on the Board with all 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.
	please indicate the precise nature of your relationship. I / we do not know any such trustees. If Yes Board Service
2.	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.
	transacting or will be transacting with the school. I / we do not know any such persons. Yes Same Shornberg lawfirm

3.	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
4.	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 contract with an education service provider or school management organization. I / we do not know any such persons. Yes
5.	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
6.	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
7.	Indicate whether you, your spouse or other immediate family members area 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
3.	Indicate any potential ethical or legal conflicts of interests that would, or are likely to, exist should you serve on the school's board. Yes
	Certification
V:	
nfor	Certify to the best of my knowledge and ability that the mation am providing to the Indiana Charter School Board as a prospective board member for Charter School is and correct in every respect.
	nargaret Watanalee 3/13/13
	ature Date

ATTACHMENT 7 CONFLICTS OF INTEREST

Attached are Christel House Academy's Conflict of Interest Policy and Statements of Conflicts of Interest signed by every Director Annually.



CONFLICT OF INTEREST POLICY

CHRISTEL HOUSE ACADEMY

<u>Section 1</u>. <u>Purposes</u>. The purpose of this conflict of interest policy is to protect the interest of Christel House Academy (CH) when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a related party.

Section 2. Definitions.

- (a) <u>Interested Person</u>. Any director, officer, key employee or member of a committee with board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.
- (b) <u>Financial Interest</u>. A person has a financial interest if the person has, directly or indirectly, through business, investment or family:
 - i. an ownership or investment interest in any entity with which CH has a transaction or arrangement;
 - ii. a compensation arrangement with CH or with any entity or individual with which CH has a transaction or arrangement; or
 - iii. a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which CH is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are substantial in nature.

Section 3. Procedures.

- (a) <u>Duty to Disclose</u>. In connection with any actual or possible conflict of interest, an interested person must disclose the existence and nature of his or her financial interest to the directors and members of committees with board delegated powers and/or to management considering the proposed transaction or arrangement.
- (b) <u>Determining Whether a Conflict of Interest Exists</u>. After disclosure of the financial interest, the interested person shall leave the board or committee meeting while the financial interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists by a two-thirds vote. In the case of a

potential conflict of interest reported by an employee to management; management, in consultation with CHI, shall decide if a conflict of interests exists. If it is determined that a conflict of interest exists, the board, committee and/or management shall proceed as provided in Section 3(c).

(c) Addressing the Conflict of Interest.

- i. If the board or committee has not already done so, the president may, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- ii. After exercising due diligence, the board or committee shall determine whether CH can obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest.
- iii. If a more advantageous transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in CH's best interest and for its own benefit and whether the transaction is fair and reasonable to CH and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.
- iv. In determining whether to enter into the transaction or arrangement under Section 3(c)iii, the board or committee may request that the interested board member or committee member provide additional information to the board or committee. The interested person shall not be present or participate in the vote on whether to enter into such transaction, but may be counted for purposes of determining the existence of a quorum. If the interested director is counted for quorum purposes, the action must be approved by a sufficient number of votes based upon that quorum. For example, if a majority vote of the quorum is required to approve an action and six (6) directors constitute a quorum, the action must be approved by three (3) of the five (5) disinterested directors voting on the transaction or arrangement.
- v. In the case of a potential conflict of interest reported by an employee to management; management, in consultation with CHI, will evaluate the proposed transaction consistent with the process utilized by the board above to determine a course of action most beneficial to CH.

(d) Violations of the Conflict of Interest Policy.

i. If the board, committee of the board or management has reasonable cause to believe that an interested person has failed to disclose actual or possible

conflicts of interest, it shall inform the interested person of the basis for such belief and afford the interested person an opportunity to explain the alleged failure to disclose.

ii. If, after hearing the response of the interested person and making such further investigation as may be warranted in the circumstances, the board committee or management determines that the interested person has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

<u>Section 4</u>. <u>Records of Proceedings</u>. The minutes of the board and all committees with board delegated powers shall contain:

- (a) the names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the board's or committee's decision as to whether a conflict of interest in fact existed; and
- (b) the names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection therewith.
- (c) In the case of a conflict of interest involving an employee, the employee's personnel file will contain thorough documentation consistent with the above.

<u>Section 5.</u> <u>Annual Statements</u>. Each director, officer, key employee and member of a committee with board delegated powers shall annually sign a statement similar to that attached as <u>Exhibit 1</u> which affirms that such person:

- (a) has received a copy of the conflict of interest policy;
- (b) has read and understands the policy;
- (c) has agreed to comply with the policy; and
- (d) understands that CH is a charitable organization and that it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

<u>Section 6</u>. <u>Periodic Reviews</u>. To ensure that CH operates in a manner consistent with its charitable purposes, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, assess whether compensation arrangements and benefits are reasonable and are the result of arm's-length bargaining.

<u>Section 7</u>. <u>Use of Outside Experts</u>. In conducting the periodic reviews provided for in <u>Section 6</u>, CH may, but need not, use outside advisors. If outside advisors are used, their use shall not relieve the Board of its responsibility for ensuring that periodic reviews are conducted.



CONFLICT OF INTEREST STATEMENT

To: Board of Directors, Christel House Academy

I, the undersigned, associated with the above-captioned Christel House (hereinafter the "CH") in a capacity of director, officer, key employee or member of a committee with board delegated powers represent that as of the date specified below, I have the financial interests described below.

In accordance with CH's duly adopted conflict of interest policy, I understand that I have a "financial interest" if I have, directly or indirectly, through business, investment or family: (i) an ownership or investment interest in any entity with which CH has a transaction or arrangement; (ii) a compensation arrangement with CH or with any entity or individual with which CH has a transaction or arrangement; or (iii) a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which CH is negotiating a transaction or arrangement.

I declare that I will inform the President (or in the case of the President, the Board of Directors) of CH; or, in the case of an employee, the Executive Director/Principal and Finance Director of CH, in writing, of any material change in the information I have provided herein.

I do further specifically represent that I have received a copy of CH's conflict of interest policy, that I have read and understand such policy, and that I agree to comply with such policy in every respect.

I understand that CH is a charitable organization and it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

As of this date. I have the following financial interests:

As of this date, I have the following inflational interests.	
I hereby affirm that the foregoing information is correct and complete.	
Signed:	
Printed Name:	
Date:	

ATTACHMENT 8

EDUCATION SERVICE PROVIDER

No Education Service Provider will be utilized

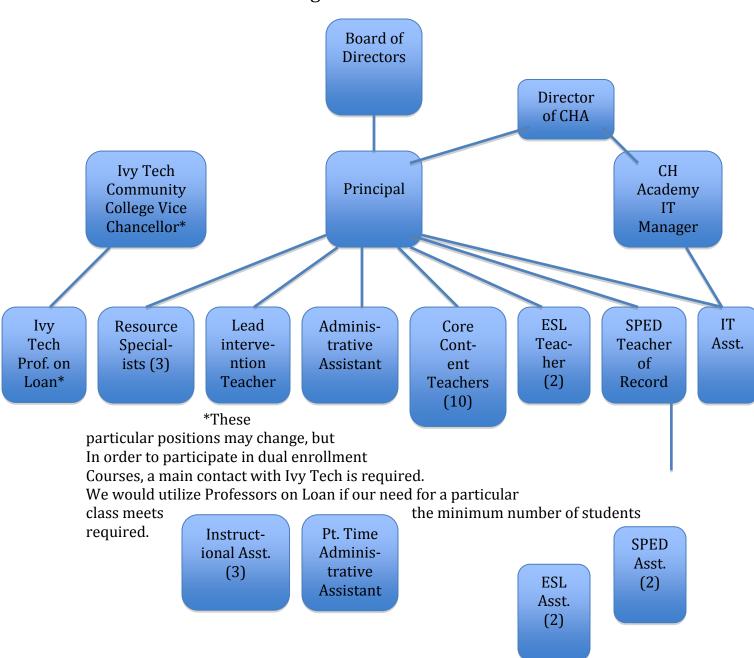
ATTACHMENT 9

FIVE-YEAR BUSINESS PLAN

The Five-Year Network Expansion Business Plan is still in development. Questions 2-5 in the Project Narrative address pertinent planning issues.



Organization Chart



ATTACHMENT 11 CORE CURRICULUM SCOPE AND SEQUENCE



CHRISTEL HOUSE DORS COURSE FLOW BY CONTENT AREA AND PATHWAY

Each student will come in with a unique set of credits attained at their last academic institution. Individual student course assignments will reflect their individual needs as they may have already acquired credit for some classes. Upon enrollment, students will select a Pathway that meets their academic interests and needs. Student Success Teams will help students select the Pathway that will help push them to reach their highest potential.

Students may qualify for dual-enrollment courses at Ivy Tech, students may use a technology-based approach in a DORS computer lab using the APEX curriculum, they may have small group remediation sessions, or they may take the course as an inquiry or project-based seminar facilitated by DORS teachers. The four Pathways are: Foundations, Achieve, Gateway to College: Career and Technical, and Gateway to College: Academy .

Christel House &

1



Pathways

Foundations: If a student is well below grade level in reading or math ability or is an English Language Learner, they will start off on the Foundations Pathway. Students will receive interventions to address their academic needs so that they are prepared for the rigor of the high school curriculum. Foundations students will utilize the Foundations curriculum in APEX, the Indy Reads Learning Lab, and small group intervention from a teacher so that they are prepared to successfully master high school level courses. Students will move into the Achieve Pathway when they have mastered the basic skills needed.

Achieve: The Achieve Pathway is for students who will take most of their courses through DOR as regular high school courses. Achieve students will take one or two duel enrollment courses to get exposure to college expectations and courses, but will not receive a significant amount of dual credit. This may be based on student academic needs or personal academic goals.

Gateway to College Career and Technical: Students on the Gateway to College Career and Technical track will have an eighth grade or higher reading level and be pursuing significant dual credit. These students will be working towards a Career/Technical certification or diploma at Ivy Tech at the same time as they work towards fulfilling requirements for a high school diploma.

Gateway to College Academy: Gateway to College Academy students will be reading on at least an eighth grade reading level and pursuing significant dual credit in an area outside of career and technical education. These students will be pursuing credits towards a diploma from Ivy Tech at the same time as their high school diploma. Academy students will take core content classes from the Core Transfer Library that can transfer to a four-year university after they earn their high school diploma. These students will graduate high school with significant credit towards an Ivy Tech degree or to be transferred to another university.



The rest of this catalog lists courses available (and required) for students on each Pathway.

A prerequisite is something that is required before a student can take a specific course. Prerequisite courses give you foundational skills and prepare you to be successful in the following courses.

English/Language Arts

Each student must complete 8 credits in the area of English Language Arts including a balance of literature, composition, and speech.

English 9 (2 Credits)

English 10 (2 Credits)

Student Selected (4 Credits)

Gateway to College Academy

DOE Course Number	Course Title	Prerequisites	Ivy Tech Course Number	Course Available on APEX?
1002	English I			Yes
1004	English II	English I		Yes
1006	English III	English I and II		Yes
1008	English IV	English I, II, III		Yes
1124	English Composition	English I and II	ENGL111	No
1124	Exposition and Persuasion	ENGL111	ENGL112	No
1124	Creative Writing	ENGL111	ENGL202	No
1124	Introduction to Literature	ENGL111	ENGL206	No
1124	Introduction to Poetry	ENGL111	ENGL214	No
1058	Introduction to World Lit.	ENGL111	ENGL220	No
1078	Speech		COMM101	No

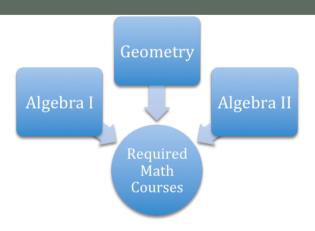
Gateway to College Career and Technical

DOE Course Number	Course Title	Prerequisites	Ivy Tech Course Number	Course Available on APEX?
1002	English I			Yes
1004	English II	English I		Yes
1006	English III	English I and II		Yes
1008	English IV	English I, II, III		Yes
1124	English Composition	English I and II	ENGL111	No
1094	Technical Writing	ENGL111	ENGL211	No
1078	Speech		COMM101	No

^{*}COMPASS cut scores for Ivy Tech courses: Writing 70+ Reading 80+

Mathematics

6 Mathematics credits are required for graduation.



Gateway to College Academy and Gateway to College Career and Technical

DOE Course Number	Course Title	Prerequisites	Ivy Tech Course Number	Available on APEX?
2520	Algebra I			Yes
2522	Algebra II	Algebra I		Yes
2532	Geometry	Algebra I		Yes
2544	Finite Math	Algebra I and II	MATH135	No
2544	College Algebra	Algebra I and II	MATH136	No
2564	Trigonometry and			
	Analytic Geometry	Algebra I and II	MATH137	No
	(Pre-Calculus/Trigonometry)	_		

- Gateway to College students may choose to take Algebra II or Geometry if they take higher level courses through Ivy Tech. Gateway students are encouraged to take Algebra I and II to prepare them for the college level math courses.
- Algebra COMPASS cut score 66+ for Ivy Tech courses:136 College Algebra and other algebra and trigonometry-related courses.

Mathematics (continued)

Achieve

Achieve students may choose from one of two sequences: Integrated Math I, Integrated Math II, Algebra I

> or Algebra I, Algebra II, Geometry

DOE Course Number	Course Title	Prerequisites	Available on APEX?
2520	Algebra I		Yes
2522	Algebra II	Algebra I	Yes
2532	Geometry	Algebra I	Yes
2554	Integrated Math I		Yes
2556	Integrated Math II	Integrated Math II	Yes

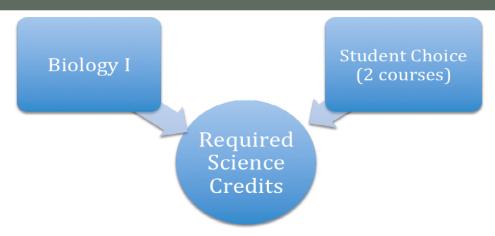
Foundations

DOE Course Number	Course Title	Prerequisites	Available on APEX?
2560	Math Foundations I		Yes
2560	Math Foundations II	Math Foundations I	Yes
2560	Mathematics Lab		No
2520	Algebra I	Math Foundations	Yes
2522/2532	Algebra II or Geometry	Algebra I	Yes



Science

Students are required to obtain at least 6 Science credits. Students must take Biology and are able to other courses they select from listed courses to meet the rest of the Science requirements.



Gateway to College Academy

DOE Course Number	Course Title	Prerequisites	Ivy Tech Course Number	Available on APEX?
3024	Biology			Yes
3066	Chemistry	Algebra II		Yes
3090	Human Biology		BIOL100	No
3026	Introduction to Biology		BIOL101	No
3020	Biology I		BIOL105	No
3090	Biology II		BIOL107	No
3090	Microbiology I	BIOL101	BIOL211	No
3066	Introduction to Chemistry	Algebra II	CHEM101	No
3060	General Chemistry I	Algebra II	CHEM105	No
3090	General Chemistry II	CHEM105 and MATH136	CHEM106	No
3090	Chemistry I	Algebra II	CHEM111	No
3090	Introduction to Organic and Biochemistry	CHEM101 or CHEM111	CHEM113	No
3080	Physics I	MATH137	PHYS101	No
3090	Physics II	PHYS101	PHYS102	No
3088	Physics: Mechanics	MATH211	PHYS220	No
3046	Earth Science		SCIN100	Yes
3090	Physical Science		SCIN111	Yes

English/Language Arts (continued)

Achieve

DOE Course Number	Course Title	Prerequisites	Ivy Tech Course Number	Course Available on APEX?
1002	English I			Yes
1004	English II	English I		Yes
1006	English III	English I and II		Yes
1008	English IV	English I, II, III		Yes
1078	Speech		COMM101	No
1092	Creative Writing	English I and II		Yes
1070	Debate			No

Foundations

DOE Course Number	Course Title	Prerequisites	Course Available on APEX?
1120	Developmental Reading/Writing:		Yes
	English Foundations I		
1120	Developmental	English Foundations I	Yes
	Reading/Writing:		
	English Foundations II		
1010	Language Arts Lab		No
1012	English as a New Language		No
1002	English I	English Foundations	Yes
1004	English II	English I	Yes
1074	Group Discussion		No



Science (continued)

Gateway to College Career and Technical

DOE Course Number	Course Title	Prerequisites	Ivy Tech Course Number	Available on APEX?
3024	Biology			Yes
3066	Chemistry	Algebra II		Yes
3090	Human Biology		BIOL100	No
3026	Introduction to Biology		BIOL101	No
3066	Introduction to Chemistry	Algebra II	CHEM101	No
3080	Physics I	MATH137	PHYS101	No
3046	Earth Science		SCIN100	Yes
3090	Physical Science		SCIN111	Yes

Achieve

DOE Course Number	Course Title	Prerequisites	Ivy Tech Course Number	Available on APEX?
3024	Biology			Yes
3066	Chemistry	Algebra II		Yes
3102	Physical Science			Yes
3044	Earth Science			Yes

Foundations

DOE Course Number	Course Title	Prerequisites	Ivy Tech Course Number	Available on APEX?
3094	Science Foundations			Yes
3024	Biology	Science Foundations		Yes
3066	Chemistry	Science Foundations; Algebra II		Yes
3102	Physical Science	Science Foundations		Yes
3094	Science Tutorial			No



Social Studies Students are required to obtain 6 credits in Social Studies. U.S. History U.S. Government Required Courses Economics Student Choice

Gateway to College Academy and Gateway to College Career and Technical

Course Number	Course Title	Prerequisites	Ivy Tech Course Number	Available on APEX?
1542	U.S. History	r rerequisites	Course Humber	Yes
	,			
1540	United States Government			Yes
1514	Economics			Yes
1570	Geography/History of the			Yes
	World			
1548	World History and Civilization			Yes
1574	Economic Fundamentals		ECON101	No
1560	Introduction to American		POLS101	No
	Government and Politics			
1562	Survey of American History I		HIST101	No
1574	Survey of American History II		HIST102	No
1548	World Civilizations I		HIST111	No
	World Civilizations II		HIST112	No
1516	Multicultural Studies		SOC164	No
1550	Cultural Diversity	SOC111 and	SOC245	No
		ENGL111		

Social Studies

(Continued)

Achieve

Course Number	Course Title	Prerequisites	Ivy Tech Course Number	Available on APEX?
1542	U.S. History			Yes
1540	United States Government			Yes
1514	Economics			Yes
1570	Geography/History of the World			Yes
1548	World History and Civilization			Yes
1516	Multicultural (Ethnic) Studies			Yes
1512	Current Problems, Issues, and Events			No

Foundations

Course Number	Course Title	Prerequisites	Ivy Tech Course Number	Available on APEX?
1542	U.S. History			Yes
1540	United States Government			Yes



Career-Technical

Career and Technical Education courses will be provided in collaboration with Ivy Tech Community College. Students in the Gateway to College Career and Technical Pathway will gain significant credit in dual credit Career-Technical courses. Students must take the COMPASS exam and consult the Resource Specialist before they can enroll in Ivy Tech courses. If a student acquires more than 5 credits in CT courses, the additional credits count towards Elective credit.

Course Number	Course Title	Prerequisites	Ivy Tech Course Number
5002	Agribusiness Management		AGRI102
5180	Natural Resources Management		AGRI102 AGRI115
5132	Horticulture Science		AGRI115 AGRI116
4574	Web Design		VISC110
4530/	Computer Applications/Advanced		CINS101
4528	Computer Applications		CINSIOI
4534	Computer Programming	Algebra I	CINS113
4516	Desktop Publishing	Digital Comp. Tools and Comp. App.	OFAD114
4540	Personal Finance		BUSN108/ACCT109
4564	Intro. to Business		BUSN101
4560	Business Law		BUSN102
4562	Business Management		BUSN105
5282	Health Careers I	Biology I, Chemistry I, Intro. to Health Careers	HLHS100
5274	Medical Terminology		HLHS101
5208	Introduction to Community Health Services: CNA Preparation	Health Careers I	HLHS107
5210	Introduction to Emergency Medical Services: First Responder	Health Careers I	PSAF120
5510	Introduction to Transportation		AUTC100
5510	Auto. Serv. Tech. (Engine Design)	Intro. to Transportation	AUTC107
5510	Auto. Serv. Tech. (Engine Performance)	Intro. to Transportation	AUTC109
5510	Aut. Serv. Tech. (Steering and Suspension)	Intro. to Transportation	AUTC101
5510	Aut. Serv. Tech. (Electrical)	Intro. to Transportation	AUTC113
5510	Aut. Serv. Tech. (Braking Systems)	Intro. to Transportation	AUTC121
5514	Automotive Collision Repair Technolgy		AUBR101

Directed Electives

Students in all Pathways are required to complete 5 credits in Directed Electives. Students may earn their 5 credits in World Language courses, Fine Arts courses, or Career-Technical courses.



Course Number	Course Title	Prerequisites	Ivy Tech Course Number	Available on APEX?
4206	Music History and Appreciation			Yes
4024	Art History			Yes
4260	Theatre Appreciation		HUMA100	No
4260	Music Appreciation		HUMA118	No
4025	Survey of Art and Culture		ARTH101	No
4260	Survey of Art and Culture II		ARTH102	No
4020	Art Appreciation		ARTH110	No

World Languages

Course Number	Course Title	Prerequisites	Ivy Tech Course Number	Available on APEX?
2020	French I		FREN101	Yes
2022	French II	French I	FREN102	Yes
2120	Spanish I		SPAN101	Yes
2122	Spanish II	Spanish I	SPAN102	Yes

Career-Technical (cont.)

Course	Course		Ivy Tech
Number	Title	Prerequisites Intro. to	Course Number
5510	5510 Aut. Serv. Tech. (Engine Repair)		AUTC127
		Transportation	
5580	Building Trades Tech. (Floor and Wall		BCOT104
	Layout Construction)		
5580	Building Trades Tech. (Roof Construction)		BCOT105
5580	Building Trades Tech. (Interior Trim)		BCOT113
5580	Building Trades Tech. (Exterior Trim)		BCOT114
5580	Building Trades Tech.		CONT101
	(Intro. to Construction Technology)		
5580	Building Trades Tech.		CONT102
	(Construction Materials)		
5580	Building Trades Tech.		CONT106
	(Construction Blueprint Reading)		
5580	Building Trades Tech.		CONT127
	(Electrical Basics)		
5640	Drafting Computer Aided Design		DESN103
	(CAD Fundamentals)		
5496	HVAC and Refrigeration		HVAC101
	(Heating Fundamentals)		
5 4 96	HVAC and Refrigeration	HVAC and	HVAC103
	(Refrigeration I)	Refrigeration	
		(Heat.Fund.)	
5496	HVAC and Refrigeration	HVAC and Ref.	HVAC107
	(Duct Fabrication and Installation)	(Heat.Fund.)	
5496	HVAC and Refrigeration	HVAC and Ref.	HVAC208
	(Heating Service)	(Heat.Fund.)	
5496	HVAC and Refrigeration	HVAC and Ref.	HVAC211
	(Refrigeration II)	(Heat.Fund.)	
5686	Industrial Repair and Maintenance: Motor &		INDT103
	Motor Control		
5684	Electronics Technology:		INDT113
	Basic Electricity		
5782	Precision Machine Technology	Algebra I and	MTTC102
	(Turning Processes I)	Geometry	
5782	Precision Machine Technology	Algebra I and	MTTC103
	(Milling Processes I)	Geometry	
5782	Precision Machine Technology	Algebra I and	MTTC105
	(Abrasive Processes I)	Geometry	

Career-Technical (cont.)

Courses	Course Touris					
Course Number	Course Title	Duanamuiaitaa	Ivy Tech Course Number			
		Prerequisites				
5782	Precision Machine Technology	Algebra I and	MTTC110			
	(Turning and Milling Processes)	Geometry				
5776	Welding Technology		WELD100			
	(Welding Processes)					
5776	Welding Technology		WELD101			
	(Gas Welding I)					
5776	Welding Technology		WELD103			
	(ARC Welding I)					
5776	Welding Technology		WELD108			
	(Shielded Metal Arc Welding I)					
5776	Welding Technology		WELD109			
	(Oxy-Fuel Gas Welding & Cutting)					
5776	Welding Technology		WELD207			
	(Gas Metal Arc Welding)					
5412	Early Childhood Education		ECED100			
	(Intro. to Early Child. Educ.)					
5412	Early Childhood Education		ECED101			
	(Health, Safety, & Nutrition)					
5412	Early Childhood Education		ECED103			
	(Curriculum)					
5412	Early Childhood Education		ECED105			
	(CDA Process)					
5408	Education Professions		EDUC101			
	(Introduction to Teaching)					
5438	Culinary Arts Foundations		HOSP101			
5440	Cul. Arts Careers: Food Theory and Skills		HOSP102			
5440	Cul. Arts Careers: Intro. to Baking	Food Theory	HOSP105			
5456	Food and Nutrition Careers: Nutrition		HOSP104			
5458	Hotel Academy: Intro. to Hospitality		HOSP114			
5822	Introduction to Criminal Justice Systems		CRIM101			
5822	Criminal Investigation		CRIM113			
		•	•			



Electives

Students are required to successfully complete 6 Elective credits. Credits over 5 from the Directed Electives section count as an Elective credit. Credits over the required amount in a content area count as Elective credits. A course cannot count for both Directed Elective and Elective credit or both core content credit and Elective credit.

Gateway to College Academy

Course Number	Course Title	Prerequisites	Ivy Tech Course Number	Available on APEX?
5394	Student Success		IVYT120	No
5394	DORS Life and Career Skills			No
1502	Cultural Anthropology		ANTH154	No
1558	Introduction to Psychology		PSYC101	No
1534	Introduction to Sociology		SOCI111	No
4530	Introduction to Microcomputers		CINS101	No
1550	Introduction to Philosophy		PHIL101	No
1550	Introduction to Ethics		PHIL102	No
1550	Philosophy of Religion	ENGL111	PHIL220	No
1010	Information Studies and Research Skills		IVYT102	No
4540	Managing Personal Finances		IVYT105	No
0522	Career Exploration		IVYT106	No
5394	Career and College Readiness			Yes
4540	Personal Finance			Yes
1534	Sociology			Yes
1526	Law Education			No

Electives

Students are required to successfully complete 6 Elective credits. Credits over 5 from the Directed Electives section count as an Elective credit. Credits over the required amount in a content area count as Elective credits. A course cannot count for both Directed Elective and Elective credit or both core content credit and Elective credit.

Gateway to College Academy

Course Number	Course Title	Prerequisites	Ivy Tech Course Number	Available on APEX?
5394	Student Success		IVYT120	No
5394	DORS Life and Career Skills			No
1502	Cultural Anthropology		ANTH154	No
1558	Introduction to Psychology		PSYC101	No
1534	Introduction to Sociology		SOCI111	No
4530	Introduction to Microcomputers		CINS101	No
1550	Introduction to Philosophy		PHIL101	No
1550	Introduction to Ethics		PHIL102	No
1550	Philosophy of Religion	ENGL111	PHIL220	No
1010	Information Studies and Research Skills		IVYT102	No
4540	Managing Personal Finances		IVYT105	No
0522	Career Exploration		IVYT106	No
5394	Career and College Readiness			Yes
4540	Personal Finance			Yes
1534	Sociology			Yes
1526	Law Education			No

Physical Education 2 Credits Needed

Course Number	Course Title	Prerequisites
3542	Physical Education I	Gr. 8 PE
3544	Physical Education II	Phys. Ed. I

 Physical Education courses will be taught in conjunction with community partners. Students will have the opportunity to participate in lifetime physical activities.

Health and Wellness (1 credit needed)

Course	Course	Prerequisites	Available on
Number	Title		APEX?
3506	Health and Wellness	8 th gr. Health	Yes



HIGH SCHOOL GRADUATION REQUIREMENTS

Promotional and Graduation Requirements

A Christel House DORS graduate:

- Has mastered the Common Core State Standards, as evidenced by passing End of Course Assessments
- Successfully completed the Christel House DORS Career and Life Skills Development Course preparing them with job readiness skills, financial literacy and self-sufficiency
- Has earned 40 State Credits that fall under the Course and Credit Requirements for DORS students
- Has enrolled in and passed at least two post-secondary courses at Ivy Tech Community College
- Has utilized two community resources or participated in two community service opportunities per month during their time at Christel House DORS

Grade levels depend on credits accumulated by student.

0-10 Credits = Freshman 21-30 Credits=Junior

11-20 Credits = Sophomore 31-40 Credits=Senior

Promotion Requirements: Based on credits. To earn a credit in a course, passing scores must be earned.

Some core content classes function on a quarterly schedule instead of semesters, allowing students to work at their own pace. Regardless, students with passing grades received credit for the **entire year** of a course.

Subject	Credits Needed
English/Language Arts	8
Mathematics	6

Science	6
Social Studies	6
Directed Electives	
(includes Fine Arts, World	5
Languages and Career-	
Technical)	
Physical Education	2
Health and Wellness	1
Elective	6

Credits must align with approved courses for the Core 40 diploma.

*During their first semester at Christel House DORS, students are required to take the DORS Orientation course or IVY120: Introduction to Student Success Skills at Ivy Tech Community College. Students starting dual enrollment courses their first semester will take IVY120, all other students will take the DORS Orientation course. This course is an Elective credit.

*Students must participate in two Resource Events per month. Students will work with their Resource Specialist to identify which events they will participate in. At DORS, we feel that it is very important for our students to be deeply connect with the community. As stated in our Mission, we aim to re-engage students and serve as a gateway to becoming self-sufficient, contributing members of society. Depending on a student's particular situation, they may need to utilize resources to help themselves or their families or they may be in a situation where they can offer their time and volunteer to help an agency that is helping the community. Resource Specialists will help students identify areas in which they need community resources or ways in which they can help the community. Opportunities will be coordinated each month and students will participate in at least two of the opportunities. They will keep a log of the opportunities and check

in with their Resource Specialist during Success meetings. A school designee or representative from the community agency will sign off on their log after they have completed a session. Students are encouraged to recommend session topics or to help Resource Specialists develop volunteer opportunities.

CALENDAR AND SCHEDULE

A copy of the 2012-13 Academic Calendar for Christel House Academy in Indianapolis is attached. It is anticipated that the calendars of Network Schools will parallel this closely.

DORS Daily Schedule

Morning Program (@ Ivy Tech*) 11:30 a.m.-4:00 p.m. *DORS' first preference would be to conduct day classes on the Gary campus of Ivy Tech. Should that prove not feasible, alternatives would be explored which would include leasing an alternate facility, or locating DORS within a section of the CHA K-12 facility, provided adequate security could be installed to separate the two student populations. Separate entrance and egress, with lock off between sections, are pre-conditions of locating DORS day classes on the CHA campus.

Evening Program (@ DORS)

4:30 p.m.-9:00 p.m.

School Year Summary	Plan	Actual
First day of upcoming student school year (2010/2011)	August 2, 2012	
Last day of upcoming student school year	June 28, 2013	
Hours of operations per week excluding Saturday program - (minimum 40 hours per week)	8:30–9:00pm M-Th	
(imminum to hours per week)	(8:30-4:00pm F)	
	Day Classes:	
	11:30-4:00	
	Evening Clases:	
	4:30-9:00	
Number of a student school days (minimum 200 days)	190	
Saturday Program available? (_X_Yes No); if yes, hours of operation	9:30 – 12:00 Sat.	

Number of Saturday Program days	19
Summer School available? (_X_Yes No); if yes, hours of	Day Classes:
operation	11:30-4:00
	Evening Clases:
	4:30-9:00
Number of Summer School days	20
Number and % of total student hours per week CH exceeds	0 as DORS days are
national requirements	shorter than a
	typical high school.
Number and % of total student days per year CH exceeds national requirements	Including summer and Sat., 39 days
Number and % of student hours per week CH exceeds national	
requirements for Math	No standardization
Number and % of student hours per week CH exceeds national	
requirements for Language Arts	No standardization
	<u> </u>

Notes: Summer Term is required of all students who lack proficiency in any core academic class in which they will take Foundations classes. Students that do not need remediation will have the opportunity to take two intensive courses over the four week period in courses they need to meet personal graduation credit requirements.

Friday and Saturday Resource Sessions will give the students the opportunity to connect with community organizations, participate in office hours with instructors, engage with guest speakers, participate in college visits or participate in community service opportunities.

Friday and Saturdays serve as Resource Opportunities for students in which office hours with instructors will be available as well as community presentations, guest speakers, and community services opportunities

Saturday STARS – built as a student support time, children self select + teachers recommend attendance. Tutoring occurs and access to learning resources is provided to any student who attends.

CHRISTEL HOUSE ACADEMY SCHOOL NETWORK ADMISSIONS / LOTTERY POLICY

General Policy

Christel House Academy Charter Schools will have an open admission policy. Admission to the school will not be based on intellectual or athletic ability, achievement or aptitude, ethnicity, national origin, gender, religion, disability, proficiency in the English language, or any other basis that would be unlawful if used by a school. Relevant state laws and regulations will precedence, at all times, in all decisions regarding applications.

Timeline

- First business day in January: Enrollment applications available
- March 31: Enrollment applications due
- Second Monday of April: Lottery will be held

Eligibility of New Students

Generally, any child/student who is qualified under Indiana law for admission to a public school is qualified for admission to Christel House Academy.

Parents or Student must submit a completed application prior to March 31st to be eligible for the lottery process. A number of parent information meetings will be held for parents of students applying for a seat at the middle and high school level. Before a student in grades 6-8 is considered eligible to participate in the lottery, the parent must have attended one of these meetings where specific expectations for parents and students are clearly delineated and discussed. If, after the lottery, spaces are still available, additional parent information meetings may be scheduled.

Recruitment Plan

Advertising for the school will include printed materials, and /or newspaper and radio announcements that will continue throughout the enrollment period. The school will continue a recruitment effort within linguistic minority and racial minority communities throughout the community.

Applications for New Students

- 1. CHA will begin accepting applications from new students for the school year in January. Applications are due on March 31st.
- 2. Each eligible student who submits a complete and timely application shall be given an equal chance of admission. This notwithstanding, the school shall comply with all applicable laws and regulations that effect enrollment in a charter school
- 3. If more applications are received on or before the application deadline than spaces in a grade are available, the school will hold a lottery to determine acceptance and waiting list status as outlined below for the upcoming school year.
- 4. If a lottery is necessary, it will be held on **the first regular school day on the second Monday of April**. The time and place of the lottery will be announced in advance.

Several factors determine an applicant's acceptance into the school or placement on the waiting list.

Applicants who have siblings / relatives already enrolled in the school are given preference and moved to the top of the waiting list. Students who do not have siblings attending CHA follow on the waiting list.

If the number of applications received by the application deadline exceeds the number of available seats in a grade, all students who submitted applications for that grade prior to the application deadline, will have to go through the lottery process.

Using a computer program, all students are randomly assigned lottery numbers. These numbers indicate placement. The school will continue to admit students until all seats are filled.

Students who apply for admission after the lottery are placed at the end of the waitlist in the order received by the office.

Waiting lists do not carry over into the next school year.

For Kindergarten classes, there are new spaces available every year. For other grades, depending upon the number of students returning to the school and the number of sections opening for that grade, there are few, if any available spaces.

When determining available seats in grades 9-12, the principal will have the flexibility to determine the number of available seats based on the number of existing students matriculating to the next grade.

If a student has been accepted to the school but does not register within the appropriate time frame established by the Academy's principal, he or she is automatically withdrawn and the next student on the waiting list is invited to attend.

Applications for Re-enrollment

- 1. Students currently enrolled in and attending CHA and in good standing are eligible for re-enrollment in the following school year and are not required to go through the lottery process.
- 2. Students expelled from school are not eligible for admission consideration until the expulsion period has been completed.
- 3. Students who withdraw from CHA during the school year must reapply for admissions and will follow the procedures outlined above for new students.

SCHOOL DISCIPLINE POLICIES (Excerpted from Student Handbook)

School Rules and Policies

Computer/Internet Policy

Students are expected to follow the DORS core values while using all forms of Information Computer Technology at the school. Failure to follow these rules may result in loss of computer network privileges, detention, or suspension.

- 1. All computer equipment must be used carefully and students cannot damage, change or tamper with the hardware, software, settings or the network.
- 2. Students cannot use any form of electronic communication to harass, frighten, or bully anyone.
- 3. The computers and the Internet at DORS is for schoolwork only. Programs and websites must be approved by a teacher and students will not try to circumvent security and safety measures.
- 4. Passwords must be kept private.
- 5. Student will not send or display inappropriate messages or pictures.
- 6. Students who read or see something on the computer that is inappropriate must immediately report it to a staff member.
- 7. All students must obey copyright laws.
- 8. Students may not use personal email accounts or any personal electronic device at school except with the permission of a staff member.

Dress Code

Hair—Hairstyles should not create a safety or health hazard and/or interfere with the educational environment of the school.

Jewelry, Body Piercing, Tattoos - Jewelry should not interfere with the educational environment of the school. Gang related tattoos or jewelry are prohibited.

Clothing: All clothing must be clean and worn appropriately. Excessively tight or loose clothing is not permitted. Clothing must cover cleavage lines, backs, bellies and must be 2" above knee or longer. Students dressed inappropriately, in a manner that may distract other students will be asked to return to school after they've changed clothes.

The school principal is the final authority on the appropriateness of clothing meeting dress code guidelines.

Business casual or professional dress is encouraged.

Telephone Calls, Mobile Telephones and Messages

Families are asked to limit calling students at school to only urgent matters. To reach a student, parents should call the main school number (317)783-4686 and press '0' for the Administrative Assistant. A message will be delivered to the student.

Cellular phones and other communication devices are permitted in the classroom but should not be used during classes unless permitted by teacher for an academic activity. Cell phones are to be turned to silent mode during classes as to not cause a disruption. Telephone messages will only be delivered in emergency cases. Students who ask and receive permission may use the school telephone.

Important Notice to Students Regarding Indiana State Law and Cell Phone Content

The Child Abuse/Neglect Law requires school personnel to report to law enforcement or child protective services whenever there is reason to believe that any person/student is involved with "child exploitation" or "child pornography" as defined by Indiana Criminal Statutes.

- It is "child exploitation," a Class C felony under I.C. 35-42-4-4(b), for any person/student (1) to exhibit, photograph or create a digitalized image of any incident that includes "sexual conduct" by a child under the age of 18; or (2) to disseminate, exhibit to another person, or offer to so disseminate or exhibit, matter that depicts or describes "sexual conduct" by a child under the age of 18.
- It is "child pornography," a Class D felony under I.C. 35-42-4-4(c), for any person/student to possess a photograph, motion picture, digitalized image, or any pictorial representation that depicts or describes "sexual conduct" by a child who the person knows is less than 16 years of age or who appears less than age 16.
- "Sexual conduct" is defined by I.C. 35-42-4-4(a) to include sexual intercourse, exhibition of the uncovered genitals intended to satisfy or arouse the sexual desires of any person, or any fondling or touching of a child by another person or of another person by a child intended to arouse or satisfy the sexual desires of the child or other person.

• The Indiana Sex Offender Registration Statute at I.C. 11-8-8-7 and the Sex Offender Registry Offense Statute at I.C. 35-42-4-11, as of May 2009, require persons convicted of or adjudicated as a juvenile delinquent for violating the Child Exploitation Statute at I.C. 35-42-4-4(b) to register as a sex offender.

Because student cell phones have been found in a number of Indiana schools to have contained evidence of "sexual conduct" as defined above, it is important for students to be aware of the legal consequences should this occur in our school.

(Evaluation of Indiana Code copied from the Indianagram published by the Indiana Association of School Principals)

Student Discipline

Christel House DORS student discipline policies and guidelines are executed in accordance with State laws.

Special Education and Section 504 Disciplinary Policies and Procedures

Students with disabilities are subject to the same rules as non-disabled students. However, students who are involved with special education are protected by additional procedures.

- Special Education and Section 504 students may be suspended for up to ten (10) cumulative days during the school year. On the day in which the decision to discipline the student is made, they (or their parent if under 18) shall be notified of the decision and procedural safeguards accorded to them under state and federal laws.
- 2) Before the 11th day of suspension the IEP Team must reconvene to determine if the behavior is a manifestation of the disability. The Manifestation Determination IEP team may determine that the student's behavior was not a manifestation of the disability only if: IEP and placement were appropriate; supplementary aids and services were provided when appropriate, behavior intervention strategies were provided consistent with the IEP; the student understood the impact and consequences of the behavior, and the student's disability did not impair the ability to control their behavior.

If the infraction is found not to be a manifestation of the child's disability, then the school is free to pursue normal disciplinary measures. The student must be notified in writing of their right to pursue a due process hearing to challenge the determination. Any student with a disability who is excluded from school, whether or not the reason for exclusion is related to the student's disability, must continue to be provided with a free and appropriate public education.

Search and Seizure Policy

- 1. The School recognizes that the privacy of students and their belongings may not be violated by unreasonable search and seizure and directs that no student be searched without reasonable cause for a search.
 - a. As used in this policy, "reasonable cause for a search" means any circumstances, which would cause a reasonable person to believe that the search of a particular person, place, or thing will lead to the discovery of:
 - i. Evidence of a violation of the student conduct standards contained in the student handbook: or
 - ii. Anything, which, because of its presence, presents an immediate danger of physical harm or illness to any person.
- 2. All lockers and other storage areas provided for student use on school premises remain the property of the school and are provided for the use of the students subject to inspection, access for maintenance, and search pursuant to this policy. A student who uses a locker that is the property of a school is presumed to have no expectation of privacy in that locker or the locker's contents. No student shall lock or otherwise impede access to any locker or storage area. Unapproved locks attached to any fixture in the school will be removed and destroyed.
- 3. The principal, or a member of administrative staff designated by the principal, may search a locker and its contents where either the person conducting the search or the person designating the search believes there is reasonable cause. The school reserves the right to conduct regular locker inspections for safety and hygiene reasons, or to conduct maintenance.
- 4. The principal, a member of the administrative staff, or a teacher may search a desk or any other storage area on school premises at will.
- 5. The principal, or another member of the administrative staff designated in writing by the principal and acting at the direction of the principal, may search the person of a student during a school activity if the principal has reasonable grounds for a search of that student.
 - a. Searches of the person of a student shall be limited to:
 - i. Searches of the pockets of the student,
 - ii. Any object in the possession of the student such as a purse or briefcase, and/or
 - iii. A "pat down" of the exterior of the student's clothing.
- 6. Searches of the person of a student that require removal of clothing other than a coat, jacket or footwear shall be referred to a law enforcement officer in accordance with this policy, unless there is reasonable cause be believe there is an imminent threat to the health and/or safety the student or others. A person of

the same sex as the student being searched shall conduct searches of the person of a student in a private room. At least one, but not more than three, additional persons of the same sex as the student being searched shall witness, but not participate, in the search. At the request of the student to be searched, an additional person of the same sex as the student designated by the student, and then reasonably available on school premises shall witness the search. The parent or guardian of any student (under 18) searched shall be notified of the search as soon as reasonably possible.

- 7. Anything found in the course of a search conducted in accordance with this policy which is evidence of a violation of the student conduct standards contained in the student handbook may, as deemed appropriate by school authorities, be:
 - a. Seized and admitted as evidence in any suspension or expulsion proceeding if it is tagged for identification at the time it is seized and kept in a secure place by the principal or the principal's designee until it is presented at the hearing,
 - b. Returned to the parent or guardian of the student from whom it was seized,
 - c. Destroyed if it has no significant value, or
 - d. Turned over to any law enforcement agency in accordance with this policy.
- 8. Anything found in the course of a search conducted in accordance with this policy which by its presence presents an immediate danger of physical harm or illness to any person may be seized and, as considered appropriate by school authorities, may be:
 - Returned to the parent or guardian of the student from whom it was seized,
 - b. Destroyed, or
 - c. Turned over to any law enforcement officer in accordance with this policy.
- 9. The principal, or a member of the administrative staff designated in writing by the principal, may request the assistance of a law enforcement officer to:
 - Search any area of school premises, any student, or any motor vehicle on school premises;
 - b. Identify or dispose of anything found in the course of a search conducted in accordance with this policy.

Detentions

Detention can be either mid-class break detention or before or after school detention. Mid-class break detention means that a student will miss the break between classes and will spend that time in the Detention Room doing schoolwork. Before or after-school detention means that the student will spend the next day after school from 4:00 – 5:00 p.m. in a supervised silent study hall. This before/after school detention falls between the day classes and the evening classes. Failure to fulfill the detention requirement will add another detention to the one not served.

When a student fails to respond to warnings and detentions, more serious measures will be taken to motivate the student to improve his or her behavior.

Suspension

The following behaviors may result in suspension:

- Biting
- Forgery
- Disrupting the educational environment or otherwise willfully defying the valid authority of staff, teachers, or other school officials
- Causing, attempting to cause, or threatening to cause physical harm to another
- Causing or attempting to cause damage or school property or private property
- Stealing or attempting to steal school property or private property
- Possessing or using tobacco, alcohol, or controlled substance
- Committing an obscene act or engaging in habitual profanity or vulgarity
- Sexual advances, request of sexual favors, or other verbal, visual, or physical conduct of a sexual nature
- Causing or attempting to bring harm to another through hate language
- Habitual misbehavior
- Bullying

Expulsion

The following behaviors may result in a student being expelled for a period of time as allowed by Indiana law:

- Fighting
- Causing serious injury to another person
- Habitual misbehavior
- Possession, use of, sale of, or furnishing any firearm, knife, explosive or other dangerous object
- Unlawful possession of, use or sale of any controlled substance
- Robbery or extortion
- Offering, furnishing, or sale of any drug paraphernalia
- Criminal behavior
- Threats of a terrorist nature, hate violence, or hate crimes

- Sexual assault
- Battery

Forms and processes for appealing expulsion are available in the school office, and are outlined in Indiana Code, IC 20-8.1-5.1, Chapter 5.1, Suspension, Expulsion and Student Discipline.

DORS expects all students to conduct themselves in a civil and socially responsible manner. Disciplinary measures, carried out in accordance with state law, are used to maintain a safe and stable school environment.

Notification of an expulsion hearing before the administration will be sent in accordance with IC 20-8.1-5.1-13. Formal findings from such a hearing will be explained in writing to the student and the Principal of DORS with stipulations outlining the length of the expulsion.

Any student who has been expelled pursuant to these provisions shall have the right to appeal to the Principal. When a student is expelled under the provisions of this section and applies for admission to another school for acceptance, the Principal of DORS shall notify the head of the receiving school of the reasons for the pupil's expulsion.

Procedural Due Process

Procedural Due Process is afforded to all students subject to discipline and includes the following:

- Opportunity to respond to charges in front of a qualified teacher or administrator of the school
- 2. Opportunity to present witnesses
- 3. Notification of all evidence
- 4. Notification of formal outcome within a certain number of days of hearing
- 5. Right to appeal

Procedures for all Expulsion Hearings

- 1. A presentation of the evidence against the student is stated by an independent Hearing Officer.
- 2. A presentation by the student and or student's designee (individual) of any defense or mitigating circumstances.
- 3. Submission of written statements from any person in defense of the student accepted by the Hearing Officer. The student may present witnesses and evidence in rebuttal of the school's allegation to the Hearing Officer.
- 4. The Hearing Officer records a summary of the facts and disputed evidence.
- 5. Failure of the pupil (or parent if under 18) to appear at the hearing without

- good cause constitutes a waiver of the hearing and the case is reviewed by the Hearing Officer. A decision is rendered on the evidence available.
- 6. On the day of the hearing, a presentation detailing the reasons for the decision is given to the student (parent or guardian if under 18). Formal findings from the hearing officer will be mailed within 10 days of the hearing. The decision may authorize return to school at an earlier date, and may include an alternative educational plan or an evaluation request under Chapter 766.

General School Rules and Policy

DORS facilitates the development of disciplined individuals toward fostering a community of learners' attitude and environment. DORS celebrates the development of our students and recognizes the positive growth in all areas, while at the same time correcting the negative choices and teaching the proper way.

Policies and consequences consistent with our mission are necessary to ensure a safe learning environment for every student.

Inappropriate Behavior

Examples of inappropriate behavior include, but are not limited to:

- Disrespectful or inappropriate talk and actions
- Disobedience
- Misusing school equipment, or that of others
- Running in class, or in the hallways
- Littering
- Teasing
- Horseplay
- Bullying
- Sexual harassment
- Inappropriate displays of public affection

Teachers will discuss the above behaviors with students and will work together to resolve. If the student's behavior problems continue, a referral to the office Resource Specialist or administration may occur.

Intentionally left blank

ATTACHMENT 17 START-UP PLAN, DORS - GARY #1

Description	Completion Date	Staff Responsible
Charter Applications for multiple charters to cover Expansion Schools submitted and charters secured	March 2013	C. Wendling
Apply for and secure employer ID number	July 2016	B. Hawkins
Establish bank account	July 2016	B. Hawkins
Apply for and receive 501(c) status	July 2016	B. Hawkins
Formalize academic and organizational goals for school	July 2016	C. Dahncke
Staffing plan, organizational chart and job descriptions for	July 2016	C. Dahncke

key personnel for DORS Expansion #1 developed

Identify enrollment targets and be able to support with evidence of demand	July 2016	C. Dahncke
Identify potential grant and funding sources beyond state and federal funding, and develop a timeline for grant preparation and submission	August 2016	L. Dodson
Create a five year budget and a one year cash flow	August 2016	J. Schneider
Complete board member recruitment process; hold organizational meeting	August 2016	C. Wendling
Secure facility, and begin development of	August 2016	J. Schneider

Facilities Plan for construction/ refurbishment

Research neighborhood/ communities from which school will draw August 2016

C. Dahncke

Create student recruitment, marketing and public relations plan September 2016

C. Dahncke

Work with insurance agent to cover risk management aspects, and get all coverage in place September 2016

J. Schneider

Finalize construction/ or refurbishment, furnishings and fixtures plan to outfit school; identify sources and bid out as necessary October 2016

J. Schneider

Begin facility renovation/ refurbishment (completion date TBD, depending on scope of work required, but in no event later than July 2016)	October 2016	J. Schneider
Hold student information sessions in communities where target populations are located	November/ December 2016 January/ Feb 2017	C. Dahncke
Applications available and enrollment process begins	December 2016	C. Dahncke
Finalize staffing plan	January 2017	C. Dahncke
Furnishing/ fixtures bids are received and vendors selected	January 2017	J. Schneider

Order furnishings and fixtures	February 2017	J. Schneider
Order textbooks and supplies	February 2017	C. Dahncke
Order any uniform items that will not be available to students/ parents at retail outlets	February 2017	C. Dahncke
Begin staff recruitment, screening, interviews and selection.	March 2017	C. Dahncke
Conduct Lottery	March 31, 2017	C. Dahncke
Establish community partners	April 2017	C. Dahncke
Create a timeline for pre-opening activities	June 2017	C. Dahncke
Complete staff hiring process	June 2017	C. Dahncke

Conduct staff professional development – extended to incorporate understanding of Christel House methodologies and ethos	July 2017	C. Dahncke
Conduct pre- opening facility inspection to ensure readiness	August 2017	J. Schneider
Hold pre-opening event, inviting new students, parents, press, city officials	August 2017	H. Richey
Expansion DORS #1, opens with 175 students, adding 25 students per year until reaching 300	August 2017	C. Dahncke

INSURANCE ESTIMATES

Attached are copies of insurance invoices/ coverage for CH DORS. It is anticipated that costs of coverage for Network Expansion Schools will be similar.



September 12, 2012

Christel House DORS Inc Carlos Alexander 2717 S. East Street Indianapolis, IN 46225

Re: Commercial Insurance Renewal

Dear Carlos:

Your Commercial Insurance is up for renewal on 12/19/12. We would like to get started by updating your current policy exposures for the coming year.

Enclosed is a current summary of insurance. This outline shows your current property limits, deductibles, liability limits, vehicle schedule, equipment schedule, driver list, and workers compensation payrolls. Please update this information as necessary and return to us as soon as possible. Also, indicate if there have been any changes in your operations or you anticipate changes in the upcoming year. If we do not receive the updated information by 10-10-12 we can prepare your renewal with the current information as shown here, but accurate updated information is vital in obtaining the best possible renewal for you.

Gregory & Appel appreciates the opportunity to review your insurance needs. If you have questions or concerns at any time, please do not hesitate to call us.

Very truly yours,

Mary Kiley

Enclosure: Insurance Summary



Coverage and Exposure Insurance Summary

Prepared for:

Christel House DORS Inc

2717 S. East Street Indianapolis, IN 46225

Presented by:

Scott McGinness

Gregory & Appel Insurance 1402 N. Capitol, Suite 400 Indianapolis, IN 46202

Prepared on:

September 12, 2012

Location Schedule

Loc #	Bldg #	Address
01	01	2717 S. East Street Indianapolis, IN 46225

Please note deletions above, and additions below.

Loc#	Bldg#	Address	Occupancy

If changes should be effective other than 12/19/12, please indicate the effective date: ______.

Christel House DORS Inc

Property Coverage by Location

Policy Period:

12/19/11 to 12/19/12

Coverage Detail

Subject		Limits	Val	Co- Ins %	Cause of Loss	Ded						
Loc # : 001	Bldg # : 001	2717 S. Eas	717 S. East Street Indianapolis, IN									
Contents Business Inc	ome & Extra Ex	\$25,000 \$10,000	RC	90	Special	\$1,000						

Additional Interests / Mortgagers

Mtg	LP

Friendly Reminders:

Gregory & Appel is not a professional appraisal firm. We cannot provide advice to our clients about the insurance value of their Property or Business Interruption exposures. We strongly recommend the services of a professional appraisal firm to establish appropriate insurance values for your Property and Business Interruption exposures.

A signed statement of values for business property and business interruption may be required to be on file if the policy is written with an Agreed Amount Endorsement. If no signed statement of values is forwarded to the underwriter, coinsurance penalties may apply.

If any occupancy in the insured buildings changes or if any building becomes vacant or unoccupied, please notify us immediately. A change of occupancy or a vacancy can trigger coverage changes in your policy which may restrict or eliminate basic coverage such as vandalism, glass breakage, attempted theft or theft (including theft of heating and air conditioning units and their materials). Also, other causes of loss may be covered, but could be reduced by 15%.

In addition to other exclusions and limitations, your policy may contain exclusions or limitations for mold, pollution, and asbestos. Please read your policy carefully.

Additional Policy Provisions

Christel House DORS Inc

General Liability

Effective: 12/19/11 to 12/19/12

Coverage Detail

Limits of Liability	Description
\$1,000,000	Per Occurrence
\$2,000,000	Annual Aggregate, other than Products
\$1,000,000	Annual Aggregate, Products & Completed Operations
\$1,000,000	Personal Injury Aggregate
\$500,000	Fire Damage Liability
\$15,000	Medical Expense each Claim

Schedule of Exposure

	Class		Current	Estimated
Loc	Code	Description	Premium Basis	Premium Basis
0	47473	Schools - Public - High	175 (Units)	

Please update changes to the estimated Premium Basis. Premium Basis is subject to annual audit.

Friendly Reminder: Although certain liability limits are presented here, higher limits are available upon request. We suggest that each client make their own determination of the liability limits needed to protect their business.

INDIANA CHARTER SCHOOL BOARD

5-Year Pro Forma Budget Submission Template

General Instructions for New School Applicants

- Complete the School Enrollment Projection tab in ORANGE
- Complete the Year 0 Budget and Cash Flow tab in PURPLE
- Complete ALL FIVE annual budget tabs in BLUE
- Complete ALL FIVE staffing tabs in GREEN
- Enter information into the WHITE cells
- Do not enter information into the GREY cells
- NOTE: Applicants proposing to operate a network of schools should add a worksheet or attach consolidated network's 5-Year pro-forma budget, reflecting all components including the region of the Indiana network.
- We encourage applicants to contact the Indiana Department of Education Office of School Fina Indiana's funding formula and all start-up, grant and operating funds available. Visit **http://www.** more information.

a separate file reflecting the nal back office/central office -

ance to learn more about .doe.in.gov/idoe/finance for

School Name: Christel House DORS Expansion School

SCHOOL ENROLLMENT PROJECTIONS

Planned Number of Students											
ACADEMIC YEAR	K	1	2	3	4	5	6	7	8	9	10
Year 1: 2014-2015											
Year 2: 2015-2016											
Year 3: 2016-2017											
Year 4: 2017-2018											
Year 5: 2018-2019											

Planned Number of Classes											
ACADEMIC YEAR	K	1	2	3	4	5	6	7	8	9	10
Year 1: 2014-2015											
Year 2: 2015-2016											
Year 3: 2016-2017											
Year 4: 2017-2018											
Year 5: 2018-2019											

11	12	TOTAL	% ELL	% SPED	% FRL
	175	175	N/A	N/A	N/A
	225	225	N/A	N/A	N/A
	275	275	N/A	N/A	N/A
	300	300	N/A	N/A	N/A
	300	300	N/A	N/A	N/A

11	12	TOTAL
	12	12
	14	14
	15	15
	16	16
	16	16

School Name: Christel House DORS Expansion School												
		¥70		¥71		¥7 2		X72		\$7		3 7
REVENUE		Year 0		Year 1		Year 2		Year 3		Year 4		Year 5
State Revenue												
Basic Grant			\$	652,152	\$	1,731,400	\$	2,184,607	\$	2,430,872	\$	2,479,489
Common School Loan			\$	032,132	\$	1,731,400	\$	2,164,007	\$	2,430,672	\$	2,479,469
Charter School Start-Up Grant			\$	652,152	Ψ		Ψ		Ψ		Ψ	
State Matching Funds for School Lunch Program			\$	032,132	\$	-	\$	-	\$		\$	
Professional Development			\$		\$	-	\$	-	\$	-	\$	-
Technology Grants			\$		\$	-	\$	-	\$		\$	-
Remediation Program			\$		\$	-	\$	<u> </u>	\$		\$	-
Full-Day Kindergarten			\$		\$	-	\$		\$		\$	-
Gifted and Talented Program			\$		\$	-	\$	<u> </u>	\$		\$	-
Textbook Reimbursement			\$		\$	-	\$	-	\$		\$	-
Summer School			\$	<u> </u>	\$	-	\$	-	\$		\$	-
Other State Revenue (please describe)			\$	<u> </u>	\$	-	\$	-	\$	<u> </u>	\$	-
Other State Revenue (please describe) Other State Revenue (please describe)			\$	<u> </u>	\$	-	\$	<u> </u>	\$	<u> </u>	\$	-
Federal Revenue			Ф		Ф	-	Þ		Ф		Ф	-
Public Charter School Program (PCSP) Grant	\$	100,000	\$	100,000	\$	100,000	\$		\$		¢	
Facilities Assistance Program Grant	Ф	100,000	Φ	100,000	\$	100,000	\$	-	\$	-	Φ	-
Public Law 101-476 (IDEA)			φ	-	Φ	-	φ Φ		\$		Φ	-
Title I			Φ		\$	-	\$	-	\$	-	\$	-
Title II			\$	-	\$	-	\$	-	\$	-	\$	-
Federal Lunch Program			\$		\$	-	\$		\$		\$	-
	_		\$	-	\$	-	\$		\$	-	\$	-
Federal Breakfast Reimbursement	¢.		\$	-	\$	-	\$	-	-	-	\$	-
Other Revenue Federal sources (please describe)	\$	-	Ψ	-	\$	-	Ψ	-	\$	-	\$	-
Other Revenue Federal sources (please describe)	\$	-	\$	-	Ψ	-	\$	-	\$	-	\$	-
Other Revenue Federal sources (please describe)			\$	-	\$	-	\$	-	\$	-	\$	-
Other Revenues	Φ.		Φ.		Φ.		Ф		Φ.		Φ	
Committed Philanthropic Donations	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Before and After Care Fees			\$	-	\$	-	\$	-	\$	-	\$	-
Interest Income	Φ.	150,000	\$	-	\$	-	\$	-	\$	-	\$	-
Other Gateway	\$	170,000	\$	140,000	\$	140,000	\$	-	\$	-	\$	-
Other Walton	\$	30,000	\$	220,000	\$	-	\$	-	\$	-	\$	-
Other Christel House Internatioonal	\$	40,000	\$	-	\$	-	\$	-	\$	-	\$	-
Other (please describe)	\$	-	\$	-	\$	-	\$	-	\$	- 420.050	\$	-
Total Revenue	\$	340,000	\$	1,764,303	\$	1,971,400	\$	2,184,607	\$	2,430,872	\$	2,479,489
TANDEL ID VIII VIDEO												
EXPENDITURES												
Personnel Expenses	Φ.	220.010	Φ.	072.020	Φ.	076.004	Φ.	1 1 1 1 000	Φ	1.214.600	Ф	1.055.650
Wages, Benefits and Payroll Taxes	\$	230,010	\$	872,020	\$	976,894	\$	1,141,998	\$	1,214,688	\$	1,255,052
Substitute Teachers	Φ.	20.500	\$	-	\$	-	\$	-	\$	-	\$	-
Professional Development	\$	39,600	\$	30,000	\$	30,000	\$	40,000	\$	40,000	\$	45,000
Bonuses (Included Above)	Φ.		\$	-	\$	-	\$	-	\$	-	\$	-
Other (please describe)	\$	-	\$	-	\$	-	\$	-	\$	-	\$	
Other (please describe)	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Other (please describe)	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Other (please describe)	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Other (please describe)	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-

Total Personnel Expenses	\$	269,610	\$	902,020	\$	1,006,894	\$	1,181,998	\$	1,254,688	\$	1,300,052
Instructional Supplies and Resources												
Textbooks	\$		\$	43,000	\$	95,400	\$	100,000	\$	105,000	\$	110,000
Library, periodicals, etc	\$		\$	+3,000	\$	-	\$	-	\$	-	\$	-
Technology	\$	_	\$	5,000	\$	5,000	\$	5,000	\$	5,000	\$	5,000
Assessment materials	\$	_	\$	-	\$	-	\$		\$	-	\$	
Computers	\$	10,000	\$	41,750	\$	42,000	\$	44,000	\$	49,800	\$	58,500
Software	\$	-	\$	15,000	\$	-	\$,	\$	-	\$	-
Other classroom supplies	\$	-	\$	15,000	\$	12,500	\$	14,000	\$	16,000	\$	18,200
Field trips, other unclassified items	\$	_	\$	10,000	\$	10,000	\$	12,000	\$	14,000	\$	17,000
Co-curricular & Athletics	\$	-	\$	10,000	\$	10,000	\$	12,000	\$	14,000	\$	17,000
Other (please describe)	\$	_	\$	-	\$	-	\$	-	\$		\$	-
Other (please describe)	\$	-	\$	_	\$	_	\$	_	\$	-	\$	_
Other (please describe)	\$	-	\$	-	\$	-	\$	-	\$	-	\$	_
Other (please describe)	\$	-	\$	-	\$	_	\$	_	\$	_	\$	_
Other (please describe)	\$	_	\$	_	\$	_	\$	-	\$	_	\$	_
Total Instructional Supplies and Resources		10,000	\$	139,750	\$	174,900	\$	187,000	\$	203,800	\$	225,700
Total Instructional Supplies and Resources	Ψ	10,000	Ψ	137,730	Ψ	171,200	Ψ	107,000	Ψ	203,000	Ψ	223,700
Support Supplies and Resources												
Administrative Computers	\$	4,000	\$	3,000	\$	2,000	\$	3,000	\$	3,000	\$	4,000
Administrative Software	\$	1,000	\$	1,000	\$	500	\$	500	\$	1,000	\$	1,000
Administration Dues, fees, misc expenses	\$	-	\$	2,000	\$	2,000	\$	2,000	\$	3,000	\$	3,000
Office supplies	\$	4,500	\$	1,000	\$	2,000	\$	2,000	\$	3,000	\$	4,000
Other (please describe)	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Other (please describe)	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Other (please describe)	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Other (please describe)	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Other (please describe)	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Total Support Supplies and Resources	\$	9,500	\$	7,000	\$	6,500	\$	7,500	\$	10,000	\$	12,000
Board Expenses												
Charter Board Services, including Board Training, retreats	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Charter Board Supplies & Equipment	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Charter Board Dues, fees, etc	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Other (please describe)	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Other (please describe)	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Other (please describe)	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Other (please describe)	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Other (please describe)	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Total Board Expenses	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Professional Purchased or Contracted Services												
Legal Services	\$	10,000	\$	15,000	\$	10,000	\$	10,000	\$	10,000	\$	10,000
Audit Services (compliant with SBOA requirements)	\$	-	\$	10,000	\$	15,000	\$	17,000	\$	18,000	\$	19,000
Payroll Services	\$	-	\$	10,000	\$	15,000	\$	15,000	\$	16,000	\$	17,000
Accounting Services	\$	5,000	\$	32,200	\$	26,000	\$	31,000	\$	35,000	\$	38,000
Printing/Newsletter/Annual Report Services	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Consultants	\$	5,000	\$	48,400	\$	50,000	\$	51,300	\$	53,000	\$	54,500

Internet Services	\$ -	\$	11,250	\$	12,750	\$	15,000	\$ 18,000	\$	22,500
Telephone/Telecommunication Services	\$ -	\$	-	\$	-	\$	-	\$ -	\$	-
Total Insurance Costs (per ICSB requirements detailed in	-	-		-		-			-	
charter school application)	\$ 5,000	\$	15,000	\$	17,000	\$	20,000	\$ 24,000	\$	30,000
Travel	\$ -	\$	-	\$	-	\$	-	\$ 	\$	-
Postage	\$ -	\$	-	\$	-	\$	-	\$ -	\$	_
Special Education Services	\$ -	\$	_	\$	_	\$	-	\$ _	\$	_
Student Information Services	\$ -	\$	-	\$	-	\$		\$ _	\$	_
Food service	\$ -	\$	-	\$	-	\$		\$ _	\$	_
Transportation	\$ -	\$	47,500	\$	53,800	\$	60,000	\$ 65,000	\$	70,000
Nursing Services	\$ -	\$	-	\$	-	\$	-	\$ -	\$	-
Other Marketing	\$ 10,000	\$	15,000	\$	10,000	\$	10,000	\$ 10,000	\$	10,000
Other (please describe)	\$ -	\$	-	\$	-	\$	-	\$ -	\$	-
Other (please describe)	\$ -	\$	-	\$	-	\$	-	\$ -	\$	-
Other (please describe)	\$ -	\$	-	\$	-	\$	-	\$ -	\$	-
Total Professional Purchased or Contracted Services	\$ 35,000	\$	204,350	\$	209,550	\$	229,300	\$ 249,000	\$	271,000
			, ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		22 42 2			. , , , , , ,		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
Facilities										
Rent, mortgage, or other facility cost (all inclusive)	\$ -	\$	300,000	\$	325,000	\$	330,000	\$ 335,000	\$	340,000
Furniture & Equipment	\$ -	\$	45,000	\$	17,500	\$	17,500	\$ 17,500	\$	17,500
Gas/electric	\$ -	\$	-	\$	-	\$	-	\$ -	\$	-
Water/Sewer	\$ -	\$	-	\$	-	\$	-	\$ -	\$	-
Grounds Keeping	\$ -	\$	-	\$	-	\$	-	\$ -	\$	-
Maintenance Services	\$ -	\$	-	\$	-	\$	-	\$ -	\$	-
Custodial	\$ -	\$		\$	-	\$	-	\$ -	\$	-
Waste disposal	\$ -	\$	-	\$	-	\$	-	\$ -	\$	_
Debt Service for Facilities (Interest Only)	\$ -	\$		\$	-	\$	-	\$ -	\$	-
Other (please describe)	\$ -	\$		\$	-	\$	-	\$ -	\$	-
Other (please describe)	\$ -	\$	-	\$	-	\$	-	\$ -	\$	-
Other (please describe)	\$ -	\$	-	\$	-	\$	-	\$ -	\$	-
Other (please describe)	\$ -	\$	-	\$	-	\$	-	\$ -	\$	-
Total Facilities	\$ -	\$	445,000	\$	427,500	\$	427,500	\$ 357,500	\$	367,500
Other										
Contingency	\$ 10,000	\$	10,000	\$	30,000	\$	30,000	\$ 50,000	\$	50,000
Indiana Charter School Board Administrative Fee	\$ -	\$	19,565	\$	51,942	\$	65,538	\$ 72,926	\$	74,385
CMO/EMO Fee	\$ -	\$	30,000	\$	32,000	\$	34,000	\$ 36,000	\$	38,000
Common School Fund Loan Interest Costs	\$ -	\$	-	\$	-	\$	-	\$ -	\$	-
CHI Advance Repayment	\$ -	\$	-	\$	-	\$	-	\$ 40,000	\$	-
Other (please describe)	\$ -	\$	-	\$	-	\$	-	\$ -	\$	-
Other (please describe)	\$ -	\$	-	\$	-	\$	-	\$ -	\$	-
Total Other	\$ 10,000	\$	59,565	\$	113,942	\$	129,538	\$ 158,926	\$	162,385
Total Expenditures	\$ 334,110	\$	1,757,685	\$	1,939,286	\$	2,162,836	\$ 2,233,914	\$	2,338,637
Carryover/Deficit	\$ 5,890	\$	6,618	\$	32,114	\$	21,771	\$ 196,957	\$	140,853
Cumulative Carryover/(Deficit)	\$ 5,890	\$	12,508	\$	44,622	\$	66,393	\$ 263,351	\$	404,203

	Expected New School Annual Operating Budget and Cas						
	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13
REVENUE	Juli-13	Jui-13	Aug-13	<u> Зер-13</u>	OCI-13	N0V-13	Dec-13
Federal Revenue							
Public Charter School Program (PCSP) Grant (NOTE: this is a							
competitive grant. Funding is not guaranteed.)	_	_	_	_	_	_	100,000
Other Revenue Federal sources (please describe)	_	_	_	_	_	-	-
Other Revenue Federal sources (please describe)	_	_	_	_	_	_	_
Other Revenues							
Committed Philanthropic Donations	-	-	-	-	-	-	-
Other Gateway	_		-	_	-	-	170,000
Other Walton	_	_	-	30,000	-	-	-,,,,,,,
Other Christel House Internatioonal	-	40,000	-	-	-	-	-
Other (please describe)	-	-	-	-	-	-	-
Total Revenue	-	40,000	-	30,000	-	-	270,000
EXPENDITURE							
EXPENDITURES Powerpal Functions							
Personnel Expenses Wages, Benefits and Payroll Taxes (TOTAL must match							
		9 900	0.000	0.000	0.000	0.000	9 900
"Staffing Year 0") Professional Development	-	8,800	8,800	8,800	8,800	8,800	8,800
	-	-	-		-	-	-
Other (please describe) Other (please describe)	-	-	-	-	-	-	<u> </u>
Other (please describe) Other (please describe)	-	-	-	-	-	-	
Other (please describe) Other (please describe)	-	-	-	-	-	-	<u> </u>
Other (please describe)	_	-	-		-	-	
Total Personnel Expenses	-	8,800	8,800	8,800	8,800	8,800	8,800
Total Personner Emperiors		0,000	0,000	0,000	0,000	0,000	0,000
Instructional Supplies and Resources							
Textbooks	-	-	-	-	-	-	-
Library, periodicals, etc	-	-	-	-	-	-	-
Technology	-	-	-	-	-	-	-
Assessment materials	-	-	-	-	-	-	-
Computers	-		-	-	-	-	-
Software	-	-	-	-	-	-	-
Other classroom supplies	-	-	-	-	-	-	-
Field trips, other unclassified items	-	-	-	-	-	-	-
Co-curricular & Athletics	-	-	-	-	-	-	-
Other (please describe)	-	-	-	-	-	-	-
Other (please describe)	-	-	-	-	-	-	-
Other (please describe)	-	-	-	-	-	-	-
Other (please describe)	-	1	-	-	-	-	-

	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13
Other (please describe)	-	-	-	-	-	-	-
Total Instructional Supplies and Resources	-	-	-	-	-	-	-
Support Supplies and Resources							
Administrative Computers	-	4,000	-	-	-	-	-
Administrative Software	-	1,000	-	-	-	-	-
Administration Dues, fees, misc expenses	-	-	-	-	-	-	-
Office supplies	-	375	375	375	375	375	375
Other (please describe)	-	-	-	-	-	-	-
Other (please describe)	-	-	-	-	-	-	-
Other (please describe)	-	-	-	-	-	-	-
Other (please describe)	-	-	-	-	-	-	-
Other (please describe)	-	-	-	-	-	-	-
Total Support Supplies and Resources	-	5,375	375	375	375	375	375
Board Expenses							
Charter Board Services, including Board Training, retreats	-	-	-	-	-	-	-
Charter Board Supplies & Equipment	-	-	-	-	_	-	-
Charter Board Dues, fees, etc	-	-	-	-	-	-	-
Other (please describe)	-	-	-	-	-	-	-
Other (please describe)	-	-	-	-	-	-	-
Other (please describe)	-	-	-	-	-	-	-
Other (please describe)	-	-	-	-	-	-	-
Other (please describe)	-	-	-	-	-	-	-
Total Board Expenses	-	-	-	-	-	-	-
Professional Purchased or Contracted Services							
Legal Services	-	833	833	833	833	833	833
Audit Services (compliant with SBOA requirements)	-	•	•	•	•	•	
Payroll Services	-	-	-	-	-	-	-
Accounting Services	-	417	417	417	417	417	417
Printing/Newsletter/Annual Report Services	-	-	-	-	-	-	-
Consultants	-	417	417	417	417	417	417
Internet Services	-	-	-	-	-	-	-
Telephone/Telecommunication Services	-	-	-	-	-	-	-
Total Insurance Costs (per ICSB requirements detailed in		i	i	İ		İ	
charter school application)	-	417	417	417	417	417	417
Travel	-	-	-	-	-	-	-
Postage	-	-	-	-	-	-	-
Special Education Services	-	-	-	-	_	-	_
Student Information Services	-	-	-	-	_	-	_
Food service	_	_			_	_	_

	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13
Transportation	-	-	-	-	-	-	-
Nursing Services	-	-	-	-	-	-	-
Marketing	-	-	-	-	-	-	-
Other (please describe)	-	-	-	-	-	-	-
Other (please describe)	-	-	-	-	-	-	-
Other (please describe)	-	-	-	-	-	-	-
Total Professional Purchased or Contracted Services	-	2,083	2,083	2,083	2,083	2,083	2,083
Facilities							
Rent, mortgage, or other facility cost	-	-	-	-	-	-	-
Furniture & Equipment	-	-	-	-	-	-	-
Gas/electric	-	-	-	-	-	-	_
Water/ Sewer	-	-	-	-	-	-	-
Grounds Keeping	-	-	-	-	-	-	-
Maintenance Services	-	-	-	-	-	-	-
Custodial	-	-	-	-	-	-	_
Waste disposal	_	_	_	_	-	_	-
Debt Service for Facilities (Interest Only)	-	-	-	-	_	-	_
Other (please describe)	-	-	-	-	-	-	-
Other (please describe)	-	-	-	-	-	-	-
Other (please describe)	-	-	-	-	-	-	-
Other (please describe)	-	-	-	-	_	-	-
Total Facilities	-	-	-	-	-	-	-
Other							
Contingency							
Indiana Charter School Board Administrative Fee (0% in Year 0)	-	-	-	-	-	-	-
CMO/EMO Fee		-	-	-	-	-	-
Other (please describe)	-	-	-	-	-	-	-
Other (please describe) Other (please describe)	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Other (please describe)	-	-	-	-	-	-	-
Other (please describe) Total Other	-	-	-	-	-	-	-
Total Expenditures	-	16,258	11,258	11,258	11,258	11,258	11,258
Net Income (Pre-Cash Flow Adjustments)	-	23,742	(11,258)	18,742	(11,258)	(11,258)	258,742
CASH FLOW ADJUSTMENTS							
OPERATING ACTIVITIES							
Example - Add Back Depreciation	-	-	-	-	_	-	-
Other	-	-	-	-	-	-	-

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Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14		TAL FIRST IALF 2014
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50,260	40,260	40,260	40,260	40,260	50,260	\$	261,560
30,200	40,200	40,200	40,200	40,200	30,200	Ψ	201,300
(50,260)	(40,260)	(40,260)	(40,260)	(40,260)	(50,260)	\$	(261,560)
(30,200)	(10,200)	(10,200)	(10,200)	(10,200)	(50,200)	Ψ	(201,500)
_	_	-	_	_	_	\$	-
_	_	-	_	_	-	\$	-

Expected Charter School Staffing Needs -- Year 0 -- Pre-Opening Period

Please fill in the expected positions along with salary and benefit estimates. Insert rows as needed. Be certain to include all Administrative Staff positions, in addition to Teachers and positions such as Paraprofessional, Teaching Assistant, Counselor, Therapist, Nurse, etc. as may be appropriate for your school model.

Benefits Assumptions - Please describe how you calculated your benefits and what is included below

Position Description	Number of Staff Per Position	Average Salary for the Position	Total Salary	Benefits and Payroll Taxes	TOTAL Salary and Benefits
Principal	1 et 1 ostubil		80,000	25,600	105,600
Admin support	0.5	30,000	15,000	4,800	19,800
Social Services	1.5		70,500	22,560	
IT / Other	0.25	47,000 35,000	8,750	2,800	93,060
11 / Otner	0.25	35,000		2,800	11,550
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mom.			-		-
TOTAL			174,250	55,760	230,010

Expected New School Annual Operati			
REVENUE	A	mount	Notes
State Revenue			D
			Be certain to reflect Indiana's ONGOING school
			funding formula payment lag. Note that funding
			for virtual charter schools differs from funding
Basic Grant	\$	652,152	for bricks-and-mortar schools.
			One-half of first year's ADM funding. NOTE:
			Only virtual charter schools are eligible for
Common School Loan			Common Loan funds during Year 1.
Charter School Start-Up Grant (NOTE: this is Indiana's state-			
funded start-up grant and is different than the federal PCSP			One-half of first year's ADM funding. NOTE:
grant. Please contact the IDOE Office of School Finance for			Virtual charter schools are ineligible for this
more information.)	\$	652 152	state-funded start-up grant.
State Matching Funds for School Lunch Program	Ψ	032,132	suite ranaca suite ap grana
Professional Development			
Technology Grants			
Remediation Program			Each full-day Kindergarten student counts as
			one-half of a student (0.5) for purposes of ADM
			funding. In addition, schools are eligible for an
			annual grant of \$2,400 per full-day Kindergarter
Full-Day Kindergarten			student.
Gifted and Talented Program			
Textbook Reimbursement			
Summer School			
Other State Revenue (please describe)			
Other State Revenue (please describe)			
Federal Revenue			
			NOTE: This is a competitive grant for planning
Public Charter School Program (PCSP) Grant	\$	100,000	& implementation. Funding is not guaranteed.
Charter School Facilities Assistance Program Grant			
Public Law 101-476 (IDEA)			
Title I			
Title II			
Federal Lunch Program			
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			
<u>.</u>	 		
Before and After Care Fees	ļ		
Interest Income	ф	4.10.000	
Other - Gateway	\$	140,000	
Other - Walton		220 000	
	\$	220,000	
Other (please describe)	\$	220,000	
Other (please describe) Other (please describe)		220,000	
Other (please describe)		1,764,303	
Other (please describe) Other (please describe) Total Revenue		,	
Other (please describe) Other (please describe) Total Revenue EXPENDITURES		,	
Other (please describe) Other (please describe) Total Revenue EXPENDITURES Personnel Expenses	\$	1,764,303	
Other (please describe) Other (please describe) Total Revenue EXPENDITURES		,	Use staffing workbook
Other (please describe) Other (please describe) Total Revenue EXPENDITURES Personnel Expenses	\$	1,764,303	Use staffing workbook
Other (please describe) Other (please describe) Total Revenue EXPENDITURES Personnel Expenses Wages, Benefits and Payroll Taxes	\$	1,764,303	Use staffing workbook
Other (please describe) Other (please describe) Total Revenue EXPENDITURES Personnel Expenses Wages, Benefits and Payroll Taxes Substitute Teachers Professional Development	\$	1,764,303	Use staffing workbook
Other (please describe) Other (please describe) Total Revenue EXPENDITURES Personnel Expenses Wages, Benefits and Payroll Taxes Substitute Teachers	\$	1,764,303	Use staffing workbook

Oth (-1 d	1	1	
Other (please describe)			
Other (please describe)			
Other (please describe)	Φ.		
Total Personnel Expenses	\$	902,020	
Lucture dianal Compliant and December			
Instructional Supplies and Resources	ф	42.000	
Textbooks	\$	43,000	
Library, periodicals, etc	ф	7.000	
Technology	\$	5,000	
Assessment materials	ф	41.750	
Computers	\$	41,750	
Software	\$	15,000	
Other classroom supplies	\$	15,000	
Field trips, other unclassified items	\$	10,000	
Co-curricular & Athletics	\$	10,000	
Other (please describe)			
Total Instructional Supplies and Resources	\$	139,750	
Support Supplies and Resources			
Administrative Computers	\$	3,000	
Administrative Software	\$	1,000	
Administration Dues, fees, misc expenses	\$	2,000	
Office supplies	\$	1,000	
Other (please describe)			
Total Support Supplies and Resources	\$	7,000	
Board Expenses			
Charter Board Services, including Board Training, retreats			
Charter Board Supplies & Equipment			
Charter Board Dues, fees, etc			
Other (please describe)			
Total Board Expenses	\$	-	
Professional Purchased or Contracted Services			
Legal Services	\$	15,000	
Audit Services (compliant with SBOA requirements)	\$	10,000	
Payroll Services	\$	10,000	
Accounting Services	\$	32,200	
Printing/Newsletter/Annual Report Services			
Consultants	\$	48,400	
Internet Services	\$	11,250	
Telephone/Telecommunication Services			
Total Insurance Costs (per ICSB requirements detailed in			
charter school application)	\$	15,000	
Travel			
Postage			
Special Education Services			
Student Information Services			

Food service			
Transportation	\$	47,500	
Nursing Services	<u> </u>	. ,	
Marketing	\$	15.000	
Other (please describe)			
Other (please describe)			
Other (please describe)			
Total Professional Purchased or Contracted Services	\$	204,350	
Facilities			
Rent, mortgage, or other facility cost	\$	400,000	
Furniture & Equipment	\$	45,000	
Gas/electric			
Water/ Sewer			
Grounds Keeping			
Maintenance Services			
Custodial			
Waste disposal			
Debt Service for Facilities (Interest Only)			
Other (please describe)			
Total Facilities	\$	445,000	
Other	Φ.	10.000	
Contingency	\$	10,000	20/ AP : C / (P C
Indiana Charter School Board Administrative Fee	\$	19,565	Assume 3% of Basic Grant (Row 6) Be certain to reflect the full amount of any fee,
			including the management fee and any pass-
			through fees. If pass-through fees are reflected
			elsewhere in the budget, please clearly indicate
CMO/EMO Fee	\$	30,000	this in the Budget Narrative.
Common School Fund Loan Interest Costs	├──		
Other (please describe)	├──		
Other (please describe)	├──		
Other (please describe)	¢.	50.565	
Total Other	2	59,565	
Total Expenditures	Φ	1,757,685	
Total Expenditures	φ	1,737,083	

6,618

Carryover/Deficit \$

Cumulative Carryover/(Deficit)

Expected Charter School Staffing Needs -- Year 1

Please fill in the expected positions along with salary and benefit estimates. Insert rows as needed. Be ce positions, in addition to Teachers and positions such as Paraprofessional, Teaching Assistant, Couns appropriate for your school model.

Benefits Assumptions - Please describe how you calculated your benefits and what

		Average Salary for	
Position Description	Per Position	the Position	Total Salary
Principal	1	82,400	82,400
Admin support	2.5	32,000	80,000
Social Service	3	48,000	144,000
Part-time teachers	12	24,167	290,000
Special Ed	0.5	27,100	27,100
IT/Other	1.5	35,000	52,500
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TOTAL			676,000

t is included below

Benefits and	TOTAL Colomy and
	TOTAL Salary and
Payroll Taxes	Benefits
26,368	108,768
25,600	105,600
46,080	190,080
72,500	362,500
8,672	35,772 69,300
16,800	69,300
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196,020	872,020
170,020	072,020

Expected New School Annual Operati	ng Bu	dget YEAR 2	Fiscal Year July 1-June 30
REVENUE	., ~u	Amount	Notes
State Revenue			
			Be certain to reflect Indiana's ONGOING school
Basic Grant	\$	1,731,400	funding formula payment lag
Common School Loan			
State Matching Funds for School Lunch Program			
Professional Development			
Technology Grants			
Remediation Program			
			Each full-day Kindergarten student counts as
			one-half of a student (0.5) for purposes of ADM
			funding. In addition, schools are eligible for an
			annual grant of \$2,400 per full-day Kindergarten
Full-Day Kindergarten			student.
Gifted and Talented Program			
Textbook Reimbursement			
Summer School			
Other State Revenue (please describe)			
Other State Revenue (please describe)			
Federal Revenue			
			NOTE: This is a competitive grant for planning
Public Charter School Program (PCSP) Grant	\$	100,000	& implementation. Funding is not guaranteed.
Charter School Facilities Assistance Program Grant			
Public Law 101-476 (IDEA)			
Title I			
Title II			
Federal Lunch Program			
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			
Before and After Care Fees			
Interest Income	Φ.	1 10 000	
Other - Gateway	\$	140,000	
Other - Walton	\$	-	
Other (please describe)			
Other (please describe) Total Revenue	¢	1 071 400	
1 otai Revenue	Þ	1,971,400	
EVDENDITUDES			
EXPENDITURES Personnel Expenses			
Wages, Benefits and Payroll Taxes	\$	976,894	Use staffing workbook
Substitute Teachers	Ψ	910,094	OSC STATING WOLKDOOK
Professional Development	\$	30,000	
Bonuses	Ψ	50,000	
Other (please describe)			
Total Personnel Expenses	\$	1,006,894	
2 Jun 1 VISOMICI EMPERSOS		2,000,021	
Instructional Supplies and Resources			
Textbooks	\$	95,400	
Library, periodicals, etc	_	,,,,,,,	
Liciary, periodicals, etc			

Tashaslassa	¢	5,000	T
Technology	\$	5,000	
Assessment materials	ф.	14.000	
Computers	\$	42,000	
Software			
Other classroom supplies	\$	12,500	
Field trips, other unclassified items	\$	10,000	
Co-curricular & Athletics	\$	10,000	
Other (please describe)			
Total Instructional Supplies and Resources	. •	174,900	
Total Histructional Supplies and Resources	φ	174,900	
Cunnant Cunniling and Dagaymans			
Support Supplies and Resources	¢.	2.000	
Administrative Computers	\$	2,000	
Administrative Software	\$	500	
Administration Dues, fees, misc expenses	\$	2,000	
Office supplies	\$	2,000	
Other (please describe)			
Other (please describe)			
Other (please describe)			
Other (please describe)	Ì		
Other (please describe)			
Total Support Supplies and Resources	\$ \$	6,500	
Total Support Supplies and Resources	Ψ	0,200	
Board Expenses			
Dourt Expenses			
Charton Doord Complete including Doord Training naturate			
Charter Board Services, including Board Training, retreats			
Charter Board Supplies & Equipment			
Charter Board Dues, fees, etc			
Other (please describe)			
Total Board Expenses	\$	-	
Professional Purchased or Contracted Services			
Legal Services	\$	10,000	
Audit Services (compliant with SBOA requirements)	\$	15,000	
Payroll Services	\$	15,000	
Accounting Services	\$		
	φ	26,000	
Printing/Newsletter/Annual Report Services	¢.	50.000	
Consultants	\$	50,000	
Internet Services	\$	12,750	
Telephone/Telecommunication Services			
Total Insurance Costs (per ICSB requirements detailed in			
charter school application)	\$	17,000	
Travel			
Postage			
Special Education Services			
Student Information Services			
Food service			
Transportation	\$	53,800	
Nursing Services	+	22,000	
Other - Marketing			Ī
TOURS - Marketing	\$	10 000	
	\$	10,000	
Other (please describe)	\$	10,000	
Other (please describe) Other (please describe)	\$	10,000	
Other (please describe)		10,000	

Facilities		
Rent, mortgage, or other facility cost	\$ 410,000	
Furniture & Equipment	\$ 17,500	
Gas/electric		
Water/ Sewer		
Grounds Keeping		
Maintenance Services		
Custodial		
Waste disposal		
Debt Service for Facilities (Interest Only)		
Other (please describe)		
Total Facilities	\$ 427,500	
Other		
Contingency	\$ 30,000	
Indiana Charter School Board Administrative Fee	\$ 51,942	Assume 3% of Basic Grant (Row 6)
		Be certain to reflect the full amount of any fee,
		including the management fee and any pass-
		through fees. If pass-through fees are reflected
		elsewhere in the budget, please clearly indicate
CMO/EMO Fee	\$ 32,000	this in the Budget Narrative.
Common School Fund Loan Interest Costs		
Other (please describe)		
Other (please describe)		
Other (please describe)		
Total Other	\$ 113,942	
Total Expenditures	\$ 1,939,286	
Carryover/Deficit	\$ 32,114	

Cumulative Carryover/(Deficit)

Expected Charter School Staffing Needs -- Year 2

Please fill in the expected positions along with salary and benefit estimates. Insert rows as needed. Be ce positions, in addition to Teachers and positions such as Paraprofessional, Teaching Assistant, Couns appropriate for your school model.

Benefits Assumptions - Please describe how you calculated your benefits and what

	Number of Staff	Average Salary for	
Position Description	Per Position	the Position	Total Salary
Principal	1	84,872	84,872
Admin support	2.5	32,960	82,400
Social Service	3	49,440	148,320
Part-time teachers	14	25,833	361,667
Special Ed	0.5	27,100	27,892
T/Other	1.5	36,067	54,100
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ГОТАL			759,251

ertain to include all Administrative Staff elor, Therapist, Nurse, etc. as may be

t is included below

Benefits and	TOTAL Salary and
Payroll Taxes	Benefits
27,159	112,031
26,368	108,768
47,462	195,782
90,417	452,083
8,925	36,817
17,312	71,412
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217,644	976,894

Expected New School Annual Operating Budget YEAR 3 Fiscal Year July 1-June 30					
REVENUE		Amount	Notes		
State Revenue					
			Be certain to reflect Indiana's ONGOING school		
Basic Grant	\$	2,184,607	funding formula payment lag		
Common School Loan		•			
State Matching Funds for School Lunch Program					
Professional Development					
Technology Grants					
Remediation Program					
			Each full-day Kindergarten student counts as		
			one-half of a student (0.5) for purposes of ADM		
			funding. In addition, schools are eligible for an		
			annual grant of \$2,400 per full-day Kindergarten		
Full-Day Kindergarten			student.		
Gifted and Talented Program					
Textbook Reimbursement					
Summer School					
Other State Revenue (please describe)					
Other State Revenue (please describe)					
Federal Revenue					
Public Law 101-476 (IDEA)					
Title I					
Title II					
Federal Lunch Program					
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					
Before and After Care Fees					
Interest Income					
Other (please describe)					
Other (please describe)					
Other (please describe)					
Other (please describe)	Ф	2.104.607			
Total Revenue	\$	2,184,607			
EVDENDITUDES					
EXPENDITURES Personnel Expenses					
Wages, Benefits and Payroll Taxes	\$	1,141,998	Use staffing workbook		
Substitute Teachers	φ	1,141,998	Use staffing workbook		
Professional Development	\$	40,000			
Bonuses	Ψ	40,000			
Other (please describe)					
Other (please describe) Other (please describe)					
Other (please describe) Other (please describe)					
Other (please describe) Other (please describe)					
Other (please describe) Other (please describe)					
Total Personnel Expenses	\$	1,181,998			
Total I ersonner Expenses	Ψ	1,101,770			
Instructional Supplies and Resources					
Textbooks	\$	100,000			
Library, periodicals, etc	7	200,000			
Technology	\$	5,000			
Assessment materials		2,000			
Computers	\$	44,000			
Software	· ·	,000			
			<u>I</u>		

Other classroom supplies Field trips, other unclassified items Co-curricular & Athletics Other (please describe) Other (please describe) Other (please describe) Other (please describe) Other (please describe) Other (please describe) Total Instructional Supplies and Resources Support Supplies and Resources Administrative Computers Administrative Software Administration Dues, fees, misc expenses Office supplies	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	14,000 12,000 12,000 12,000 187,000 3,000 500	
Co-curricular & Athletics Other (please describe) Other (please describe) Other (please describe) Other (please describe) Other (please describe) Total Instructional Supplies and Resources Support Supplies and Resources Administrative Computers Administrative Software Administration Dues, fees, misc expenses Office supplies	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	12,000 187,000 3,000 500	
Other (please describe) Other (please describe) Other (please describe) Other (please describe) Other (please describe) Total Instructional Supplies and Resources Support Supplies and Resources Administrative Computers Administrative Software Administration Dues, fees, misc expenses Office supplies	\$ \$	3,000 500	
Other (please describe) Other (please describe) Other (please describe) Other (please describe) Total Instructional Supplies and Resources Support Supplies and Resources Administrative Computers Administrative Software Administration Dues, fees, misc expenses Office supplies	\$ \$ \$	3,000 500	
Other (please describe) Other (please describe) Other (please describe) Total Instructional Supplies and Resources Support Supplies and Resources Administrative Computers Administrative Software Administration Dues, fees, misc expenses Office supplies	\$ \$ \$	3,000 500	
Other (please describe) Other (please describe) Total Instructional Supplies and Resources Support Supplies and Resources Administrative Computers Administrative Software Administration Dues, fees, misc expenses Office supplies	\$ \$ \$	3,000 500	
Other (please describe) Other (please describe) Total Instructional Supplies and Resources Support Supplies and Resources Administrative Computers Administrative Software Administration Dues, fees, misc expenses Office supplies	\$ \$ \$	3,000 500	
Other (please describe) Total Instructional Supplies and Resources Support Supplies and Resources Administrative Computers Administrative Software Administration Dues, fees, misc expenses Office supplies	\$ \$ \$	3,000 500	
Total Instructional Supplies and Resources Support Supplies and Resources Administrative Computers Administrative Software Administration Dues, fees, misc expenses Office supplies	\$ \$ \$	3,000 500	
Support Supplies and Resources Administrative Computers Administrative Software Administration Dues, fees, misc expenses Office supplies	\$ \$ \$	3,000 500	
Administrative Computers Administrative Software Administration Dues, fees, misc expenses Office supplies	\$ \$	500	
Administrative Computers Administrative Software Administration Dues, fees, misc expenses Office supplies	\$ \$	500	
Administrative Software Administration Dues, fees, misc expenses Office supplies	\$ \$	500	
Administration Dues, fees, misc expenses Office supplies	\$		
Office supplies			
	\$	2,000	
[O4](-1		2,000	
Other (please describe)			
Total Support Supplies and Resources	\$ \$	7,500	
	7	7,000	
Board Expenses			
Dou'd Expenses			
Charter Poord Services including Poord Training retreats			
Charter Board Services, including Board Training, retreats			
Charter Board Supplies & Equipment			
Charter Board Dues, fees, etc			
Other (please describe)			
Total Board Expenses	\$	-	
•			
Professional Purchased or Contracted Services			
Legal Services	\$	10,000	
Audit Services (compliant with SBOA requirements)	\$	17,000	
Payroll Services	\$	15,000	
	\$		
Accounting Services	Э	31,000	
Printing/Newsletter/Annual Report Services			
Consultants	\$	51,300	
Internet Services	\$	15,000	
Telephone/Telecommunication Services	<u> </u>		
Total Insurance Costs (per ICSB requirements detailed in	1		
charter school application)	\$	20,000	
Travel		,	
Postage			
Special Education Services	1		
Student Information Services	1		
Food service	 		
Transportation	\$	60,000	
	\$	60,000	
Nursing Services	¢.	10.000	
Other - Marketing	\$	10,000	
Other (please describe)	 		
Other (please describe)	ļ		
Other (please describe)			
Total Professional Purchased or Contracted Services	\$	229,300	
Facilities			
Rent, mortgage, or other facility cost	\$	410,000	
Furniture & Equipment	\$	17,500	

Gas/electric		
Water/ Sewer		
Grounds Keeping		
Maintenance Services		
Custodial		
Waste disposal		
Debt Service for Facilities (Interest Only)		
Other (please describe)		
Total Facilities	\$ 427,500	
Other		
Contingency	\$ 30,000	
Indiana Charter School Board Administrative Fee	\$ 65,538	Assume 3% of Basic Grant (Row 6)
		Be certain to reflect the full amount of any fee,
		including the management fee and any pass-
		through fees. If pass-through fees are reflected
		elsewhere in the budget, please clearly indicate
CMO/EMO Fee	\$ 34,000	this in the Budget Narrative.
Common School Fund Loan Interest Costs		
Other (please describe)		
Other (please describe)		
Other (please describe)		
Total Other	\$ 129,538	
Total Expenditures	\$ 2,162,836	

21,771

Carryover/Deficit \$

Cumulative Carryover/(Deficit)

Expected Charter School Staffing Needs -- Year 3

Please fill in the expected positions along with salary and benefit estimates. Insert rows as needed. Be ce positions, in addition to Teachers and positions such as Paraprofessional, Teaching Assistant, Couns appropriate for your school model.

Benefits Assumptions - Please describe how you calculated your benefits and what

	Number of Staff	Average Salary for	
Position Description	Per Position	the Position	Total Salary
Principal	1	87,418	87,418
Admin support	3.5	36,374	127,308
Full-time teachers	4	45,619	182,475
Part-time teachers	15	27,000	405,000
Special Ed	0.5	57,458	28,729
T/Other	1.5	37,131	55,697
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ГОТАL			886,627

t is included below

D (*)	TOTAL C.
Benefits and	TOTAL Salary and
Payroll Taxes	Benefits
27,974	115,392
40,739	168,047
58,392	240,867
101,250	506,250
9,193	37,922 73,520
17,823	73,520
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255,371	1,141,998

Expected New School Annual Operati	ng Bud	lget YEAR 4	Fiscal Year July 1-June 30
REVENUE		Amount	Notes
State Revenue			
			Be certain to reflect Indiana's ONGOING school
Basic Grant	\$	2,430,872	funding formula payment lag
Common School Loan			
State Matching Funds for School Lunch Program			
Professional Development			
Technology Grants			
Remediation Program			
			Each full-day Kindergarten student counts as
			one-half of a student (0.5) for purposes of ADM
			funding. In addition, schools are eligible for an
			annual grant of \$2,400 per full-day Kindergarten
Full-Day Kindergarten			student.
Gifted and Talented Program			
Textbook Reimbursement			
Summer School			
Other State Revenue (please describe)			
Other State Revenue (please describe)			
Federal Revenue			
Public Law 101-476 (IDEA)			
Title I			
Title II			
Federal Lunch Program			
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			
Before and After Care Fees			
Interest Income			
Other (please describe)			
Total Revenue	\$	2,430,872	
EXPENDITURES			
Personnel Expenses			
Wages, Benefits and Payroll Taxes	\$	1,214,688	Use staffing workbook
Substitute Teachers			
Professional Development	\$	40,000	
Bonuses			
Other (please describe)			
Total Personnel Expenses	\$	1,254,688	
Instructional Supplies and Resources	Φ.	10000	
Textbooks	\$	105,000	
Library, periodicals, etc	φ.	2	
Technology	\$	5,000	
Assessment materials			
Computers	\$	49,800	
Software			

	ф	12000	
Other classroom supplies	\$	16,000	
Field trips, other unclassified items	\$	14,000	
Co-curricular & Athletics	\$	14,000	
Other (please describe)			
Total Instructional Supplies and Resources	\$	203,800	
Support Supplies and Resources			
Administrative Computers	\$	3,000	
Administrative Software	\$	1,000	
Administration Dues, fees, misc expenses	\$	3,000	
Office supplies	\$	3,000	
Other (please describe)			
Total Support Supplies and Resources	\$	10,000	

Board Expenses			
Charter Board Services, including Board Training, retreats			
Charter Board Supplies & Equipment			
Charter Board Dues, fees, etc			
Other (please describe)			
Total Board Expenses	\$	_	
	-		
Professional Purchased or Contracted Services			
Legal Services	\$	10,000	
Audit Services (compliant with SBOA requirements)	\$	18,000	
Payroll Services	\$	16,000	
Accounting Services	\$	35,000	
Printing/Newsletter/Annual Report Services	Ψ	33,000	
Consultants	\$	53,000	
Internet Services	\$	18,000	
Telephone/Telecommunication Services	Ψ	10,000	
Total Insurance Costs (per ICSB requirements detailed in			
charter school application)	\$	24,000	
	φ	24,000	
Travel Postage			
Special Education Services			
Student Information Services			
Food service	¢	<i>(5</i> ,000	
Transportation	\$	65,000	
Nursing Services	¢	10.000	
Other - Marketing	\$	10,000	
Other (please describe)			
Other (please describe)			
Other (please describe)			
Total Professional Purchased or Contracted Services	\$	249,000	
IV-a aili4i a a			
Facilities	_		
Rent, mortgage, or other facility cost Furniture & Equipment	\$ \$	340,000 17,500	

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Gas/electric			
Water/ Sewer			
Grounds Keeping			
Maintenance Services			
Custodial			
Waste disposal			
Debt Service for Facilities (Interest Only)			
Other (please describe)			
Total Facilities	\$	357,500	
Other			
Contingency	\$	50,000	
Indiana Charter School Board Administrative Fee	\$	72,926	Assume 3% of Basic Grant (Row 6)
			Be certain to reflect the full amount of any fee,
			including the management fee and any pass-
			through fees. If pass-through fees are reflected
			elsewhere in the budget, please clearly indicate
CMO/EMO Fee	\$	36,000	this in the Budget Narrative.
Common School Fund Loan Interest Costs			
Other (please describe)			
Other (please describe)			
Other (please describe)			
Total Other	\$	158,926	
Total Expenditures	\$	2,233,914	
·			

196,957

Carryover/Deficit \$

Cumulative Carryover/(Deficit)

Expected Charter School Staffing Needs -- Year 4

Please fill in the expected positions along with salary and benefit estimates. Insert rows as needed. Be ce positions, in addition to Teachers and positions such as Paraprofessional, Teaching Assistant, Couns appropriate for your school model.

Benefits Assumptions - Please describe how you calculated your benefits and what

	Number of Staff	Average Salary for	
Position Description	Per Position	the Position	Total Salary
Principal	1	90,000	90,000
Admin support	3.5	37,465	131,127
Full-time teachers	4	46,987	187,949
Part-time teachers	16	28,000	448,000
Special Ed	0.5		29,500
T/Other	1.5	38,267	57,400
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ГОТАL			943,976

t is included below

Benefits and	TOTAL Salary and
Payroll Taxes	Benefits
_	
28,800	118,800
41,961 60,144	173,088 248,093
112,000	248,093 560,000
9,440	38,940
18,368	38,940 75,768
10,308	13,108
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270,712	1,214,688

Expected New School Annual Operati	ng Bud	lget YEAR 5	Fiscal Year July 1-June 30
REVENUE		Amount	Notes
State Revenue			
			Be certain to reflect Indiana's ONGOING school
Basic Grant	\$	2,479,489	funding formula payment lag
Common School Loan			
State Matching Funds for School Lunch Program			
Professional Development			
Technology Grants			
Remediation Program			
			Each full-day Kindergarten student counts as
			one-half of a student (0.5) for purposes of ADM
			funding. In addition, schools are eligible for an
			annual grant of \$2,400 per full-day Kindergarten
Full-Day Kindergarten			student.
Gifted and Talented Program			
Textbook Reimbursement			
Summer School			
Other State Revenue (please describe)			
Other State Revenue (please describe)			
Federal Revenue			
Public Law 101-476 (IDEA)			
Title I			
Title II			
Federal Lunch Program			
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			
Before and After Care Fees			
Interest Income			
Other (please describe)	Ф	2 470 400	
Total Revenue	\$	2,479,489	
EVDENDITUDES			
EXPENDITURES Personnel Expenses			
Wages, Benefits and Payroll Taxes	\$	1,255,052	Use staffing workbook
Substitute Teachers	φ	1,233,032	Oscialiting working working osci
Professional Development	\$	45,000	
Bonuses	Ψ	+3,000	
Other (please describe)			
Other (please describe) Other (please describe)			
Other (please describe) Other (please describe)			
Other (please describe) Other (please describe)			
Other (please describe)			
Total Personnel Expenses	\$	1,300,052	
Total I ersonner Expenses	Ψ	1,500,052	
Instructional Supplies and Resources			
Textbooks	\$	110,000	
Library, periodicals, etc	_	110,000	
Technology	\$	5,000	
Assessment materials	<u> </u>	2,000	
Computers	\$	58,500	
Software	<u> </u>	23,200	
	<u> </u>		<u>I</u>

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Other classroom supplies	\$	18,200	
Field trips, other unclassified items	\$	17,000	
Co-curricular & Athletics	\$	17,000	
Other (please describe)			
Total Instructional Supplies and Resources	\$	225,700	
Support Supplies and Resources			
Administrative Computers	\$	4,000	
Administrative Software	\$	1,000	
Administration Dues, fees, misc expenses	\$	3,000	
Office supplies	\$	4,000	
Other (please describe)			
Total Support Supplies and Resources	\$	12,000	
Board Expenses			
Charter Board Services, including Board Training, retreats			
Charter Board Supplies & Equipment			
Charter Board Dues, fees, etc			
Other (please describe)			
Total Board Expenses	\$	-	
Professional Purchased or Contracted Services			
Legal Services	\$	10,000	
	Ψ	,	
Audit Services (compliant with SBOA requirements)	\$	19,000	
		· · · · · · · · · · · · · · · · · · ·	
Audit Services (compliant with SBOA requirements) Payroll Services Accounting Services	\$	19,000	
Audit Services (compliant with SBOA requirements) Payroll Services	\$ \$	19,000 17,000 38,000	
Audit Services (compliant with SBOA requirements) Payroll Services Accounting Services Printing/Newsletter/Annual Report Services Consultants	\$ \$ \$	19,000 17,000 38,000 54,500	
Audit Services (compliant with SBOA requirements) Payroll Services Accounting Services Printing/Newsletter/Annual Report Services Consultants Internet Services	\$ \$	19,000 17,000 38,000	
Audit Services (compliant with SBOA requirements) Payroll Services Accounting Services Printing/Newsletter/Annual Report Services Consultants Internet Services Telephone/Telecommunication Services	\$ \$ \$	19,000 17,000 38,000 54,500	
Audit Services (compliant with SBOA requirements) Payroll Services Accounting Services Printing/Newsletter/Annual Report Services Consultants Internet Services Telephone/Telecommunication Services Total Insurance Costs (per ICSB requirements detailed in	\$ \$ \$	19,000 17,000 38,000 54,500	
Audit Services (compliant with SBOA requirements) Payroll Services Accounting Services Printing/Newsletter/Annual Report Services Consultants Internet Services Telephone/Telecommunication Services	\$ \$ \$	19,000 17,000 38,000 54,500	
Audit Services (compliant with SBOA requirements) Payroll Services Accounting Services Printing/Newsletter/Annual Report Services Consultants Internet Services Telephone/Telecommunication Services Total Insurance Costs (per ICSB requirements detailed in	\$ \$ \$ \$	19,000 17,000 38,000 54,500 22,500	
Audit Services (compliant with SBOA requirements) Payroll Services Accounting Services Printing/Newsletter/Annual Report Services Consultants Internet Services Telephone/Telecommunication Services Total Insurance Costs (per ICSB requirements detailed in charter school application)	\$ \$ \$ \$	19,000 17,000 38,000 54,500 22,500	
Audit Services (compliant with SBOA requirements) Payroll Services Accounting Services Printing/Newsletter/Annual Report Services Consultants Internet Services Telephone/Telecommunication Services Total Insurance Costs (per ICSB requirements detailed in charter school application) Travel	\$ \$ \$ \$	19,000 17,000 38,000 54,500 22,500	
Audit Services (compliant with SBOA requirements) Payroll Services Accounting Services Printing/Newsletter/Annual Report Services Consultants Internet Services Telephone/Telecommunication Services Total Insurance Costs (per ICSB requirements detailed in charter school application) Travel Postage	\$ \$ \$ \$	19,000 17,000 38,000 54,500 22,500	
Audit Services (compliant with SBOA requirements) Payroll Services Accounting Services Printing/Newsletter/Annual Report Services Consultants Internet Services Telephone/Telecommunication Services Total Insurance Costs (per ICSB requirements detailed in charter school application) Travel Postage Special Education Services	\$ \$ \$ \$	19,000 17,000 38,000 54,500 22,500	
Audit Services (compliant with SBOA requirements) Payroll Services Accounting Services Printing/Newsletter/Annual Report Services Consultants Internet Services Telephone/Telecommunication Services Total Insurance Costs (per ICSB requirements detailed in charter school application) Travel Postage Special Education Services Student Information Services	\$ \$ \$ \$	19,000 17,000 38,000 54,500 22,500	
Audit Services (compliant with SBOA requirements) Payroll Services Accounting Services Printing/Newsletter/Annual Report Services Consultants Internet Services Telephone/Telecommunication Services Total Insurance Costs (per ICSB requirements detailed in charter school application) Travel Postage Special Education Services Student Information Services Food service Transportation Nursing Services	\$ \$ \$ \$ \$	19,000 17,000 38,000 54,500 22,500	
Audit Services (compliant with SBOA requirements) Payroll Services Accounting Services Printing/Newsletter/Annual Report Services Consultants Internet Services Telephone/Telecommunication Services Total Insurance Costs (per ICSB requirements detailed in charter school application) Travel Postage Special Education Services Student Information Services Food service Transportation	\$ \$ \$ \$ \$	19,000 17,000 38,000 54,500 22,500	
Audit Services (compliant with SBOA requirements) Payroll Services Accounting Services Printing/Newsletter/Annual Report Services Consultants Internet Services Telephone/Telecommunication Services Total Insurance Costs (per ICSB requirements detailed in charter school application) Travel Postage Special Education Services Student Information Services Food service Transportation Nursing Services	\$ \$ \$ \$ \$	19,000 17,000 38,000 54,500 22,500 30,000	
Audit Services (compliant with SBOA requirements) Payroll Services Accounting Services Printing/Newsletter/Annual Report Services Consultants Internet Services Telephone/Telecommunication Services Total Insurance Costs (per ICSB requirements detailed in charter school application) Travel Postage Special Education Services Student Information Services Food service Transportation Nursing Services Other - Marketing	\$ \$ \$ \$ \$	19,000 17,000 38,000 54,500 22,500 30,000	
Audit Services (compliant with SBOA requirements) Payroll Services Accounting Services Printing/Newsletter/Annual Report Services Consultants Internet Services Telephone/Telecommunication Services Total Insurance Costs (per ICSB requirements detailed in charter school application) Travel Postage Special Education Services Student Information Services Student Information Services Food service Transportation Nursing Services Other - Marketing Other (please describe) Other (please describe)	\$ \$ \$ \$ \$	19,000 17,000 38,000 54,500 22,500 30,000	
Audit Services (compliant with SBOA requirements) Payroll Services Accounting Services Printing/Newsletter/Annual Report Services Consultants Internet Services Telephone/Telecommunication Services Total Insurance Costs (per ICSB requirements detailed in charter school application) Travel Postage Special Education Services Student Information Services Student Information Services Food service Transportation Nursing Services Other - Marketing Other (please describe) Other (please describe) Other (please describe)	\$ \$ \$ \$ \$	19,000 17,000 38,000 54,500 22,500 30,000 70,000	
Audit Services (compliant with SBOA requirements) Payroll Services Accounting Services Printing/Newsletter/Annual Report Services Consultants Internet Services Telephone/Telecommunication Services Total Insurance Costs (per ICSB requirements detailed in charter school application) Travel Postage Special Education Services Student Information Services Student Information Services Food service Transportation Nursing Services Other - Marketing Other (please describe) Other (please describe)	\$ \$ \$ \$ \$	19,000 17,000 38,000 54,500 22,500 30,000	
Audit Services (compliant with SBOA requirements) Payroll Services Accounting Services Printing/Newsletter/Annual Report Services Consultants Internet Services Telephone/Telecommunication Services Total Insurance Costs (per ICSB requirements detailed in charter school application) Travel Postage Special Education Services Student Information Services Student Information Services Food service Transportation Nursing Services Other - Marketing Other (please describe) Other (please describe) Other (please describe) Total Professional Purchased or Contracted Services	\$ \$ \$ \$ \$	19,000 17,000 38,000 54,500 22,500 30,000 70,000	
Audit Services (compliant with SBOA requirements) Payroll Services Accounting Services Printing/Newsletter/Annual Report Services Consultants Internet Services Telephone/Telecommunication Services Total Insurance Costs (per ICSB requirements detailed in charter school application) Travel Postage Special Education Services Student Information Services Student Information Services Food service Transportation Nursing Services Other - Marketing Other (please describe) Other (please describe) Total Professional Purchased or Contracted Services Facilities	\$ \$ \$ \$ \$ \$ \$	19,000 17,000 38,000 54,500 22,500 30,000 70,000 10,000	
Audit Services (compliant with SBOA requirements) Payroll Services Accounting Services Printing/Newsletter/Annual Report Services Consultants Internet Services Telephone/Telecommunication Services Total Insurance Costs (per ICSB requirements detailed in charter school application) Travel Postage Special Education Services Student Information Services Student Information Services Food service Transportation Nursing Services Other - Marketing Other (please describe) Other (please describe) Other (please describe) Total Professional Purchased or Contracted Services	\$ \$ \$ \$ \$	19,000 17,000 38,000 54,500 22,500 30,000 70,000	

Gas/electric		
Water/ Sewer		
Grounds Keeping		
Maintenance Services		
Custodial		
Waste disposal		
Debt Service for Facilities (Interest Only)		
Other (please describe)		
Total Facilities	\$ 367,500	
Other		
Contingency	\$ 50,000	
Indiana Charter School Board Administrative Fee	\$ 74,385	Assume 3% of Basic Grant (Row 6)
		Be certain to reflect the full amount of any fee,
		including the management fee and any pass-
		through fees. If pass-through fees are reflected
		elsewhere in the budget, please clearly indicate
CMO/EMO Fee	\$ 38,000	this in the Budget Narrative.
Common School Fund Loan Interest Costs		
Other (please describe)		
Other (please describe)		
Other (please describe)		
Total Other	\$ 162,385	
Total Expenditures	\$ 2,338,637	

140,853

Carryover/Deficit \$

Cumulative Carryover/(Deficit)

Position Description	Number of Staff Per Position	Average Salary for the Position	Total Salary
Principal	1	92,742	92,742
Admin support	3.5	38,589	135,061
Full-time teachers	4	48,500	194,000
Part-time teachers	16	29,000	464,000
Special Ed	0.5	61,000	30,500
IT/Other	1.5	39,400	59,100

ATTACHMENT 20

BUDGET SUMMARY AND ASSUMPTIONS

Christel House will execute a hub and spoke expansion strategy with the existing Christel House Academy serving as the central administrative headquarters (Hub) for expansion schools. The majority of the back-office functions will be conducted at the Academy including payroll and disbursements administration, risk management, technology management, etc. The Network expects that additional economies of scale can be gained through the operation of multiple schools, and that services common to all will be provided through the central purchasing power of CHA, which will lead to increased efficiency. Each expansion school will be charged a management fee for these services.

In addition to Christel house Academy, Christel House International will also provide support. This support includes financial support for those periods of time where expansion schools experience cash flow shortages. Christel House International will provide the necessary short-term working capital funding as required.

In addition, CH International has a well-developed fundraising function which will be deployed to secure any additional resources necessary to ensure that desired programs and services can be adequately funded.

Each expansion K-12 school will require the purchase and/or construction of school facilities. Christel House International will undertake the acquisition of such facilities including funding of needed facility purchases and/or construction. Each expansion school will then lease the facility from Christel House International at market rental/lease rates.

A five-year pro forma budget has been prepared for a Christel House K-12 expansion school as well as a related Christel House DORS expansion school. It is expected that each K-12 and DORS expansion school will mirror the pro forma budgets provided in this charter application package. As such, multiple K-12/DORS budgets have not been prepared.

A summary of each pro forma five-year budget follows:

K-12

The startup year as well as the first year of operations of an expansion K-12 school will require the financial support of Christel House International. It is expected that Christel House International will provide working capital advances in the amount of \$460,000 in

the year of start up and \$300,000 in the first year of operations. These advances will be repaid starting in year two of operations through year six.

Facilities expenses are based on actual operating experience with CHA's school in Indianapolis. Technology costs are based on outfitting one computer lab in the early years of the schools' operation. As additional grades are added and need requires, a second lab will be added. By the time students are in 7th grade, they will each be issued netbooks / iPads and no additional computer infrastructure will be required. Costs of tech support, replacement equipment, repairs, and servers will be paid out of start up PCSP grants, or other private or public funding sources.

DORS

A DORS expansion school will require considerably less in the way of a working capital advances in the startup year. CHI will provide an estimated \$40,000 of working capital advance to each DORS school and this advance will be paid back in the fourth year of operations.

Each DORS expansion school will operate within the same facility as a related expansion K-12 school. As such, the DORS school will pay rent at market rental rates to the expansion K-12 school for the portion of facilities utilized. Whether DORS Day classes are offered on the Gary Ivy Tech campus, on the CHA K-12 campus, or in a yet undetermined location, CHA will employ various strategies to keep costs within budget parameters, including the possibility of becoming a site for Ivy Tech classes, thus generating revenue to offset the increased lease expense. Technology and other programming expenses will remain consistent regardless of location. Technology used is portable; therefore very little will be required to invest in infrastructure. Technology and programming are provided and budgeted by DORS regardless of where classes take place.

Other Financial Considerations

The development office of Christel House International will assist each expansion charter school in actively researching and pursuing additional funding from individuals, businesses and foundations interested in offering additional educational opportunities to the youth of the Gary community. Our organization has outstanding grant writing capabilities, and would anticipate vigorously pursuing both public and private competitive grant funding to support its Gary expansion. Initial research indicates possible synergy with the Walton Family Foundation and the Joyce Foundation.

Because of the extremely high social costs of the unmet needs in the Gary community, it is anticipated that supporting an effective school network there will be attractive to a great many potential funders.

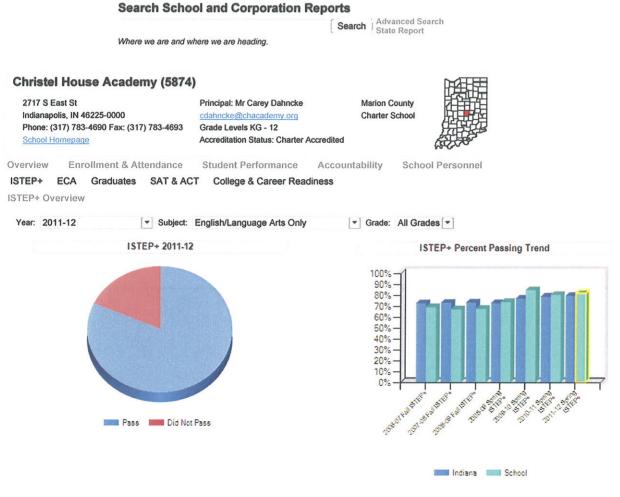
CHA anticipates covering a portion of the Start-Up expenses of the new schools by requesting funding through PCSP state planning and implementation grants, Walton Family Foundation grants and private funding sources, if required. CHA is accustomed to managing special education, transportation expenses and required retirement plan contributions within the budgeted framework of public funding, and does not anticipate needing additional funding to cover these expenditures.

ATTACHMENT 21

SCHOOL PORTFOLIO

	Christel House Academy	Christel House DORS
Year Opened	2002	2012
Location	2717 South East St Indianapolis, IN	2717 South East St Indianapolis, IN
Authorizer	Office of Mayor, Indpls. Brandon Brown 317-327-3621	Office of Mayor, Indpls. I Brandon Brown 317-327-3621
Number/ Students/ Grade Levels	613 students/ K-11	175 students/ 9-12
Free/ Reduced Lunch	92%	84%
Demographic Ethnicity	35% Hispanic 30% Caucasian 25% African American 10% Multi-racial	40% African American 31.8% Hispanic 25% Caucasian 1.8% Multi-racial 1.2% Asian/Pacific Islander
Special Education	16%	1% (only students under 21 that request SPED services are counted in the number, most students have aged out)
ELL	30%	27.5%
State Assessment Results/ Past 5 years	See Attached	Not yet available
4-year Graduation Rate	Not yet available	Not yet available
College/ Career Readiness	Not yet available	Not yet available
Number/ % enrolling in post-secondary institutions	Not yet available	Not yet available

SEE ATTACHED ISTEP RESULTS FOR 5 YEAR HISTORICAL PERFORMANCE, BY GRADE LEVEL



Compass Help AYP PL221 Grad Rate

Growth Model Report

2010-11 Spring ISTEP+ result data is preliminary.

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Grade Levels KG - 12

Accreditation Status: Charter Accredited

Marion County Charter School

ISTEP+ ECA

Overview

Graduates SAT & ACT College & Career Readiness

Enrollment & Attendance

Student Performance

Accountability

School Personnel

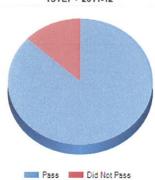
ISTEP+ Overview

Year: 2011-12

Subject: Math Only

▼ Grade: All Grades [▼]

ISTEP+ 2011-12



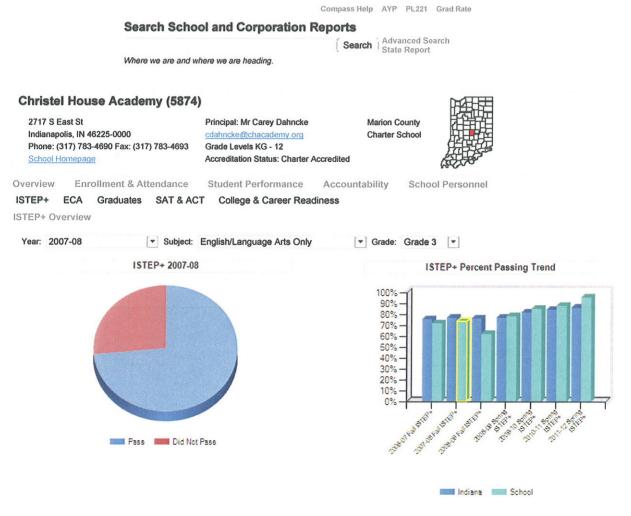
ISTEP+ Percent Passing Trend 100% 90% -80% 70% -60% 50% -40% 30% -20% 10%

Indiana School

Growth Model Report

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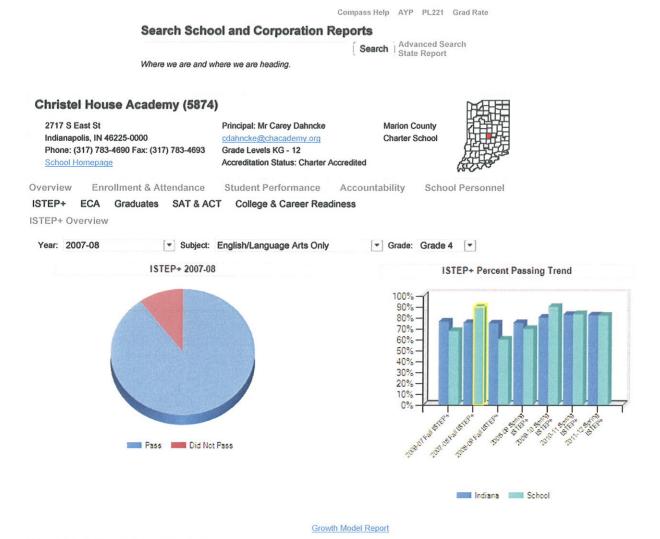
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Growth Model Report

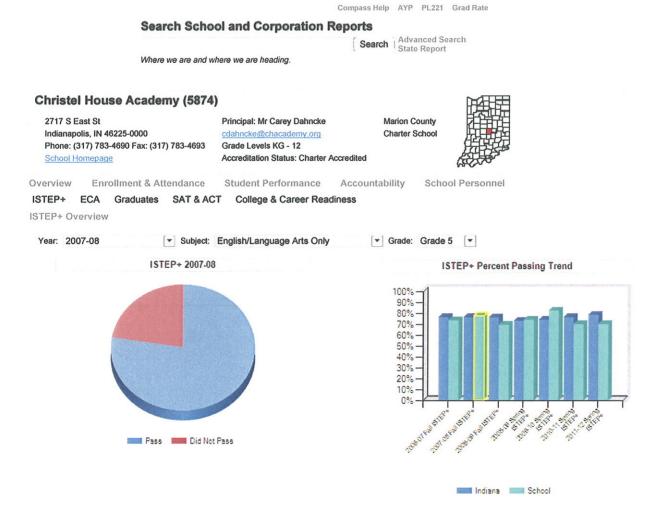
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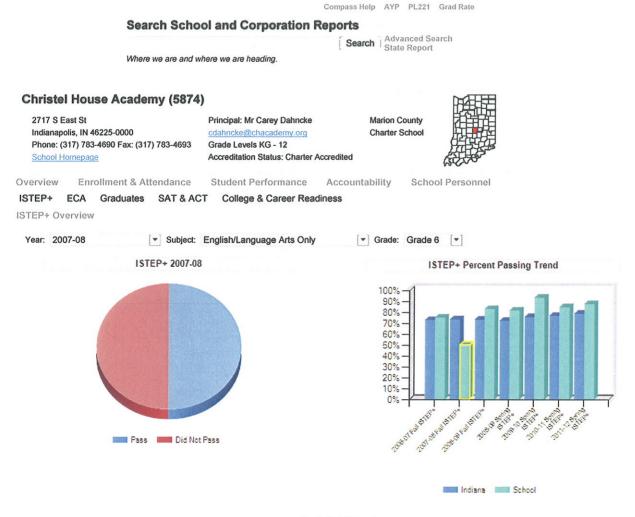
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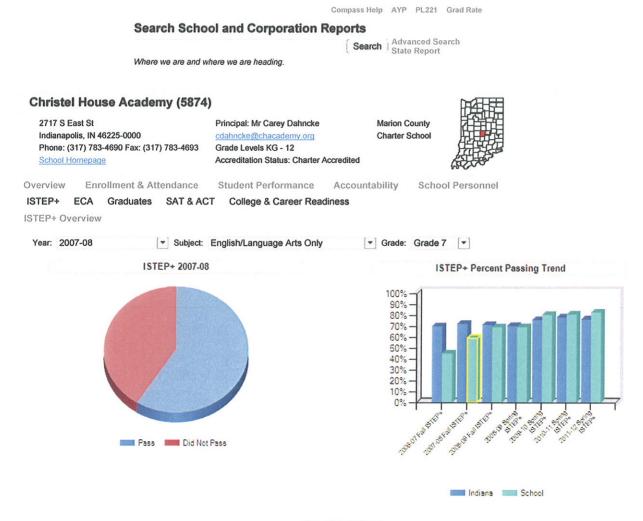
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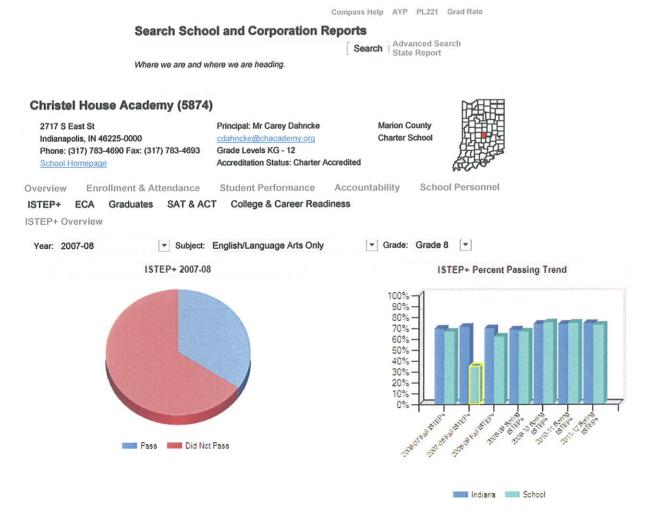
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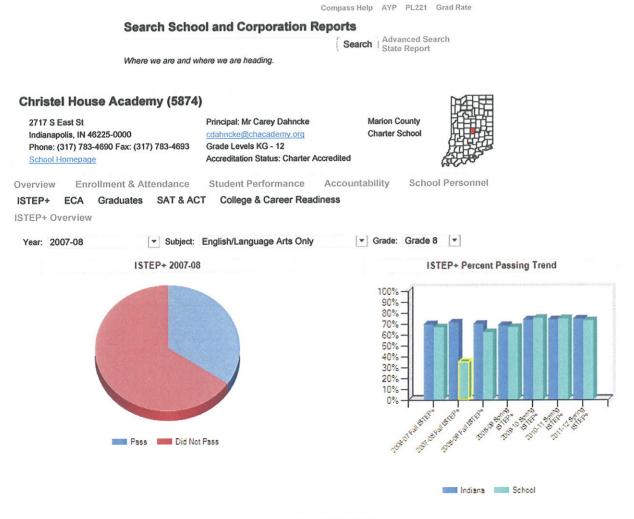
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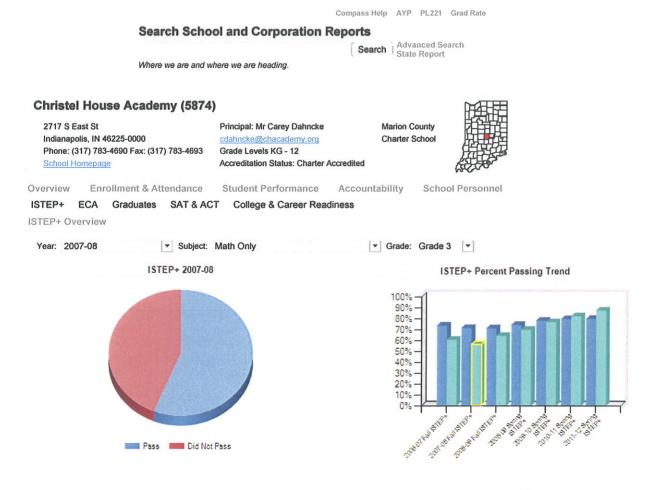
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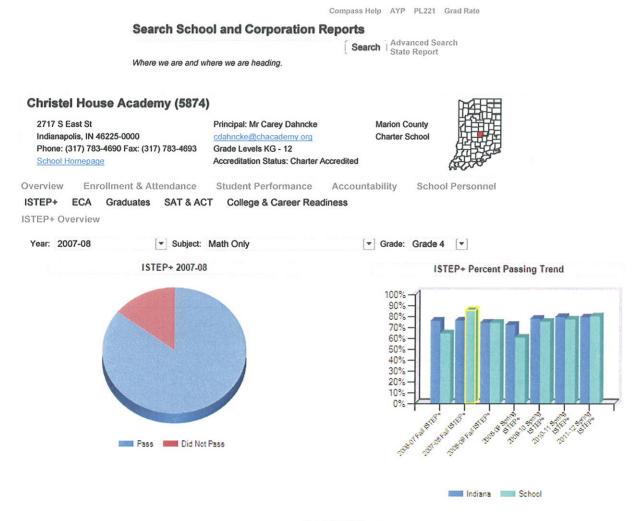


Growth Model Report

Indiana School

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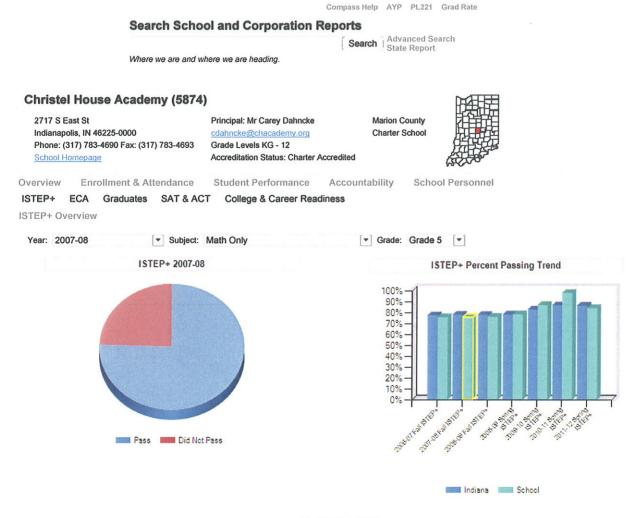
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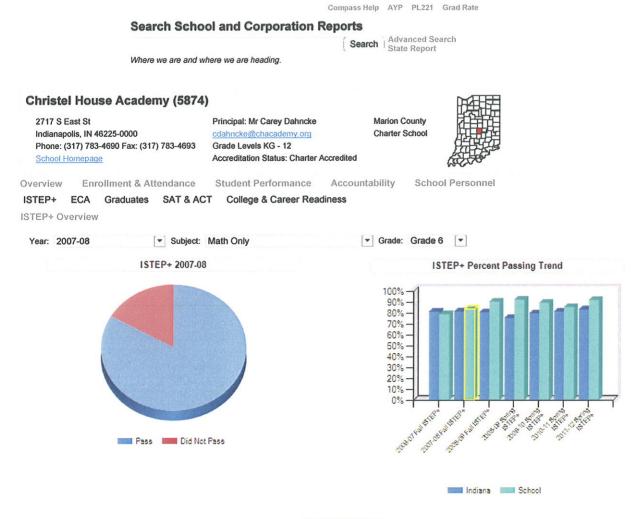
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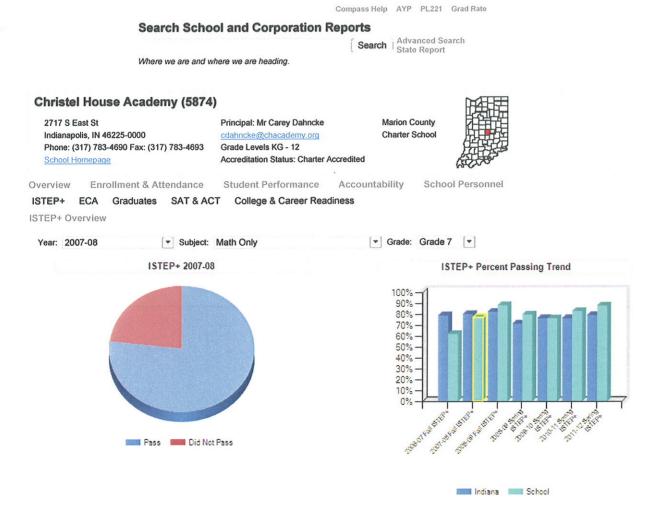
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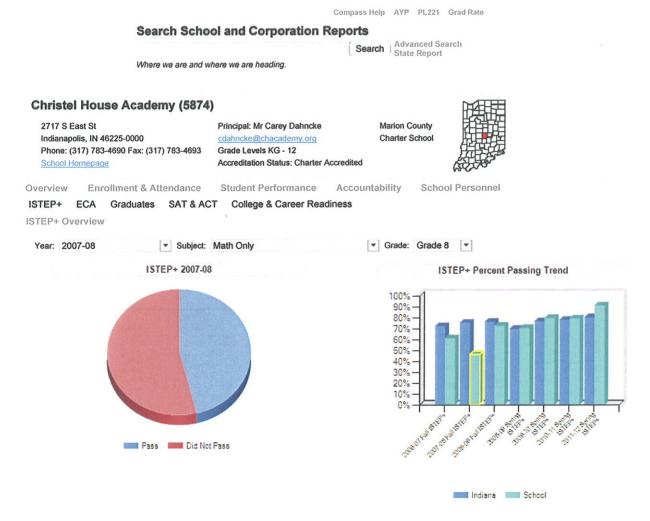
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Grade Levels KG - 12

Accreditation Status: Charter Accredited

Marion County Charter School



Overview

Enrollment & Attendance

Accountability Student Performance

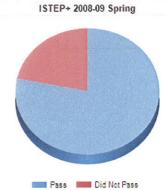
School Personnel

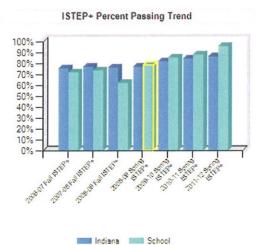
ISTEP+ ECA ISTEP+ Overview

Graduates SAT & ACT College & Career Readiness

Year: 2008-09 Spring ISTEP+ [▼] Subject: English/Language Arts Only

▼ Grade: Grade 3 ▼

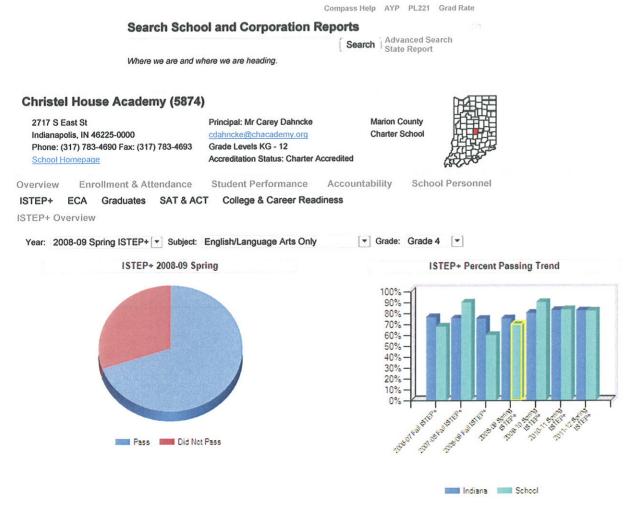




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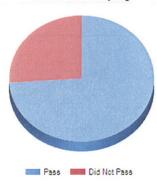
ISTEP+ ECA Graduates SAT & ACT College & Career Readiness

ISTEP+ Overview

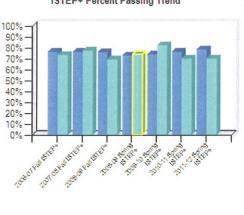
Year: 2008-09 Spring ISTEP+ ▼ Subject: English/Language Arts Only

▼ Grade: Grade 5 ▼





ISTEP+ Percent Passing Trend



Indiana School

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Marion County Charter School



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ISTEP+ ECA Graduates SAT & ACT College & Career Readiness

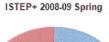
Accountability Student Performance

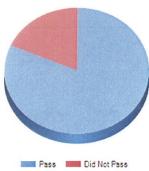
School Personnel

ISTEP+ Overview

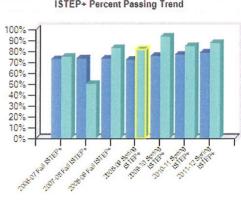
Year: 2008-09 Spring ISTEP+ ▼ Subject: English/Language Arts Only

▼ Grade: Grade 6 ▼









Indiana School

Growth Model Report

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Marion County Charter School

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ISTEP+ ECA

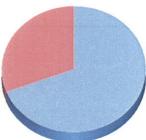
Graduates SAT & ACT College & Career Readiness

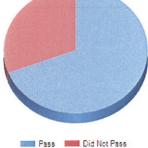
ISTEP+ Overview

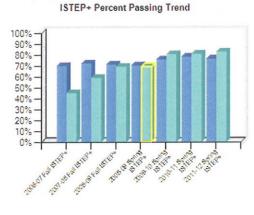
Year: 2008-09 Spring ISTEP+ ▼ Subject: English/Language Arts Only

ISTEP+ 2008-09 Spring

▼ Grade: Grade 7 ▼







Indiana School

Growth Model Report

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Marion County

Charter School

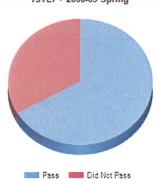
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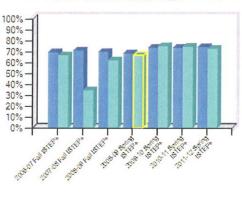
ISTEP+ ECA Graduates SAT & ACT College & Career Readiness

▼ Grade: Grade 8 ▼

Year: 2008-09 Spring ISTEP+ ▼ Subject: English/Language Arts Only ISTEP+ 2008-09 Spring



ISTEP+ Percent Passing Trend



Indiana School

Growth Model Report

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Search School and Corporation Reports

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Where we are and where we are heading.

Christel House Academy (5874)

2717 S East St

Indianapolis, IN 46225-0000

Phone: (317) 783-4690 Fax: (317) 783-4693

School Homepage

Principal: Mr Carey Dahncke cdahncke@chacademy.org

Grade Levels KG - 12

Marion County Charter School

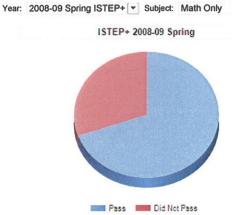
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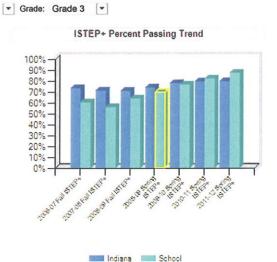
Overview Enrollment & Attendance

Student Performance Accountability School Personnel

ISTEP+ ECA Graduates SAT & ACT College & Career Readiness

ISTEP+ Overview

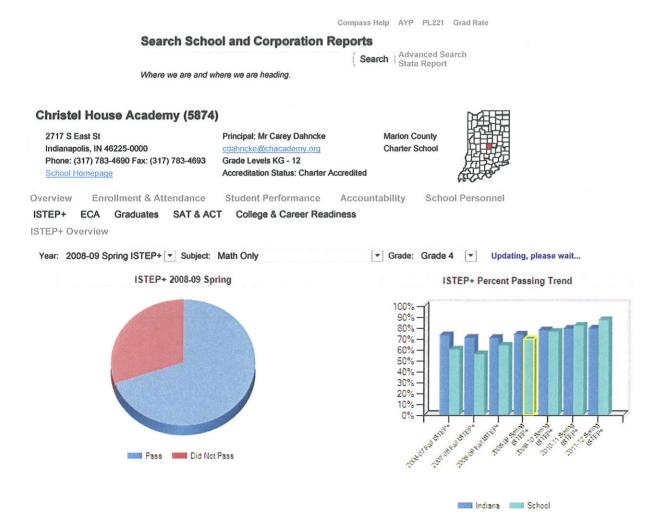




Growth Model Report

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Accreditation Status: Charter Accredited

Marion County Charter School



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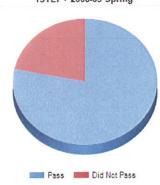
School Personnel

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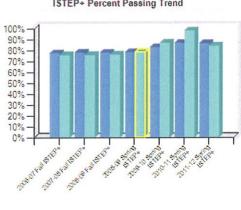
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▼ Grade: Grade 5 ▼





ISTEP+ Percent Passing Trend

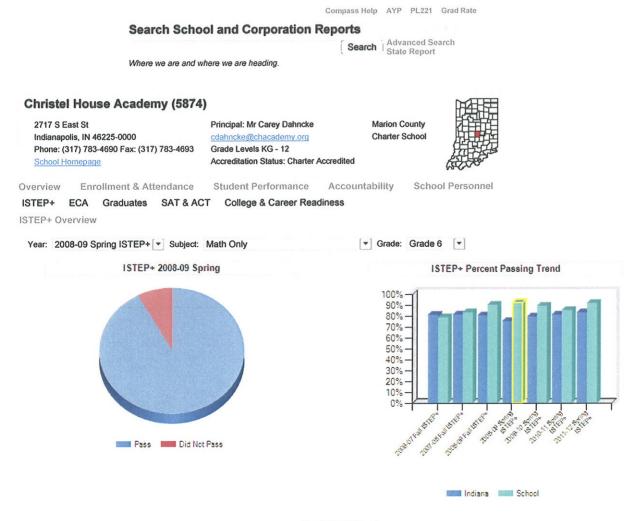


Indiana School

Growth Model Report

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2717 S East St Indianapolis, IN 46225-0000 Phone: (317) 783-4690 Fax: (317) 783-4693 School Homepage Principal: Mr Carey Dahncke <u>cdahncke@chacademy.org</u> Grade Levels KG - 12 Accreditation Status: Charter Accredited Marion County Charter School

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Enrollment & Attendance

Year: 2008-09 Spring ISTEP+ ▼ Subject: Math Only

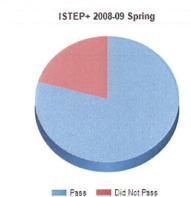
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ISTEP+ ECA Graduates SAT & ACT College & Career Readiness

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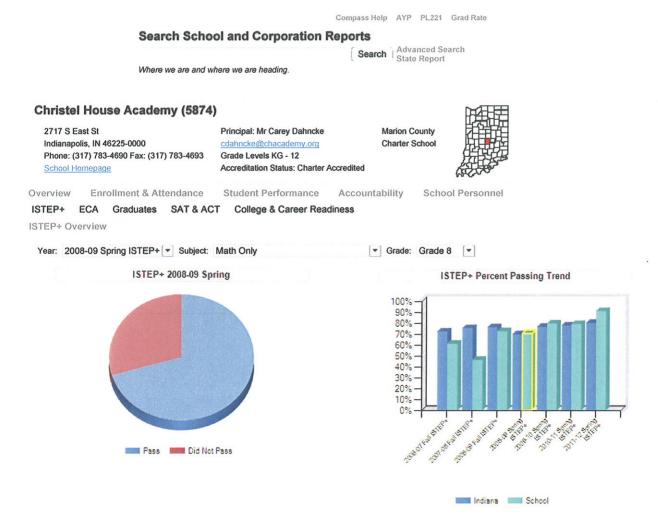


Indiana School

Growth Model Report

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Grade Levels KG - 12

Accreditation Status: Charter Accredited

Marion County Charter School



Overview

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ISTEP+ ECA Graduates SAT & ACT College & Career Readiness

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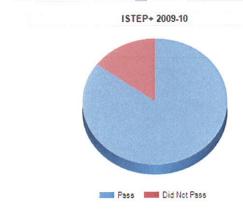
School Personnel

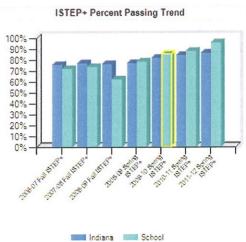
Year: 2009-10

ISTEP+ Overview

Subject: English/Language Arts Only

▼ Grade: Grade 3 ▼

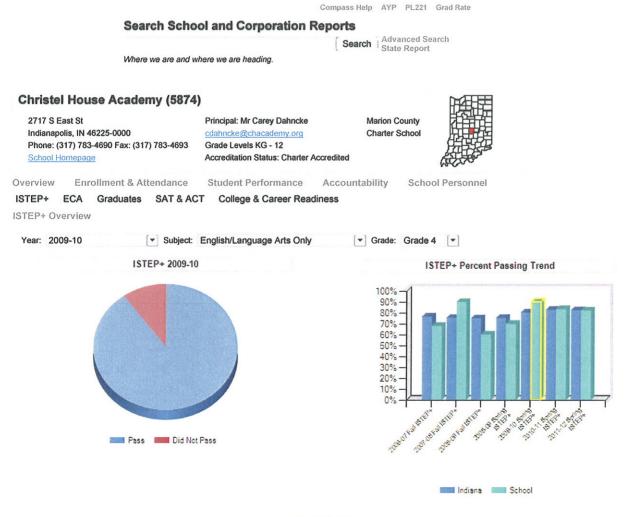




Growth Model Report

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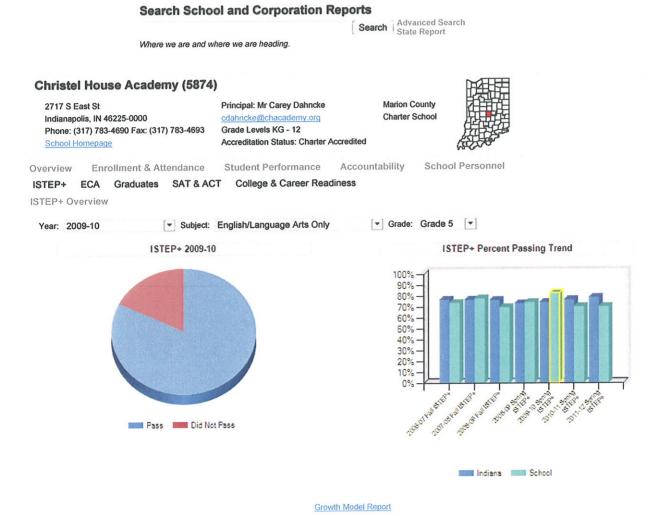
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Growth Model Report

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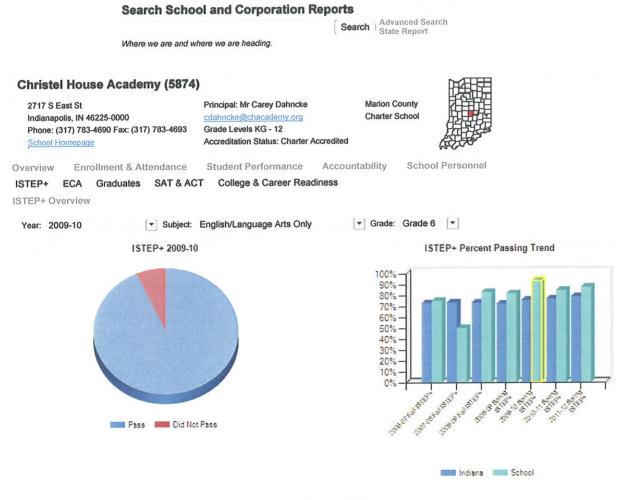
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Compass Help AYP PL221 Grad Rate

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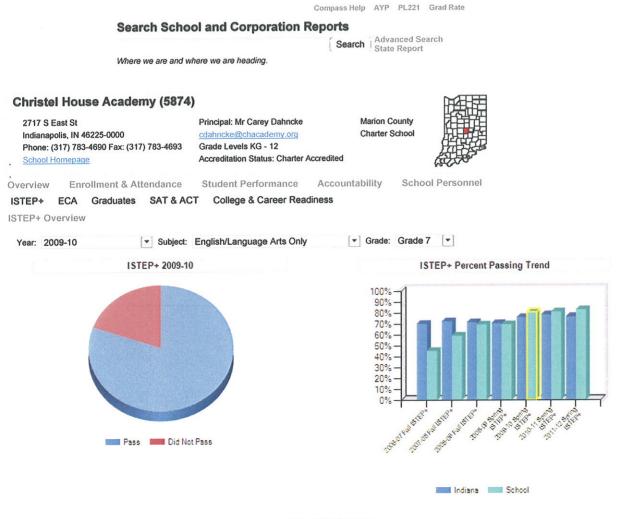


Compass Help AYP PL221 Grad Rate

Growth Model Report

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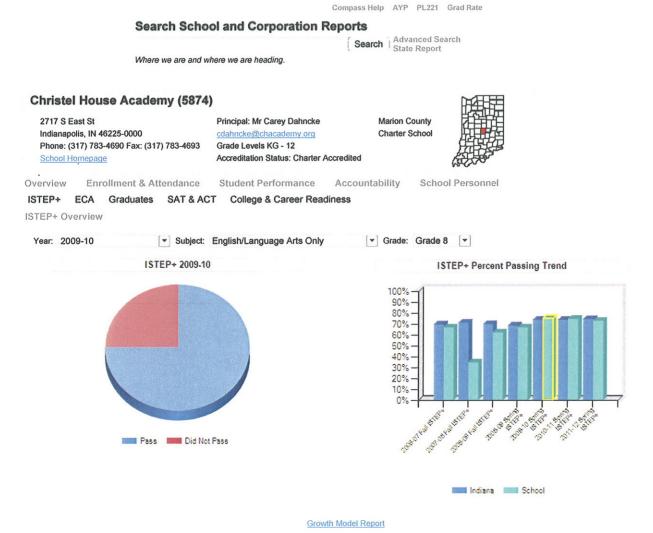
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Growth Model Report

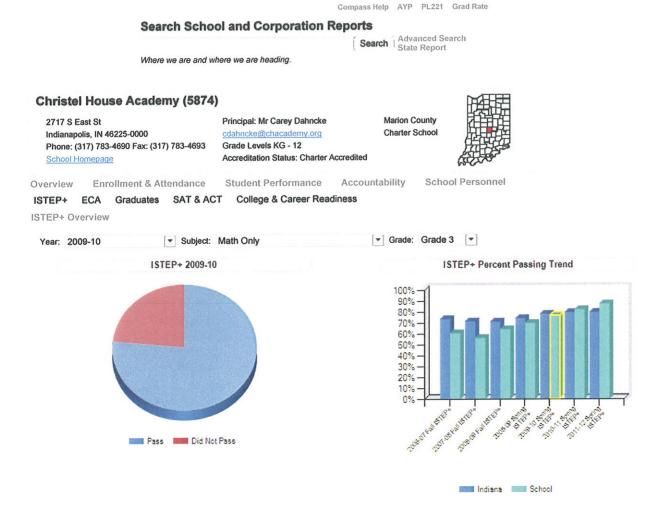
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Growth Model Report

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Compass Help AYP PL221 Grad Rate

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Marion County

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Grade Levels KG - 12 Accreditation Status: Charter Accredited

Charter School

Accountability

School Personnel

Overview ISTEP+ ECA

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Graduates SAT & ACT College & Career Readiness

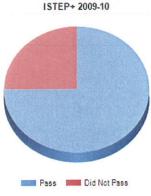
Student Performance

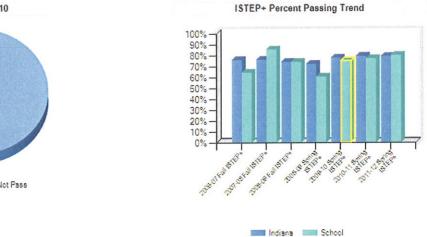
ISTEP+ Overview

Year: 2009-10

Subject: Math Only

Grade: Grade 4

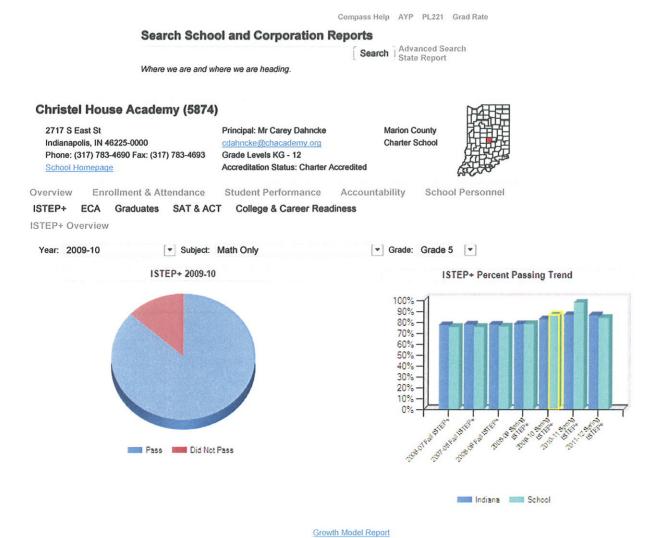




Growth Model Report

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Grade Levels KG - 12

Accreditation Status: Charter Accredited

Marion County Charter School



Overview

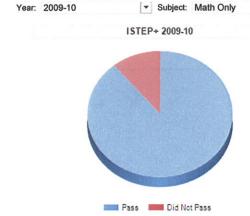
Enrollment & Attendance

Student Performance Accountability School Personnel

ISTEP+ ECA Graduates SAT & ACT College & Career Readiness

ISTEP+ Overview

▼ Grade: Grade 6 ▼



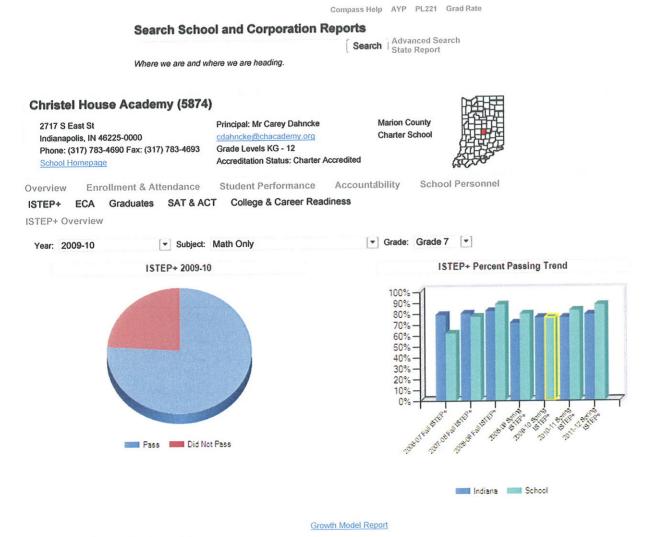


Indiana School

Growth Model Report

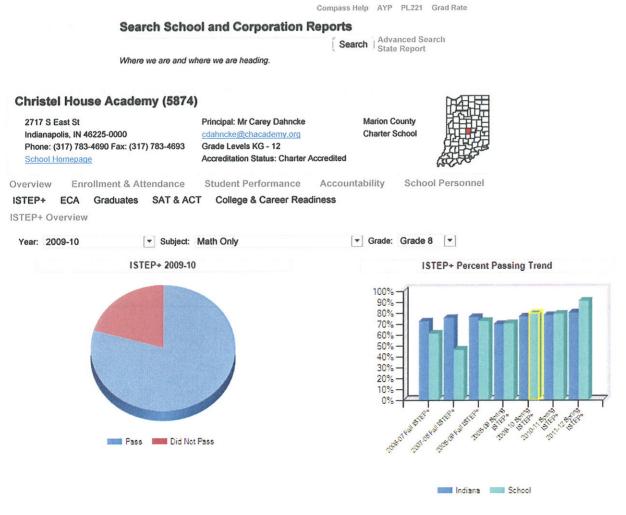
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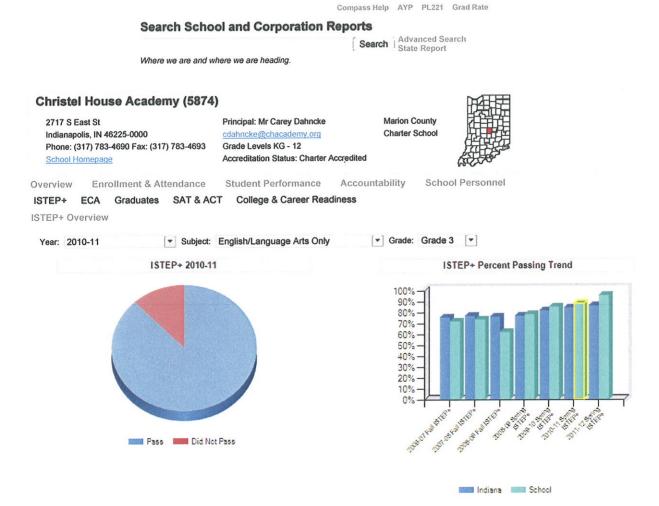
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Growth Model Report

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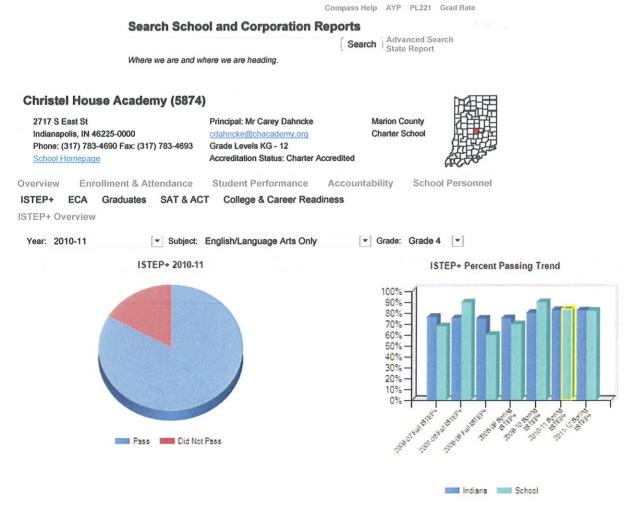
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Growth Model Report

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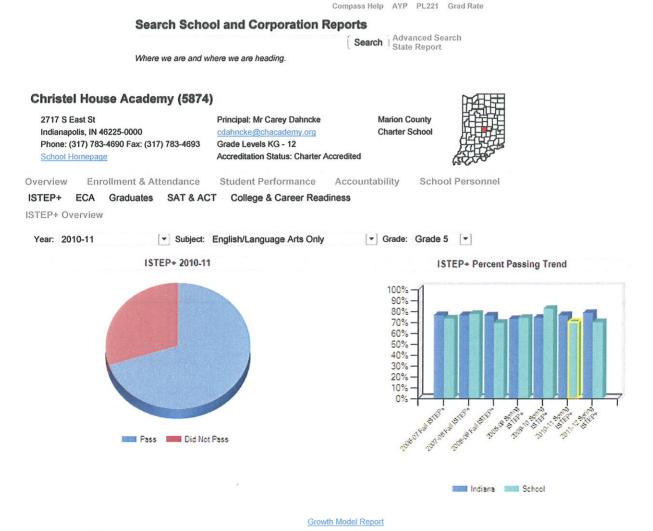
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Growth Model Report

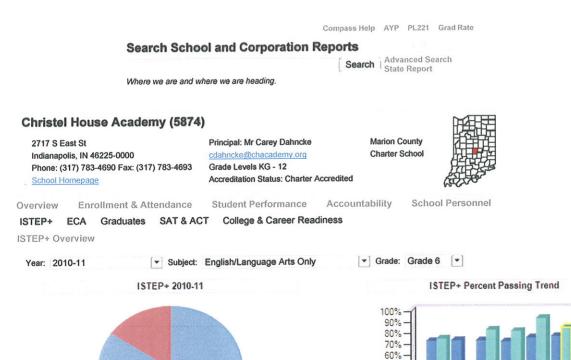
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50% -40% -30% -20% -10% -

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Indiana School

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ISTEP+ for 2009-10 and beyond only assesses students in grades 3-8.

Pass Did Not Pass

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Grade Levels KG - 12

Accreditation Status: Charter Accredited

Marion County Charter School

Overview

Enrollment & Attendance ECA

Graduates SAT & ACT College & Career Readiness

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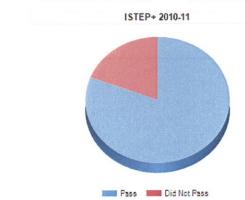
School Personnel

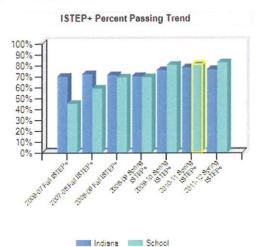
ISTEP+

ISTEP+ Overview Year: 2010-11

Subject: English/Language Arts Only

▼ Grade: Grade 7 ▼

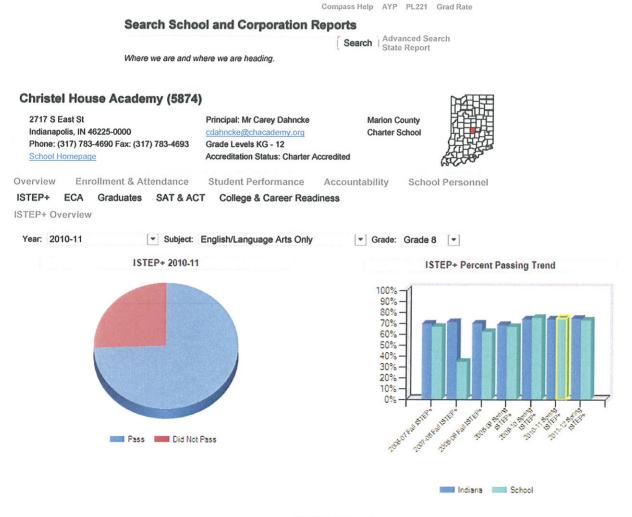




Growth Model Report

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Marion County Charter School



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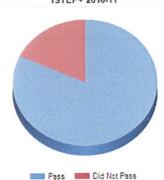
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Year: 2010-11

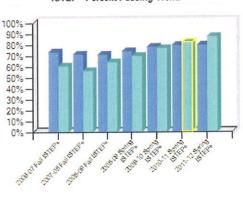
Subject: Math Only

Grade: Grade 3

ISTEP+ 2010-11



ISTEP+ Percent Passing Trend

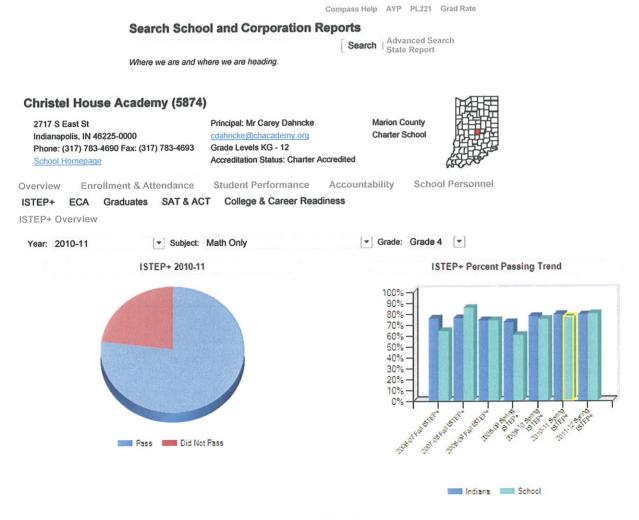


Indiana School

Growth Model Report

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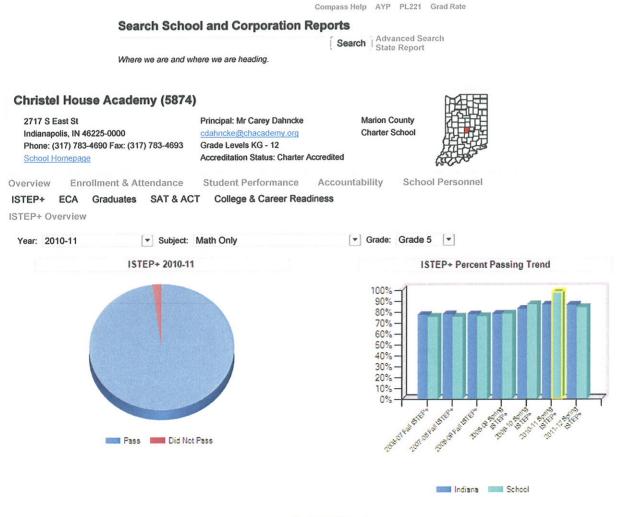
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Grade Levels KG - 12

Accreditation Status: Charter Accredited

Marion County Charter School



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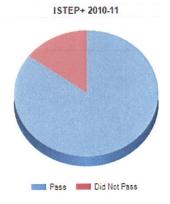
School Personnel

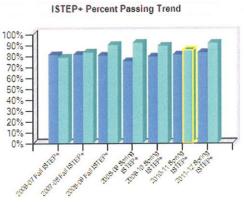
ISTEP+ ECA
ISTEP+ Overview

Year: 2010-11

Subject: Math Only

▼ Grade: Grade 6 ▼





Indiana School

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Grade Levels KG - 12

Accreditation Status: Charter Accredited

Marion County Charter School

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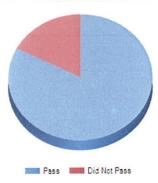
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Year: 2010-11

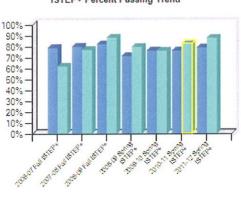
Subject: Math Only

▼ Grade: Grade 7 ▼





ISTEP+ Percent Passing Trend

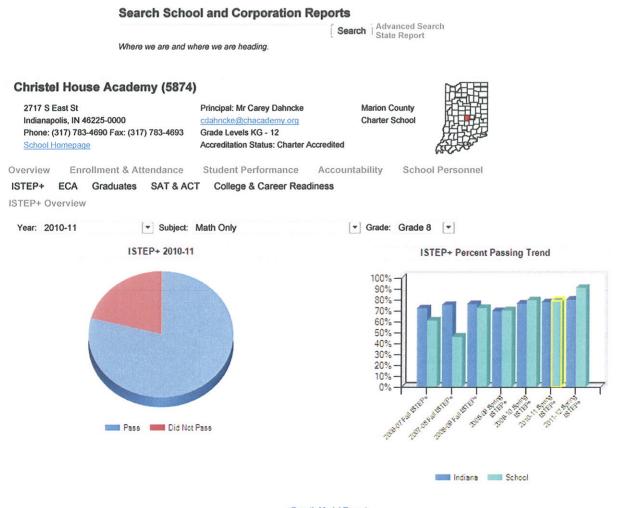


Indiana School

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2717 S East St

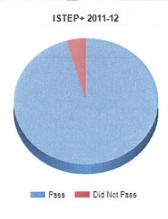
School Homepage

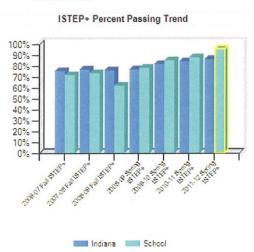
ISTEP+ Overview Year: 2011-12

Overview

IDOE HOME

Compass Help AYP PL221 Grad Rate **Search School and Corporation Reports** Search | Advanced Search | State Report Where we are and where we are heading. Christel House Academy (5874) Principal: Mr Carey Dahncke Marion County Indianapolis, IN 46225-0000 cdahncke@chacademy.org Charter School Phone: (317) 783-4690 Fax: (317) 783-4693 Grade Levels KG - 12 Accreditation Status: Charter Accredited Accountability School Personnel Enrollment & Attendance Student Performance ISTEP+ ECA Graduates SAT & ACT College & Career Readiness Subject: English/Language Arts Only ▼ Grade: Grade 3 ▼





Growth Model Report

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School Homepage

Principal: Mr Carey Dahncke cdahncke@chacademy.org

Grade Levels KG - 12 Accreditation Status: Charter Accredited Marion County Charter School



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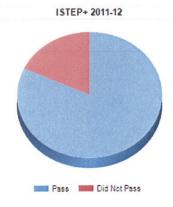
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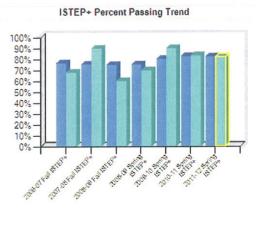
Graduates SAT & ACT College & Career Readiness

▼ Grade: Grade 4 ▼

Year: 2011-12

Subject: English/Language Arts Only





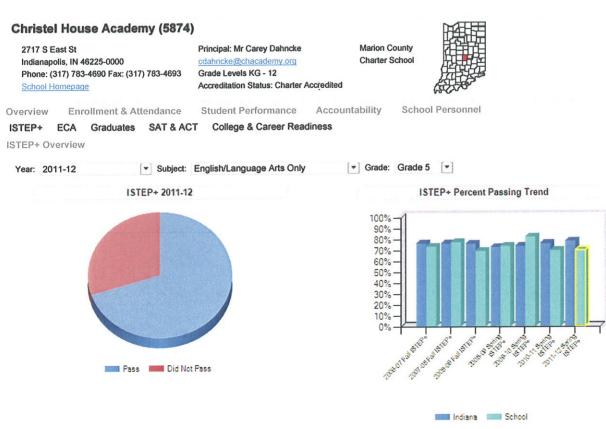
Indiana School

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School Homepage

Principal: Mr Carey Dahncke cdahncke@chacademy.org Grade Levels KG - 12

Accreditation Status: Charter Accredited

Marion County Charter School

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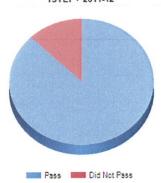
ISTEP+ Overview

Year: 2011-12

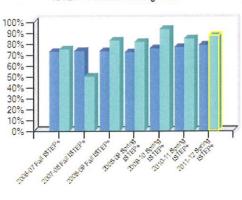
Subject: English/Language Arts Only

▼ Grade: Grade 6 ▼

ISTEP+ 2011-12



ISTEP+ Percent Passing Trend



Indiana School

Growth Model Report

2010-11 Spring ISTEP+ result data is preliminary.

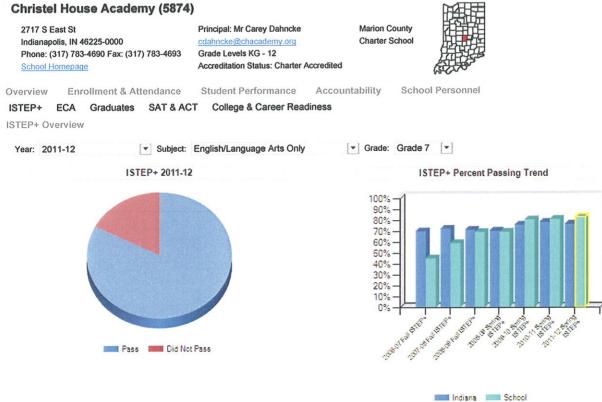
Due to federal privacy laws, student performance data may not be displayed for any group of fewer than 10 students.

Compass Help AYP PL221 Grad Rate

Search School and Corporation Reports

[Search] Advanced Search State Report

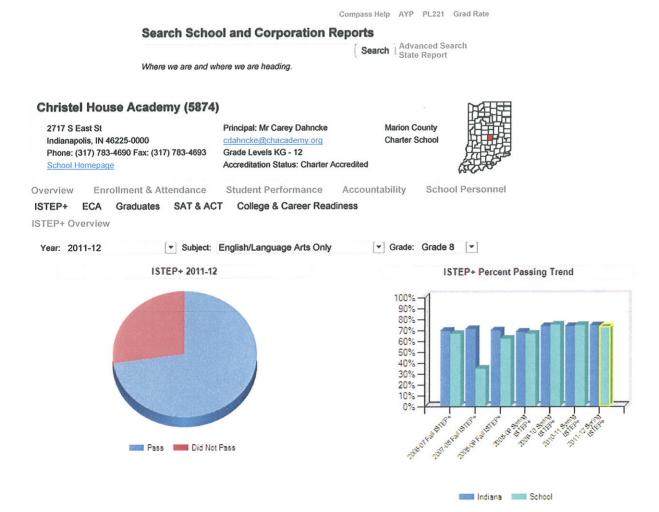
Where we are and where we are heading.



Growth Model Report

2010-11 Spring ISTEP+ result data is preliminary.

Due to federal privacy laws, student performance data may not be displayed for any group of fewer than 10 students.



Growth Model Report

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Compass Help AYP PL221 Grad Rate

Search School and Corporation Reports

Search | Advanced Search | State Report

Where we are and where we are heading.

Christel House Academy (5874)

2717 S East St

Indianapolis, IN 46225-0000 Phone: (317) 783-4690 Fax: (317) 783-4693

School Homepage

Principal: Mr Carey Dahncke cdahncke@chacademy.org

Grade Levels KG - 12 Accreditation Status: Charter Accredited Charter School



Overview

Enrollment & Attendance

Student Performance

Accountability

School Personnel

ISTEP+ ECA

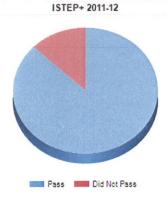
Graduates SAT & ACT College & Career Readiness

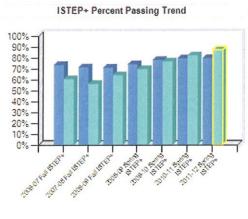
ISTEP+ Overview

Year: 2011-12

Subject: Math Only

▼ Grade: Grade 3 ▼



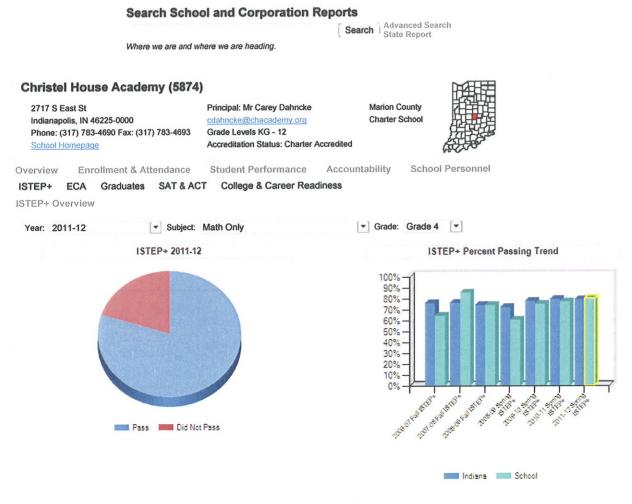


Indiana School

Growth Model Report

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Compass Help AYP PL221 Grad Rate

Growth Model Report

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Compass Help AYP PL221 Grad Rate

Search School and Corporation Reports

Search | Advanced Search | State Report

Where we are and where we are heading.

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Indianapolis, IN 46225-0000

Phone: (317) 783-4690 Fax: (317) 783-4693

School Homepage

ECA

Principal: Mr Carey Dahncke cdahncke@chacademy.org

Grade Levels KG - 12

Accreditation Status: Charter Accredited

Marion County Charter School



Overview ISTEP+ Enrollment & Attendance

Student Performance Graduates SAT & ACT College & Career Readiness

Accountability

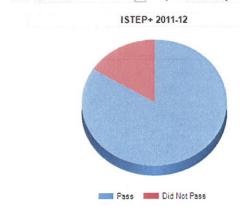
School Personnel

ISTEP+ Overview

Year: 2011-12

Subject: Math Only

▼ Grade: Grade 5 ▼



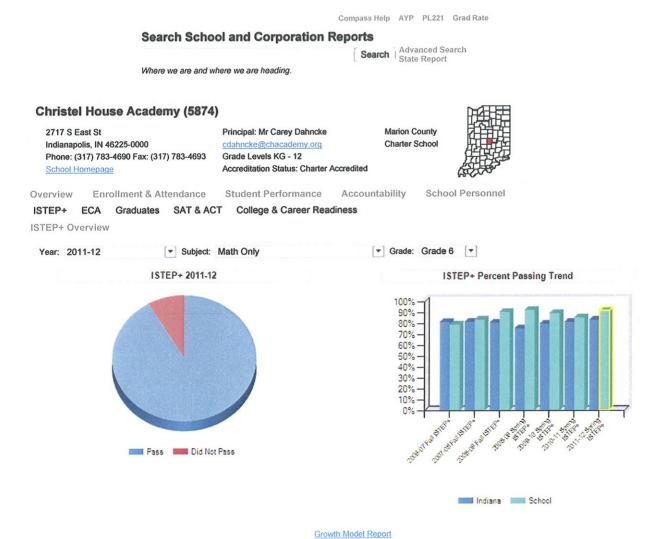


Indiana School

Growth Model Report

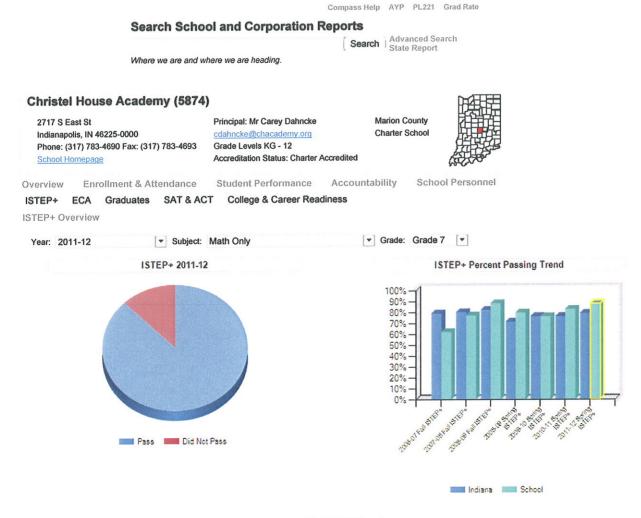
2010-11 Spring ISTEP+ result data is preliminary.

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2010-11 Spring ISTEP+ result data is preliminary.

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Growth Model Report

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Compass Help AYP PL221 Grad Rate

Search School and Corporation Reports

Search | Advanced Search | State Report

Where we are and where we are heading.

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School Homepage

Principal: Mr Carey Dahncke cdahncke@chacademy.org

Grade Levels KG - 12 Accreditation Status: Charter Accredited **Marion County** Charter School

Overview

Enrollment & Attendance

ISTEP+ ECA Graduates SAT & ACT College & Career Readiness

Student Performance

School Personnel

Year: 2011-12

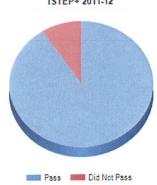
ISTEP+ Overview

Subject: Math Only

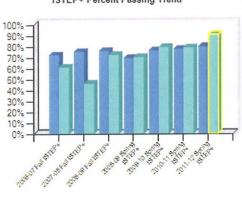
Accountability

▼ Grade: Grade 8 ▼

ISTEP+ 2011-12



ISTEP+ Percent Passing Trend

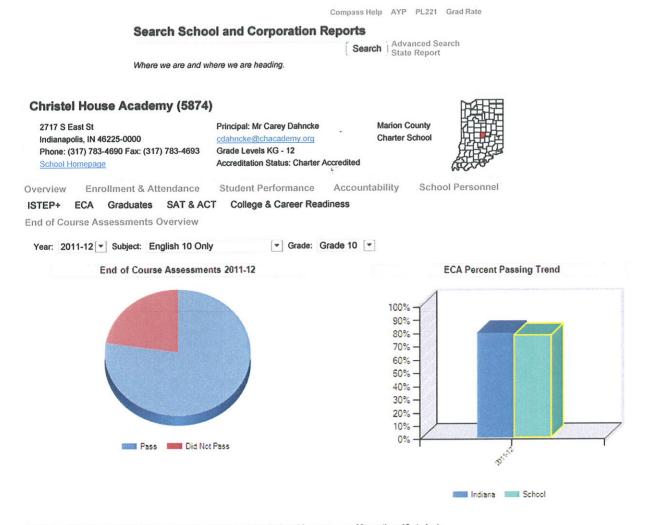


Indiana School

Growth Model Report

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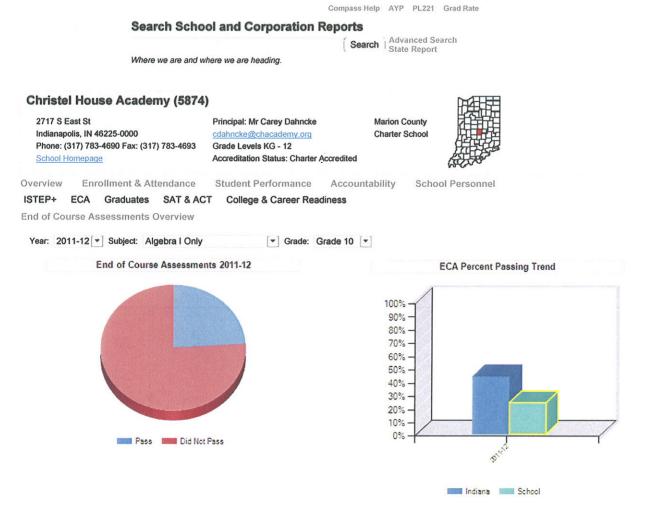
Due to federal privacy laws, student performance data may not be displayed for any group of fewer than 10 students.



Due to federal privacy laws, student performance data may not be displayed for any group of fewer than 10 students.

End of Course Assessments data are only displayed for schools that educate students in grades 6-12.

End of Course Assessment passage rates displayed are found by taking the total number of students who took the End of Course Assessment for the first time and passed, divided by the total number of students who took the assessment for the first time.



Due to federal privacy laws, student performance data may not be displayed for any group of fewer than 10 students.

End of Course Assessments data are only displayed for schools that educate students in grades 6-12.

End of Course Assessment passage rates displayed are found by taking the total number of students who took the End of Course Assessment for the first time and passed, divided by the total number of students who took the assessment for the first time.

ATTACHMENT 22 AUDITED FINANCIAL STATEMENTS AND CURRENT INTERNAL FINANCIAL STATEMENTS FOR CHRISTEL HOUSE ACADEMY

Attachment 22 contains the last four years' audited financial statements for CHA as well as the most recent internal financial statements (including balance sheets and income statements) for both CHA and DORS.

Note: Each Audit covers two consecutive years.

STATE BOARD OF ACCOUNTS 302 West Washington Street Room E418 INDIANAPOLIS, INDIANA 46204-2769

FINANCIAL STATEMENT AND FEDERAL SINGLE AUDIT REPORT OF

CHRISTEL HOUSE ACADEMY MARION COUNTY, INDIANA

July 1, 2009 to June 30, 2011





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SCHEDULE OF OFFICIALS

Office	<u>Official</u>	<u>Term</u>
Treasurer	Carey Dahncke	07-01-09 to 06-30-12
Business Manager	Carlos Alexander	07-01-09 to 06-30-12
Chairman of the Board of Directors	Murvin Enders	07-01-09 to 06-30-12



STATE BOARD OF ACCOUNTS 302 WEST WASHINGTON STREET ROOM E418 INDIANAPOLIS, INDIANA 46204-2769

> Telephone: (317) 232-2513 Fax: (317) 232-4711 Web Site: www.in.gov/sboa

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENT AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

TO: THE OFFICIALS OF THE CHRISTEL HOUSE ACADEMY, MARION COUNTY, INDIANA

We have audited the accompanying financial statement of the Christel House Academy (School Corporation), for the years ended June 30, 2010 and 2011. The financial statement is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on the financial statement based on our audit.

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 <u>Government Auditing Standards</u>, 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 statement is free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control over reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the School Corporation prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting noted above is a different basis than that used in the prior year.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the School Corporation for the years ended June 30, 2010 and 2011, on the basis of accounting described in Note 1.

In accordance with <u>Government Auditing Standards</u>, we have also issued a report dated January 23, 2012, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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.

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENT AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, <u>Audits of States, Local Governments, and Non-Profit Organizations</u>, and is not a required part of the financial statement. Such information has been subjected to the auditing procedures applied in the audit of the financial statement and, in our opinion, is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances – Regulatory Basis and Schedule of Capital Assets are presented for additional analysis and are not required parts of the financial statement. The Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances – Regulatory Basis and Schedule of Capital Assets have not been subjected to the auditing procedures applied by us in the audit of the financial statement and, accordingly, we express no opinion on them.

The School Corporation's response to the Audit Results and Comments identified in our audit is described in the accompanying section of the report entitled Official Response. We did not audit the School Corporation's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the School Corporation's management, Board of Directors, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

January 23, 2012



STATE BOARD OF ACCOUNTS 302 WEST WASHINGTON STREET ROOM E418 INDIANAPOLIS, INDIANA 46204-2769

> Telephone: (317) 232-2513 Fax: (317) 232-4711 Web Site: www.in.gov/sboa

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENT PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

TO: THE OFFICIALS OF THE CHRISTEL HOUSE ACADEMY, MARION COUNTY, INDIANA

We have audited the financial statement of the Christel House Academy (School Corporation), for the years ended June 30, 2010 and 2011, and have issued our report thereon dated January 23, 2012. 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 <u>Government Auditing Standards</u>, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School Corporation's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School Corporation'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 entity's financial statement 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.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENT PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS (Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Corporation's financial statement is 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 <u>Government Auditing Standards</u>.

The School Corporation's response to the findings identified in our audit is described in the accompanying section of the report entitled Official Response. We did not audit the School Corporation's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the School Corporation's management, Board of Directors, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

January 23, 2012

FINANCIAL STATEMENT	
The financial statement and accompanying notes were approved by management of the School orporation. The financial statement and notes are presented as intended by the School Corporation.	

CHRISTEL HOUSE ACADEMY
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES REGULATORY BASIS
For the Years Ended June 30, 2010 and 2011

	Cash and Investments			Other	Cash and Investments			Other	Cash and
	07-01-09	Receipts	Disbursements	Sources (Uses)	06-30-10	Receipts	Disbursements	Sources (Uses)	06-30-11
General	\$ 22.210	\$ 3.346.413	\$ 3.325.260	\$ (11.794)		\$ 4 129 276	S 4 098 809	288	\$ 804 804
School Lunch	20,363		212,268		102,580				
Textbook Rental	(986,386)		167	•	•	35,765	23,283	•	12.482
Walton Family Foundation Grant	•	.,	6,648	•	243,352	•	225,288	•	18,064
Education Pays Fund	25	1		•	•	•		•	1
Miscellaneous Programs	4,542	•	•	•	4,542	•	•	•	4.542
Camptown	8,393	20,102	21,626	,	698'9	27,405	23,043	t	11,231
Music/Energy Grant	5,000	•	•	•	5,000			٠	5,000
IME BECAS Fellowship Grant	14,909	1	14,909	•		•	1	1	•
School Administration	•	742,652	742,652	•	•	165,730	165,730	ì	•
Non-English Speaking Programs P.L. 273-1999	•	13,183	•	•	13,183	12,953	13,183	•	12,953
School Technology	•	1	•	,	•	47,658	13,561	•	34,097
Title 1 08/09	33,639	7,796	26,071	(15,364)	•	•	•	•	
Title I Distinguished Award	1,943	•	1,943	•	•	•	•	1	,
Title 09/10	•	361,385	366,391	15,364	10,358	36,638	46,996	•	•
7 Title 1 10/11	•	•	•	•	•	338,146	339,881	•	(1,735)
P.L. Innovative Education Program Strategies Title V (Part A)	•	46,895	46,895	•	•	•	•	•	
Serve America	253	1	•	•	253	•		t	253
Special Education 09/10	•	66,734	62,364		4,370	10,000	14,370	t	1
Special Education 10/11	•	•	•	•	•	70,206	71,707	1	(1,501)
Drug Free Schools	4,063	•	•	•	4,063	1	•	•	4,063
Team Nutrition Training Grants	•	1	•	•	•	2,500	•	•	2,500
National Science Foundation	6,127	83,135	97,701	12,645	4,206	147,427	158,101		(6,468)
Challenge Grant for Technology (Dir USDOE)	1,046	•	•	•	1,046	•	,	•	1,046
Improving Teaching Quality, No Child Left, Title II, Part A	31,210	119,548	,	•	150,758	48,766	199,524	•	•
ITQ, Enhanced Education Through Technology, Title II, Part D	•	•	•		•	74,707	78,813	,	(4,106)
Title III, Language Instruction	1			•	•	15,681	15,681	•	•
Charter Facilities Grant		173,280	173,280	•	•	193,880	193,880	*	•
TIF/TAP	•	•	Ü.	•	•	3,001	3,001	r	•
Reading First, No Child Left Behind	36,232	123,565	111,255	1	48,542	4,949	22,127	•	31,364
Fiscal Stabilization - Education	•	88,250	88,250	*	•	•	1		
	•	240,859	219,136	•	21,723	56,442	92,377	ſ	(14,212)
Special Education - Part B	•	51,456	45,874	•	5,582	59,281	64,863	•	•
Education Technology	•	94,750		•	•	3,250	3,250	•	*
School Lunch Equipment	•	27,000	27,000	-		-	*	-	1
Totals	\$ 90,569	\$ 6,251,041	\$ 5,684,465	\$ 851	\$ 657,996	\$ 5,827,505	\$ 6,254,848	\$ 768	\$ 231,421

The notes to the financial statement are an integral part of this statement.

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

School Corporation, as used herein, shall include, but is not limited to, school townships, school towns, school cities, consolidated school corporations, joint schools, metropolitan school districts, township school districts, county schools, united schools, school districts, cooperatives, educational service centers, community schools, community school corporations, and charter schools.

The School Corporation was established under the laws of the State of Indiana. The School Corporation operates under a Board of School Trustees form of government and provides educational services.

The accompanying financial statement presents the financial information for the School Corporation (primary government).

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

C. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

D. Receipts

Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts include the following sources:

Local sources which include taxes, revenue from local governmental units other than school corporations, transfer tuition, transportation fees, investment income, food services, school corporation activities, revenue from community services activities, and other revenue from local sources.

Intermediate sources which include distributions from the County for fees collected for or on behalf of the School Corporation including educational license plate fees, congressional interest, riverboat distributions, and other similar fees.

State sources which include distributions from the State of Indiana to be used by the School Corporation for various purposes. Included in state sources are unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

Federal sources which include distributions from the federal government to be used by the School Corporation for various purposes. Included in federal sources are unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

Temporary loans which include money received from a loan obtained to pay current expenses prior to the receipt of revenue from taxes levied for that purpose. These loans, sometimes designated tax anticipation warrants, must be repaid from the next semiannual distribution of local property taxes levied for such fund.

Other receipts which include amounts received from various sources which include return of petty cash, return of cash change, insurance claims for losses, sale of securities, and other receipts not listed in another category above.

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statement. The aggregate disbursements include the following uses:

Instruction which includes outflows for regular programs, special programs, adult and continuing education programs, summer school programs, enrichment programs, remediation, and payments to other governmental units.

Support services which include outflows for support services related to students, instruction, general administration, and school administration. It also includes outflows for central services, operation and maintenance of plant services, and student transportation.

Noninstructional services which include outflows for food service operations and community service operations.

Facilities acquisition and construction which includes outflows for the acquisition, development, construction, and improvement of new and existing facilities.

Debt services which include fixed obligations resulting from financial transactions previously entered into by the School Corporation. It includes all expenditures for the reduction of the principal and interest of the School Corporation's general obligation indebtedness.

F. Other financing sources and uses

Other financing sources and uses are presented in the aggregate on the face of the financial statement. The aggregate other financing sources and uses include the following:

Transfers in which includes money received by one fund as a result of transferring money from another fund. The transfers are used for cash flow purposes as provided by various statutory provisions.

Transfers out which includes money paid by one fund to another fund. The transfers are used for cash flow purposes as provided by various statutory provisions.

G. Fund Accounting

Separate funds are established, maintained, and reported by the School Corporation. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the School Corporation. The money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the School Corporation in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

Note 2. Budgets

The operating budget is initially prepared and approved at the local level. The fiscal officer of the School Corporation submits a proposed operating budget to the governing board for the following calendar year. The budget is subject to final approval by the School Corporation's chartering agency.

Note 3. Deposits and Investments

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana at year end should be entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statutes authorize the School Corporation to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 4. Risk Management

The School Corporation may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the School Corporation to set aside money for claim settlements. The self-insurance fund would be included in the financial statement. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks. These risks may also be mitigated by the School Corporation by recording as a disbursement and replacement items purchased.

Note 5. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of INPRS.

B. Teachers' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

SUPPLEMENTARY INFORMATION - UNAUDITED

For additional financial information, the School Corporation's Financial Reports can be found on the Indiana Department of Education website: http://mustang.doe.state.in.us/TRENDS/fin.cfm. This website is maintained by the Indiana Department of Education. More current financial information is available from the School Corporation Treasurer's office.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the Financial Reports of the School Corporation which are referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the audit. This is a common occurrence in any financial statement audit. The financial information presented in this report is audited information, and the accuracy of such information can be determined by reading the opinion given in the Independent Auditor's Report.

The supplementary information presented was prepared and/or approved by management of the School Corporation. It is presented as intended by the School Corporation.

CHRISTEL HOUSE ACADEMY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES REGULATORY BASIS
For the Year Ended June 30, 2010

	General	School	Textbook Rental	Walton Family Foundation Grant	Education Pays Fund	Miscellaneous Programs	Camptown	Music/Energy Grant	IME BECAS Fellowship Grant	School Administration
Cash and investments - beginning	\$ 22,210	\$ 20,363	(98,386)	\$	\$ 25	\$ 4,542	\$ 8,393	\$ 5.000	\$ 14,909	\$
Receipts: Local sources	58,969	30,057	67,645	250,000	•	•	20,102	•	1	742,366
intermediate sources State sources Federal sources	3,287,388	493 263,935	31,908		1 1 1		4 4 4		• • •	286
Total receipts	3,346,413	294,485	99,553	250,000	1	1	20,102	•	•	742,652
Disbursements: Current: Instruction Support services Noninstructional services Facilities acquisition and construction	1,777,037 1,033,151 14,333 500,739	212,251	167	3,540 198 2,910	25	5 4 B P	19,784 1,502 340		3,593	46.123 321.208 7.544 367.777
Total disbursements	3,325,260	212,268	167	6,648	25	-	21,626	f	14,909	742.652
Excess (deficiency) of receipts over disbursements	21,153	82.217	99:386	243,352	(25)	L	(1.524)	a	(14,909)	T JOHN CONTROL OF THE PARTY OF
Other financing sources (uses): Transfers in Transfers out	1,195,593	1 / ***********************************		• •	•		1 4		• •	10,071 (19,071)
Total other financing sources (uses)	(11,794)	,		•	ε	-		in the state of th		
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	9,359	82.217	99.386	243.352	(25)	•	(1,524)	,	(14,909)	1
Cash and investments - ending	\$ 31,569	\$ 102,580	\$	\$ 243,352	\$	\$ 4,542	\$ 6,869	\$ 5,000	69	(9)

CHRISTEL HOUSE ACADEMY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES RECULATORY BASIS
For the Year Ended June 30, 2010
(Comfinued)

	Non-English Speaking Programs P.L. 273-1999	Title ! 08/09	Title I Distinguished Award	Title J 09/10	P.L. Innovative Education Program Strategies Title V (Part A)	Serve America	Special Education 09/10	Drug Free Schools	National Science Foundation	Challenge Grant for Technology (Dir USDOE)
Cash and investments - beginning	5	\$ 33,639	\$ 1,943 \$			\$ 253	S	\$ 4.063	\$ 6,127	\$ 1.046
Receipts: Local sources Intermediate sources State sources Federal sources	13,183	962'2		361,385	46.895			4 1 1 4	83 13 13 13 13 13 13 13 13 13 13 13 13 14 14 14 15 16 16 16 16 16 16 16 16 16 16 16 16 16	
Total receipts	13,183	7,796	1	361,385	46,895		66,734		83,135	
Disbursements: Current: Instruction Support services Noninstructional services Facilities acquisition and construction		11,417 10,074 27 4,553	1,376	235,846 126,212 1,352 2,981	5,854	1 1 4 5	62,194 170 -	(; t = 20000000000000000000000000000000000	60,999 32,120 -	
Total disbursements	4	26,071	1,943	366.391	46,895	ž.	62,364	1	97,701	
Excess (deficiency) of receipts over disbursements	13,183	(18,275)	(1,943)	(5,006)		•	4,370		(14,566)	
Other financing sources (uses): Transfers in Transfers out		(15,364)	s I	15,364	3,182	t I		2 1	29,052 (16,407)	• 1
Total other financing sources (uses)	1	(15,364)	1	15.364		1	•	T T	12,645	#
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	13,183	(33,639)	(1,943)	10.358		ß.	4,370	1	(1,921)	b was a second
Cash and investments - ending	\$ 13,183	\$	9	10,358	8	\$ 253	\$ 4,370	\$ 4,063	\$ 4,206	\$ 1,046

CHRISTEL HOUSE ACADEMY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES REGULATORY BASIS
For the Year Ended June 30, 2010
(Continued)

Totals	90.569	1,169,139 56 3,333,258 1,748,588	6,251.041	2,473,086 1,665,702 236,543 1,309,134	5,684,465	566.576	1,253,262	851	587.427	9652996
School Lunch Equipment	ري ده		27,000	27,000	27,000		4 9	± .	# I	9
Education Technology	6	94.750	94,750	55,260	94,750	1			L	\$
Special Education - Part B	\$	51,456	51,456	42,986 2,140 - 748	45,874	5,582	4 b	-	5.582	\$ 5,582
Title I - Grants to LEAs	9	240,859	240,859	102,528 31,594 498 84,516	219,136	21,723	1 4	•	21.723	\$ 21,723
Fiscal Stabilization - Education	·	88.250	88,250	3,475 25,825 - 58,950	88,250	-	4 Language Manager	***************************************	1	***************************************
Reading First, No Child Left Behind	36,232	123,565	123,565	106,937	111,255	12,310	1 4		12,310	48,542
Charter Facilities Grant	9	173,280	173,280	173,280	173,280	1	a monum	1		9
Improving Teaching Quality, No Child Left, Title II. Part A	\$ 31,210 \$	119.548	119,548	1 1 1		119,548	1 4	£	119,548	\$ 150,758 \$
	Cash and investments - beginning	Receipts: Local sources Intermediate sources State sources Federal sources	Total receipts	Disbursements: Current: Instruction Support services Noninstructional services Facilities acquisition and construction	Total disbursements	Excess (deficiency) of receipts over disbursements	Other financing sources (uses): Transfers in Transfers out	Total other financing sources (uses)	Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	Cash and investments - ending

CHRISTEL HOUSE ACADEMY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES REGULATORY BASIS
For the Year Ended June 30, 2011

	General	School Lunch	Textbook Rental	Walton Family Foundation Grant	Miscellaneous Programs	Camptown	Music/Energy Grant	School Administration	Non-English Speaking Programs P.L. 273-1999	School Technology
Cash and investments - beginning	\$ 31,569	\$ 102,580	S	\$ 243,352	\$ 4,542	698'9	\$ 5,000	\$	\$ 13,183	s ₂
Receipts: Local sources	110,218	32,821	2,263	1	•	27.405	,	159 109	•	
Intermediate sources	94	' 6	•	•	•	' :	1	19	1	
State sources Federal sources	3,678,250	522 310.501	33,502	' '		• •	• •	i i	12,953	47,658
Temporary loans	340,704	,	•	•	•	•	. 1	r 1	1 1	1 1
	•		-		-	•		6.602		-
- Total receipts	4,129,276	343,844	35,765		•	27,405		165,730	12,953	47,658
Disbursements;										
Instruction Summer Summer Summ	1,767,793	, g	23,283	28,894		19,800	•	63,522	13,183	329
Noninstructional services	908'6	301,944		57		3,420		84,578 7,688	, ,	3,194
Facilities acquisition and construction Debt services	340,704	85,400	' '	196,297	1 4	6 F	1 1	9,842		10,038
Total disbursements	4,098,809	387,380	23,283	225,288		23,043	1	165,730	13, 183	13,561
Excess (deficiency) of receipts over disbursements	30,467	(43,536)	12,482	(225,288)	-	4,362	-	1	(230)	34,097
Other financing sources (uses): Transfers in Transfers out	634,343 (633,575)	1 1	1 +	3 (1 2 .	, ,	1 1		1 1
Total other financing sources (uses)	768	· 	•	-		-	1	*	-	
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	31,235	(43,536)	12,482	(225,288)	•	4.362	1	6	(230)	34,097
Cash and investments - ending	\$ 62,804	\$ 59,044	\$ 12,482	\$ 18.064	\$ 4.542	\$ 11,231	\$ 5,000	S	\$ 12,953	\$ 34.097

CHRISTEL HOUSE ACADEMY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES REGULATORY BASIS
For the Year Ended June 30, 2011
(Continued)

	Title 09/10	Title 1 10/11	Serve America	Special Education 09/10	Special Education 10/11	Drug Free Schools	Team Nutrition Training Grants	National Science Foundation	Challenge Grant for Technology (Dir USDOE)	Improving Teaching Quality, No Child Left, Title II. Part A
Cash and investments - beginning	\$ 10,358	8	\$ 253	\$ 4.370	S	\$ 4,063	\$	\$ 4,206	\$ 1.046	\$ 150,758
Receipts: Local sources Intermediate sources	1 1			, ,	, ,		, ,			
State sources Federal sources Temporary loans Other	36,638	338,146		10,000	70,206	. ,	2,500	147,427	+ 1 1 6	48,766
Total receipts	36,638	338,146	6	10,000	70,206	*	2.500	147,427		48,766
Disbursements: Current: Instruction Support services Noninstructional services Facilities acquisition and construction Debt services	26,299 20,697 -	208,100 107,111 1,021 23,649		14,370	71,429	4 1 4 1 1		104,130 42,516 81 11,374		164,637 34,887
Total disbursements	46,996	339,881	Australia	14,370	71,707	1	-	158,101	3	199,524
Excess (deficiency) of receipts over disbursements	(10,358)	(1.735)		(4,370)	(1,501)	-	2,500	(10,674)	- The state of the	(150,758)
Other financing sources (uses): Transfers in Transfers out			1 1	1	, ,	• •	1 1		1 1	1 1
Total other financing sources (uses)	•	3	1	-	•				*	1
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(10,358)	(1.735)	1	(4,370)	(1,501)		2.500	(10,674)	*	(150,758)
Cash and investments - ending	vs.	\$ (1,735)	\$ 253	S	\$ (1,501)	\$ 4,063	\$ 2,500	\$ (6,468)	\$ 1,046	· ·

CHRISTEL HOUSE ACADEMY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES REGULATORY BASIS
For the Year Ended June 30, 2011
(Continued)

Cash and investments - beginning Receipts: Local sources Intermediate sources State sources State sources State sources Temporary loans Other This receipts Disbursements: Current: Instruction Support services Noninstructional services Facilities acquisition and construction Debt services Total disbursements Total disbursements Total disbursements Transfers out Transfers out Transfers out Transfers out	#TQ. Enhanced Education Through Technology, Title II, Parl D \$ 74,707 74,707 74,707 (4,106)	Trite III, Language Instruction \$ 15,681 15,681 15,681	Charter Facilities Grant 193,880 193,880 193,880	\$	Reading First, No Child Left Behind S 4,949 4,949 7,118 271 27,127 (17,178)	\$ 21,723 \$ 21,723 \$ 56,442 14,729 86 56,442 72,400 14,729 86 5,162 92,377	Special Education - Part B	Education Technology \$ 3,250 3,250 3,250	\$ 657,996 331,816 3372,895 1,375,375 340,704 6,602 2,675,553 1,825,021 321,212 1,092,358 340,704 6,254,848 6,254,848 6,254,848 768
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(4,106)	*	,		(17.178)	(35,935)	(5,582)		(426,575)
Cash and investments - ending	\$ (4,106)	9	69	,	\$ 31,364	\$ (14.212)	·		\$ 231,421

CHRISTEL HOUSE ACADEMY SUPPLEMENTARY INFORMATION SCHEDULE OF CAPITAL ASSETS June 30, 2011 Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

Ending Balance	\$ 68,209 1,560,816	\$ 1,629,025
	Capital assets not being depreciated: improvements other than buildings Machinery and equipment	Total capital assets not being depreciated

CHRISTEL HOUSE ACADEMY AUDIT RESULTS AND COMMENTS

INTERNAL CONTROLS OVER THE AUTHORIZATION OF SALARIES AND WAGES

The controls over the authorization of salaries and wages were insufficient. Sufficient evidence was not provided to document proper approval of salaries and wages by the Board of Directors. The following deficiencies and errors were noted:

- Payroll worksheets were prepared by the school's administration for each school year and
 used to develop a budget amount for salaries and wages. The total amount budgeted for
 salaries and wages was approved by the Board of Directors, but individual salaries and
 wages did not show any evidence of approval by the Board of Directors.
- Employee contracts were prepared for employees using the "base" salary or wage amount from the payroll worksheet, but did not include stipends or other additional wages paid to employees and were not signed by the Board of Directors.
- 3. Employee contracts were not executed in a timely manner. Employee contracts for the 2009-2010 school year were not signed until May 2010.
- 4. Seven out of twelve employees reviewed for the 2010-2011 school year did not have current contracts in their personnel file. These contracts were not presented for audit. This included the Treasurer who did not have a contract for 2009-2010 or 2010-2011 school years.
- 5. Wages paid to the seven employees noted above did not agree with the amounts on the payroll worksheet. Differences between the amounts paid and amounts on the payroll worksheet were immaterial.
- Information provided to the School's payroll servicing company regarding employee compensation, as well as any changes in compensation, was informal and did not provide adeguate evidence of authorization from the Board of Directors.

Failure to maintain adequate controls over the authorization of salaries and wages could result in unauthorized compensation being paid to employees.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

CHRISTEL HOUSE ACADEMY AUDIT RESULTS AND COMMENTS (Continued)

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution, or salary schedule adopted by the governing body unless otherwise authorized by statute. Compensation should be made in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 13)

AVERAGE DAILY MEMBERSHIP (ADM) - LACK OF DOCUMENTATION

School records to support the ADM claimed by the School Corporation for the September 18, 2009, and September 17, 2010, count dates were not presented for audit. Therefore, ADM could not be verified.

Officials shall maintain records (enrollment cards, rosters, reporting forms, etc.) which substantiate the number of students claimed for ADM.

The building level official (Principal, Assistant Principal, etc.) is responsible for reporting ADM to the School Corporation Central Office, should provide a written certification of ADM to properly document responsibility. The certification should at a minimum include a statement detailing the names and location of the records used (these records must be retained for public inspection and audit) to substantiate ADM claimed. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 8)

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SUPPLEMENTAL AUDIT OF FEDERAL AWARDS



STATE BOARD OF ACCOUNTS 302 WEST WASHINGTON STREET ROOM E418 INDIANAPOLIS, INDIANA 46204-2769

> Telephone: (317) 232-2513 Fax: (317) 232-4711 Web Site: www.in.gov/sboa

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

TO: THE OFFICIALS OF THE CHRISTEL HOUSE ACADEMY, MARION COUNTY, INDIANA

Compliance

We have audited the compliance of the Christel House Academy (School Corporation) with the types of compliance requirements described in the <u>U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement</u> that are applicable to each of its major federal programs for the years ended June 30, 2010 and 2011. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on the School Corporation's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the School Corporation's compliance with those requirements.

In our opinion, the School Corporation complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the years ended June 30, 2010 and 2011.

Internal Control Over Compliance

Management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the School Corporation's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over compliance.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 (Continued)

A deficiency in internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of the internal control over compliance 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 compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

The School Corporation's response to the findings identified in our audit is described in the accompanying Official Response. We did not audit the School Corporation's response and, accordingly, we express no opinion on the response.

This report is intended solely for the information and use of the School Corporation's management, Board of Directors, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

January 23, 2012

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
The Schedule of Expenditures of Federal Awards and accompanying notes presented were approved by management of the School Corporation. The schedule and notes are presented as intended by the School Corporation.

CHRISTEL HOUSE ACADEMY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For The Years Ended June 30, 2010 and 2011

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-10	Total Federal Awards Expended 06-30-11
U.S. DEPARTMENT OF AGRICULTURE				
Pass-Through Indiana Department of Education Child Nutrition Cluster School Breakfast Program	10.553	FY09 FY10 FY11	\$ 3,913 50,690	\$ - 12,071 51,761
Total for program			54,603	63,832
National School Lunch Program	10.555	FY09 FY10 FY11	14,932 196,667	44,964 182,613
Total for program			211,599	227,577
Summer Food Service Program for Children	10.559	FY09 FY10	13,091	16,272
Total for program			13,091	16,272
Total for cluster			279,293	307,681
ARRA - Child Nutrition Discretionary Grants Limited Availability, Recovery Act	10.579	FY10	27,000	
Fresh Fruit and Vegetable Program	10.582	FY10 FY11	-	3,204 17,787
Total for program				20,991
Total for federal grantor agency			306,293	328,672
U.S. DEPARTMENT OF EDUCATION Pass-Through Indiana Department of Education Title I, Part A Cluster				
Title Grants to Local Educational Agencies	84.010	09-9380 10-9380 11-9380	26,071 368,334	- 46,996 339,881
Total for program			394,405	386,877
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	84.389	10-9380	219,136	92,377
Total for cluster			613,541	479,254
Special Education Cluster Special Education - Grants to States	84.027	FY10 FY11	62,364	14,370 71,707
Total for program			62,364	86,077
ARRA - Special Education - Grants to States, Recovery Act	84.391	FY10	45,874	64,863
Total for cluster			108,238	150,940

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

CHRISTEL HOUSE ACADEMY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For The Years Ended June 30, 2010 and 2011 (Continued)

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-10	Total Federal Awards Expended 06-30-11
U.S. DEPARTMENT OF EDUCATION (continued)				
Pass-Through Indiana Department of Education (continued) Educational Technology State Grants Cluster				
Educational Technology State Grants Educational Technology State Grants	84.318	FY10		78,813
ARRA - Education Technology State Grants, Recovery Act	84.386	FY10	94,750	3,250
, ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,				
Total for cluster			94,750	82,063
State Fiscal Stabilization Fund Cluster				
ARRA - State Fiscal Stabilization Fund (SFSF) - Education State	04.004	#W40	00.050	
Grants, Recovery Act	84.394	FY10	88,250	
Total for cluster			88,250	
Charter Schools	84.282			
Per Pupil Facilities Funding	- 1/	FY10	173,280	-
		FY11		193,880
Total for program			173,280	193,880
Twenty-First Century Community Learning Centers	84.287	FY09 FY10	6,127 91,574	4,206
		FY11		153,895
Total for program			97,701	158,101
State Grants for Innovative Programs	84.298	FY10	46,895	<u> </u>
Early Reading First	84.359	FY09	36,232	-
, •		FY10	75,023	22,127
Total for program			111,255	22,127
English Language Acquisition Grants	84.365	FY10 FY11	-	13,183 15,681
Total for program				28,864
Improving Teacher Quality State Grants	84.367	FY09	~	31,210
, ,		FY10 FY11	-	119,548 48,766
		E 1 F F		40,700
Total for program				199,524
Teacher Incentive Fund Cluster				
Teacher Incentive Fund	84.374	FY11		3,001
Total for federal grantor agency			1,333,910	1,317,754
•			\$ 1,640,203	\$ 1,646,426
Total federal awards expended			9 1,040,203	\$ 1,646,426

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

CHRISTEL HOUSE ACADEMY NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Christel House Academy (School Corporation) and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statement. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

Circular A-133 requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of \$500,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with Indiana Code (IC 5-11-1 et seq.), audits of school corporations shall be conducted biennially. Such audits shall include both years within the biennial period.

Note 2. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2010 and 2011. This noncash assistance is also included in the federal expenditures presented in the schedule.

	Federal CFDA				
Program Title	Number	 2010	 2011		
School Breakfast Program National School Lunch Program	10.553 10.555	\$ 3,338 12,021	\$ 3,553 14,618		

CHRISTEL HOUSE ACADEMY SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

Unqualified Type of auditor's report issued:

Internal control over financial reporting:

Material weaknesses identified? no

Significant deficiencies identified? none reported

Noncompliance material to financial statement noted? no

Federal Awards:

Internal control over major programs:

Material weaknesses identified? no

Significant deficiencies identified? none reported

Type of auditor's report issued on compliance for

Unqualified major programs:

Any audit findings disclosed that are required to be reported

in accordance with section 510(a) of Circular A-133? no

Identification of Major Programs:

CFDA Name of Federal Program or Cluster Number

Child Nutrition Cluster Title I, Part A Cluster 84.282 Charter Schools

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? no

Section II - Financial Statement Findings

No matters are reportable.

Section III - Federal Award Findings and Questioned Costs

No matters are reportable.

CHRISTEL HOUSE ACADEMY SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

CHRISTEL HOUSE ACADEMY EXIT CONFERENCE

The contents of this report were discussed on January 23, 2012, with Carey Dahncke, Treasurer; Carlos Alexander, Business Manager; and Murvin Enders, Chairman of the Board of Directors. The Official Response has been made a part of this report and may be found on page 38.



Tuesday, January 24, 2012

To Whom It May Concern:

This is a public response to the State Board of Accounts audit comments performed November 2011- January 2012.

Comment #1: Internal Controls over the authorization of salaries and wages

Christel House Academy will create an internal change to our salary approval process to include a schedule of annual salaries/wages by individual employee, to be approved by the Board in the same format as the Approval of Vouchers. Changes will be approved in quarterly Board meetings using the same process. In the past, the Board was provided with a range of salaries by position for approval as a part of the budgeting process. Additionally, internal changes to certain human resources processes will be made, in conjunction with additional utilization of our outside HR vendor software, to aid us in ensuring paperwork is properly documented in personnel files.

Comment #2: Average Daily Membership (ADM) - lack of documentation

It had been the school's past practice to use electronic records to verify the headcount for ADM. In order to comply with the State Board of Accounts' requirements in the area of ADM reporting, a new process will be established to first produce a paper record indicating the name of each student enrolled by class and grade, verified by the teacher and principal, prior to the creation of the official ADM record for the Indiana Department of Education.

Christel House Academy continues to strive to be a beacon of excellence in both our academic and operational practices. These changes will increase the internal accounting controls for the Academy and will ensure we are fully compliant with the State Board of Account expectations.

Respectfully yours,

Carey J. Dahricke, Principal and Director

Carlos Alexander, Business Manager

Carlos Algian

2717 South East Street, Indianapolis, IN 46225-2104 Tel. 317.783.4690 - www.cha.christelhouse.org

A PUBLIC CHARTER SCHOOL AUTHORIZED BY THE MAYOR OF INDIANAPOLIS

STATE BOARD OF ACCOUNTS 302 West Washington Street Room E418 INDIANAPOLIS, INDIANA 46204-2769

AUDIT REPORT

OF

CHRISTEL HOUSE ACADEMY
MARION COUNTY, INDIANA

July 1, 2007 to June 30, 2009





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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Carey Dahncke	07-01-07 to 06-30-10
Business Manager	Carlos Alexander	07-01-07 to 06-30-10
President of the School Board	Murvin Enders	07-01-07 to 06-30-10



STATE BOARD OF ACCOUNTS 302 WEST WASHINGTON STREET ROOM E418 INDIANAPOLIS, INDIANA 46204-2769

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INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

TO: THE OFFICIALS OF THE CHRISTEL HOUSE ACADEMY, MARION COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Christel House Academy (School Corporation), as of and for the years ended June 30, 2008 and 2009, which collectively comprise the School Corporation's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the School Corporation's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in <u>Government Auditing Standards</u>, 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 financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note I, the School Corporation prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, each major fund, and the aggregate remaining fund information of the School Corporation as of June 30, 2008 and 2009, and the respective cash receipts and cash disbursements during the years then ended on the basis of accounting described in Note I.

In accordance with <u>Government Auditing Standards</u>, we have also issued a report dated February 10, 2009, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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 audit performed in accordance with <u>Government Auditing Standards</u> and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Corporation's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

U.S. Office of Management and Budget Circular A-133, <u>Audits of States, Local Governments, and Non-Profit Organizations</u>, and is not a required part of the basic financial statements. Such information has been subjected to the auditing 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.

The Schedule of Funding Progress, as listed in the Table of Contents, is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The School Corporation has not presented Management's Discussion and Analysis or Budgetary Comparison Schedules that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Corporation's basic financial statements. The Combining Schedules, as listed in the Table of Contents and Schedule of Capital Assets are presented for additional analysis and are not required parts of the basic financial statements. The Combining Schedules, as listed in the Table of Contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Schedule of Capital Assets has not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

February 10, 2009



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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

TO: THE OFFICIALS OF THE CHRISTEL HOUSE ACADEMY, MARION COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Christel House Academy (School Corporation), as of and for the years ended June 30, 2008 and 2009, which collectively comprise the School Corporation's basic financial statements and have issued our report thereon dated February 10, 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 <u>Government Auditing Standards</u>, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School Corporation's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School Corporation'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 entity'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 entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant 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 entity'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 significant deficiencies or material weaknesses, as defined above.

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 (Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Corporation'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.

The School Corporation's response to the findings identified in our audit is described in the accompanying section of the report entitled Official Response. We did not audit the School Corporation's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the School Corporation's management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

February 10, 2009

CHRISTEL HOUSE ACADEMY STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS For the Year Ended June 30, 2008

				Program	Rece	eipts	ÌR:	Net sbursement) eceipts and Changes in Net Assets												
Functions/Programs	Disbursements		Disbursements		Disbursements		Disbursements		Disbursements		Disbursements		Disbursements		Charges nts Service		Operating Grants and Contributions			Totals
Governmental activities: Instruction Support services Noninstructional services Facilities acquisition and construction	\$	2,140,850 1,187,077 282,985 1,288,486	\$	59,871 - -	\$	61,471 205,745 -	\$	(2,079,379) (921,461) (282,985) (1,288,486)												
Total governmental activities	\$	4,899,398	\$	59,871	\$	267,216		(4,572,311)												
General receipts: Property taxes Other local sources State aid Grants and contributions not Investment earnings Other Total general receipts Change in net assets	restri	cted to specifi	c prog	yrams				1,112,695 786,438 1,975,094 559,394 12,899 11,787 4,458,307 (114,005)												
Net assets - beginning								245,522												
Net assets - ending							<u>\$</u>	131,517												
Assets Cash and investments Net Assets							\$	131,517												
Unrestricted							\$	131,517												

CHRISTEL HOUSE ACADEMY STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS For the Year Ended June 30, 2009

				Program Receipts				Net sbursement) eceipts and Changes in Net Assets
			-01			perating		
Functions/Programs	_Di:	sbursements		rges for ervices		ants and tributions		Totals
Governmental activities: Instruction Support services Noninstructional services Facilities acquisition and construction	\$	2,256,537 1,441,063 203,619 1,133,016	\$	47,030	\$	69,493 211,843	\$	(2,187,044) (1,182,190) (203,619) (1,133,016)
Total governmental activities	\$	5,034,235	\$	47,030	\$	281,336	_	(4,705,869)
General receipts: Property taxes Other local sources State aid Grants and contributions not investment earnings Total general receipts Change in net assets Net assets - beginning	restric	cted to specific	c progra	ams				517,494 853,052 2,367,947 923,397 304 4,662,194 (43,675) 131,517
Net assets - ending							\$	87,842
Assets Cash and investments							\$	87,842
Net Assets								
Unrestricted							\$	87,842

CHRISTEL HOUSE ACADEMY STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS GOVERNMENTAL FUNDS For the Year Ended June 30, 2008

	General	School Lunch	Title I	21st Century Learning	Title II Part A	ESEA Title V Grant	No Child Left Behind Reading First	Other	Totals
Receipts:									
Local sources	\$ 1,885,752		\$ -	\$ -	\$ -	\$ -	s -		\$ 1,971,901
State sources	2,026,185	768	-	-	-	•	-	37,153	2,064,106
Federal sources	-	178,205	279,083	88,025	33,738	-	152,548	6,000	737,599
Other	5,278							6,509	11,787
Total receipts	3,917,215	211,173	279,083	88,025	33,738		152,548	103,611	4,785,393
Disbursements:									
Current:							404 505	40.000	2 4 40 050
Instruction	1,734,019	-	218,039	35,119	•	•	134,585	19,088 6,872	2,140,850 1,187,077
Support services	1,108,123	200 400	50,336	17,906	•	-	3,840 76	8,253	282,985
Noninstructional services	4,915 1,250,825	269,120	621 10,086	17,323	•	-	8,310	1,942	1,288,486
Facilities acquisition and construction	1,200,020		10,000	17,323			0,510	1,542	1,200,400
Total disbursements	4,097,882	269,120	279,082	70,348			146,811	36,155	4,899,398
Excess (deficiency) of receipts over									
disbursements	(180,667)	(57,947)	1	17,677	33,738		5,737	67,456	(114,005)
Other financing sources (uses):									0.45.000
Transfers in	245,000	-	-	-	•		•	-	245,000 (245,000)
Transfers out	(245,000)							-	(245,000)
Total other financing sources (uses)			<u>-</u>						
Excess (deficiency) of receipts and other									
financing sources over disbursements and other financing uses	(180,667)	(57,947)	1	17,677	33,738	-	5,737	67,456	(114,005)
and outer interioring dood	(100,001)	(4.12)			,				
Cash and investments - beginning	186,960	64,759	-		-	131,357	28,256	(165,810)	245,522
Cash and investments - ending	\$ 6,293	\$ 6,812	<u>\$ 1</u>	\$ 17,677	\$ 33,738	<u>\$ 131,357</u>	\$ 33,993	\$ (98,354)	\$ 131,517

Cash and Investment Assets - Ending									
Cash and investments	<u>\$ 6,293</u>	\$ 6,812	\$ 1	<u>\$ 17,677</u>	\$ 33,738	\$ 131,357	\$ 33,993	\$ (98,354)	<u>\$ 131,517</u>
Cash and Investment Fund Salance - Ending									
Unrestricted	6,293	6,812	1	17,677	33,738	131,357	33,993	(98,354)	131,517
Total cash and investment fund balance - ending	\$ 6,293	\$ 6,812	\$ 1	s 17,677	\$ 33,738	S 131,357	S 33,993	\$ (98,354)	\$ 131,517

CHRISTEL HOUSE ACADEMY STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS GOVERNMENTAL FUNDS For the Year Ended June 30, 2009

	General	School Lunch	Tille I	21st Century Learning	Title II Part A	ESEA Title V Grant	No Child Left Behind Reading First	Olher	Totals
Receipts	0 4 470 000	S 27.971	^	S 589	s -	ş -	s -	S 284.661	\$ 1,413,490
Local sources Intermediate sources	\$ 1,100,269 4,390	\$ 27,971	•	3 309				3 204,001	4,390
State sources	2,437,940	694	_	-	-		-	30,043	2,468,677
Federal sources		180,606	375,541	57,856			153,838	336,162	1,104,003
Total receipts	3,542,599	209,271	375,541	58,445	-	***************************************	153,838	650,866	4,990,560
Disbursements:									
Current:			204 200	47.540		424 257	137,674	108,757	2,256,537
Instruction Support services	1,599,823 1,247,546	36	231,386 103,313	47,540 11,790	2,528	131,357	5,566	70,284	1,441,063
Noninstructional services	5,294	195,684	444	115	030,3	-	505	1,577	203,619
Facilities acquisition and construction	645,398	,	6,759	10,550	-	-	7,854	462,454	1,133,015
Total disbursements	3,498,061	195,720	341,902	69,995	2,528	131,357	151,599	643.072	5,034,234
Total Global damona									
Excess (deficiency) of receipts over									
disbursements	44,538	13,551	33,639	(11,550)	(2,528)	(131,357)	2,239	7,794	(43,674)
Other financing sources (uses):									
Transfers in	756,549	-	-	-	-	-	-	31,348	787,897
Transfers out	(787,897)			-					(787,897)
Total other financing sources (uses)	(31,348)	***************************************			<u> </u>		<u> </u>	31,348	***************************************
Excess (deficiency) of receipts and other									
financing sources over disbursements	40 400	10 551	22.620	(11,550)	(2,528)	(131,357)	2,239	39,142	(43,674)
and other financing uses	13,190	13,551	33,639	(11,550)	(2,520)	(131,357)	2,239	39,142	(43,074)
Cash and investments - beginning	6,293	6,812	1	17,677	33,738	131,357	33,993	(98,354)	131,517
Cash and investments - ending	\$ 19,483	\$ 20,363	\$ 33,640	<u>\$ 6,127</u>	\$ 31,210	<u>s</u>	\$ 36,232	S (59,213)	\$ 87,842
Cash and Investment Assets - Ending									
Cash and investments	S 19.483	\$ 20,363	<u>\$ 33,640</u>	\$ 6,127	<u>\$ 31,210</u>	<u>s</u>	<u>\$ 36,232</u>	<u>\$ (59,213)</u>	<u>\$ 87,842</u>
Cash and investment Fund Balance - Ending									
Unrestricted	\$ 19,483	\$ 20,363	S 33,640	<u>\$ 6,127</u>	<u>\$ 31,210</u>	<u>s -</u>	\$ 36,232	<u>\$ (59,213)</u>	<u>\$ 87,842</u>

CHRISTEL HOUSE ACADEMY NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

School Corporation, as used herein, shall include, but is not limited to, school townships, school towns, school cities, consolidated school corporations, joint schools, metropolitan school districts, township school districts, county schools, united schools, school districts, cooperatives, educational service centers, community schools, community school corporations, and charter schools.

The School Corporation was established under the laws of the State of Indiana. The School Corporation operates under a Board of School Trustees form of government and provides educational services.

The School Corporation's financial reporting entity is composed of the following:

Primary Government: Christel House Academy

In determining the financial reporting entity, the School Corporation complies with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Activities and Net Assets – Cash and Investment Basis displays information about the reporting government as a whole. It includes all funds of the reporting entity except for fiduciary funds. The statement distinguishes between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, fund equity, receipts, and disbursements. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. However, at this time, the School Corporation has not established any enterprise funds.

The School Corporation reports the following major governmental funds:

The general fund is the primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The school lunch fund accounts for all financial resources of the school lunch and breakfast program.

The title II, Part A fund accounts for all financial resources for the title II, part a grant.

The esea title V grant fund accounts for all financial resources of the title V grant.

The no child left behind reading first fund accounts for all financial resources of the no child left behind, reading first grant.

The title I fund accounts for all financial resources of the Title I grant.

The 21st century learning fund accounts for all financial resources for the 21st century learning grant.

C. Measurement Focus and Basis of Accounting

The government-wide, governmental fund, proprietary fund, and fiduciary fund financial statements are reported using the basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The cash and investment basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash rather than when earned and disbursements are recognized when paid rather than when a liability is incurred. Investment transactions are not presented on the financial statements.

If the School Corporation utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities are provided to people outside the government (enterprise funds) or other departments or agencies primarily within the government (internal service funds). The School Corporation does not have any enterprise funds.

When both restricted and unrestricted resources are available for use, the School Corporation's policy is to use restricted resources first, then unrestricted resources as they are needed.

D. Assets and Cash and Investment Balances

1. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as interest receipts in the year of the sale of the investment.

2. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the School Corporation in June and in December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the School Corporation on or prior to June 30 of the year collected.

3. Capital Assets

Capital assets arising from cash transactions acquired for use in governmental or proprietary fund operations are accounted for as capital outlay disbursements of the fund upon acquisition.

4. Equity Classification

Government-Wide Statements

Equity is classified as net assets and displayed in two components:

- a. Restricted net assets Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or (2) law through constitutional provisions or enabling legislation.
- b. Unrestricted net assets All other net assets that do not meet the definition of "restricted."

It is the School Corporation's policy to first use restricted net assets prior to the use of unrestricted net assets when a disbursement is incurred for purposes for which both restricted and unrestricted net assets are available.

Fund Financial Statements

Governmental fund equity is classified as fund balance. Proprietary fund equity is classified the same as in the government-wide statements.

E. Receipts and Disbursements

1. Program Receipts

Amounts reported as program receipts include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general receipts rather than as program receipts. Likewise, general receipts include all taxes.

2. Operating Receipts and Disbursements

Operating receipts and disbursements for proprietary funds and the similar discretely presented component unit result from providing services and producing and delivering goods and/or services. They also include all receipts and disbursements not related to capital and related financing, noncapital financing, or investing activities.

F. Internal and Interfund Balances and Activities

In the process of aggregating the financial information for the government-wide Statement of Activities and Net Assets – Cash and Investment Basis, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

Fund Financial Statements

- 1. Interfund services Sales or purchases of goods and services between funds are reported as receipts and disbursements.
- 2. Interfund reimbursements Repayments from funds responsible for certain disbursements to the funds that initially paid for them are not reported as reimbursements but as adjustments to disbursements in the respective funds.
- 3. Interfund transfers Flow of assets from one fund to another where repayment is not expected is reported as transfers in and out.

Government-Wide Financial Statements

Interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements as follows:

Internal activities – Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers – Internal Activities. The effects of interfund services between funds, if any, are not eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis.

II. Stewardship, Compliance and Accountability

A. Budgetary Information

Annual budgets are adopted on the cash basis, which is not consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at calendar year end.

Prior to the first required publication, the fiscal officer of the School Corporation submits to the governing board a proposed operating budget for the year commencing the following July 1. Prior to adoption, the budget is advertised and public hearings are conducted by the governing board to obtain taxpayer comments. In September of each year, the governing board, through

the passage of a resolution/ordinance, approves the budget for the next year. Copies of the budget resolution/ordinance and the advertisement for funds for which property taxes are levied or highway use taxes are received are sent to the Indiana Department of Local Government Finance. The budget becomes legally enacted after the fiscal officer of the School Corporation receives approval of the Indiana Department of Local Government Finance.

The School Corporation's management cannot transfer budgeted appropriations between object classifications of a budget without approval of the governing board. The Indiana Department of Local Government Finance must approve any revisions to the appropriations for any fund or any department of the General Fund. The legal level of budgetary control is by object and department within the fund for the General Fund and by object within the fund for all other budgeted funds.

B. Cash and Investment Balance Deficits

At June 30, 2008 and 2009, the following funds reported deficits in cash and investments, which are violations of the Uniform Compliance Guidelines as authorized by state statute:

Fund	 FY 07-08	Y 08-09
Textbook Rental	\$ (132,170)	\$ (99,386)

Cash and investment deficits arose primarily from disbursements exceeding receipts due to the underestimate of current requirements; these deficits are to be repaid from future receipts.

III. Detailed Notes on All Funds

Deposits and Investments

1. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. The School Corporation does not have a deposit policy for custodial credit risk. At June 30, 2009, the School Corporation had deposit balances in the amount of \$723,456, all of which is insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance fund.

2. Investments

As of June 30, 2009, the School Corporation did not have any investments.

IV. Other Information

A. Risk Management

The School Corporation is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; and natural disasters.

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; and natural disasters are covered by commercial insurance from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk. Risk financing is not utilized for the other risks of loss.

B. Pension Plans

1. Agent Multiple-Employer and Single-Employer Defined Benefit Pension Plan

Public Employees' Retirement Fund

Plan Description

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

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

Public Employees' Retirement Fund Harrison Building, Room 800 143 West Market Street Indianapolis, IN 46204 Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of plan members for PERF are established by the Board of Trustees of PERF. The School Corporation's annual pension cost and related information, as provided by the actuary, is presented in this note.

Actuarial Information for the Above Plan

	PERF			
Annual required contribution Interest on net pension obligation Adjustment to annual required contribution	\$ 16,554 (1,702) 1,939			
Annual pension cost Contributions made	16,791 22,353			
Increase (decrease) in net pension obligation Net pension obligation, beginning of year	(5,562) (23,471)			
Net pension obligation, end of year	\$ (29,033)			
Contribution rates: School Corporation Plan members 3 Actuarial valuation date Actuarial cost method Amortization method Amortization period Amortization period (from date) Asset valuation method Contribution Actuarial corporation Entry Contribution Actuarial Actuarial valuation date Actuarial valuation date Contribution Actuarial Actuarial valuation date Actuarial valuation date Actuarial valuation Entry Contribution Actuarial Actuarial valuation date Actuarial v	PERF 7% 3% 07-01-08 Entry age Level percentage of projected payroll, closed 30 years 07-01-97 75% of expected actuarial value plus 25% of market value			
Actuarial Assumptions	PERF			
Investment rate of return Projected future salary increases: Total Attributed to inflation Attributed to merit/seniority Cost-of-living adjustments	7.25% 5% 4% 1% 2%			
Three Year Trend Information				
Annual Percentage Year Pension Cost of APC Ending (APC) Contributed	Net Pension Obligation			
PERF 06-30-06 \$ 17,231 130% 06-30-07 22,259 81% 06-30-08 16,791 133%	\$ (27,675) (23,471) (29,033)			

CHRISTEL HOUSE ACADEMY NOTES TO FINANCIAL STATEMENTS (Continued)

2. Cost-Sharing Multiple-Employer Defined Benefit Pension Plan

Teachers' Retirement Fund

Plan Description

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

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

Teachers' Retirement Fund 150 West Market Street Indianapolis, IN 46204 Ph. (317) 232-3860

Funding Policy and Annual Pension Costs

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

Plan members are required to contribute 7.25% of their salary and the School Corporation is to contribute at an actuarially determined rate. The current rate has been actuarially determined under the entry age normal cost method to be 6.82% of covered wages. The School Corporation's required contributions to the plan for the fiscal years ended June 30, 2008 and 2009, were \$105,529 and \$107,266, respectively. The School Corporation actually contributed 100% of the required contribution for each of the fiscal years.

CHRISTEL HOUSE ACADEMY REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	-	Actuarial Value of Assets (a)	 Actuarial Accrued Liability (AAL) (b)	As	excess of sets Over Infunded) AAL (a-b)	Funded Ratio (a/b)	 Covered Payroll (c)	Excess (Unfunded) AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-06	\$	57,833	\$ 73,445	\$	(15,612)	79%	\$ 329,975	(5%)
07-01-07		78,950	75,353		3,597	105%	254,000	1%
07-01-08		109,853	107,440		2,413	102%	289,321	1%

CHRISTEL HOUSE ACADEMY COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS OTHER GOVERNMENTAL FUNDS For the Year Ended June 30, 2008

	Textbook Rental	Non-English Speaking Program	Title I FY 2006-2007	Title V, Part A PL 107-110	Serve America	Drug Free Schools	Challenge Grant For Technology
Receipts:							
Local sources	\$ 53,949		\$ -	\$ -	\$ -	\$ -	\$ -
State sources	26,772	10,381		•	-	-	-
Federal sources	-	-	6,000	-	-	•	-
Other							
Total receipts	80,721	10,381	6,000				
Disbursements:							
Current:							
Instruction	-	12,543	6,000	-	-	545	-
Support services	-	-	-	886	-	850	~
Noninstructional services	-	-	*	-	-	•	-
Facilities acquisition and construction				<u>-</u>			
Total disbursements		12,543	6,000	886		1,395	
m and the second second							
Excess (deficiency) of receipts over	80,721	(2,162)		(886)		(1,395)	_
disbursements	00,723	(2,102)		7000)		(1,000)	
Cash and investments - beginning	(212,891)	2,163		886	253	2,023	1,046
Cash and investments - ending	\$ (132,170)	s 1	\$ -	s -	\$ 253	\$ 628	\$ 1,046
Casti and investments - ending	<u> </u>	<u> </u>	<u> </u>	<u> </u>			<u> </u>
Cash and Investment Assets - Ending							
Cash and investments	\$ (132,170)	<u>\$1</u>	\$	\$ -	\$ 253	\$ 628	\$ 1,046
Cash and Investment Fund Balance - Ending							
Unrestricted	<u>\$ (132,170)</u>	\$ 1	<u>\$</u>	<u>\$</u>	\$ 253	\$ 628	\$ 1,046

CHRISTEL HOUSE ACADEMY COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS OTHER GOVERNMENTAL FUNDS For the Year Ended June 30, 2008 (Continued)

	Title II Part D	Miscellaneous Gifts & Contributions	Education Pays	Walton Family Foundation Grant	Donation Science 6th Grade	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ ~	\$ -	\$ -	\$ 53,949
State sources Federal sources	₩	**	-	-	₩	37,153 6,000
Other		6,484	25	-		6,509
Other		0,304	2.5			0,303
Total receipts	-	6,484	25			103,611
Disbursements:						
Current:						
Instruction		-	-	-	-	19,088
Support services	5,136	-	-	-	-	6,872
Noninstructional services	-	-	-	8,253	=	8,253
Facilities acquisition and construction		1,942			-	1,942
Total disbursements	5,136	1,942	-	8,253		36,155
Excess (deficiency) of receipts over						
disbursements	(5,136)	4,542	25	(8,253)	_	67,456
Cash and investments - beginning	5,136			9,008	26,566	(165,810)
Cash and investments - ending	<u>\$</u>	\$ 4,542	\$ 25	\$ 755	\$ 26,566	\$ (98,354)
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 4,542	\$ 25	\$ 755	\$ 26,566	\$ (98,354)
•						
Cash and Investment Fund Balance - Ending						
Unrestricted	\$ -	\$ 4,542	\$ 25	\$ 755	\$ 26,566	\$ (98,354)

CHRISTEL HOUSE ACADEMY COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS OTHER GOVERNMENTAL FUNDS For the Year Ended June 30, 2009

	Textbook Rental	Donation Science 6th Grade	Walton Family Foundation Grant	Education Pays	Miscellaneous Grants & Contributions	Camptown	Music/Energy Grant
Receipts:							
Local sources	\$ 2,741	\$ -	\$ -	\$ -	\$ -	\$ 14,318	\$ 5,000
State sources	30,043	-	-	-	-	~	~
Federal sources			-	<u>-</u>			
						· · · · · · · · · · · · · · · · · · ·	
Total receipts	32,784		-			14,318	5,000
Disbursements:							
Current:							
Instruction	-	26,566	-	-	-	3,968	-
Support services	-		730	-	-	1,286	-
Noninstructional services	-		25	-	-	670	-
Facilities acquisition and construction		_		-	-	-	-
·						***************************************	***************************************
Total disbursements	_	26,566	755	_	-	5,924	-
				***************************************	***************************************		
Excess (deficiency) of receipts over disbursements	32,784	(26,566)	(755)			8,394	5,000
Other financing sources (uses): Transfers in					-	<u>.</u>	
and other financing uses	32,784	(26,566)	(755)	-	-	8,394	5,000
Cash and investments - beginning	(132,170)	26,566	755	25	4,542		
Cash and investments - ending	\$ (99,386)		\$ -	\$ 25	\$ 4,542	\$ 8,394	\$ 5,000
•							
Cash and Investment Assets - Ending							
Cash and investments	\$ (99,386)		\$ -	\$ 25	\$ 4,542	\$ 8,394	\$ 5,000
	<u>/</u>						
Cash and Investment Fund Balance - Ending							
Unrestricted	\$ (99,386)	\$ -	\$ -	\$ 25	\$ 4,542	\$ 8,394	\$ 5,000
	5 (55,555)			<u> </u>	,012	,701	

CHRISTEL HOUSE ACADEMY COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS OTHER GOVERNMENTAL FUNDS For the Year Ended June 30, 2009 (Continued)

	IME Becas Fellowship Award	School Administration	=		Title I Distinguished Title V, Part A Award PL 107-110		Special Education
Receipts:						_	
Local sources	\$ 15,000	\$ 211,485	\$ -	\$ -	\$ -	\$ -	\$ 36,117
State sources Federal sources	-	•	15,825	25,000	1,706	_	
rederal sources			15,625	23,000	1,700		
Total receipts	15,000	211,485	15,825	25,000	1,706		36,117
Disbursements:							
Current:		7.004	7.040	0.004			22 500
Instruction	- 91	7,094 56,492	7,246 8,475	6,081 602	-	-	33,509 2,608
Support services Noninstructional services	91	56,492 477	8,475	400	•	_	2,000
Facilities acquisition and construction	-	178,770	100	15,975	1,706	_	-
radilities adquisition and construction		170,770		10,070	1,700		
Total disbursements	91	242,833	15,825	23,058	1,706		36,117
Excess (deficiency) of receipts over disbursements	14,909	(31,348)		1,942			
Other financing sources (uses):							
Transfers in		31,348				<u>_</u>	
and other financing uses	14,909	-	-	1,942	-	~	-
Cash and investments - beginning	-		*			253	
Cash and investments - ending	\$ 14,909	\$	<u>\$</u>	\$ 1,942	<u> </u>	<u>\$ 253</u>	<u>\$</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ 14,909	<u>\$</u>	\$	\$ 1,942	<u>\$</u>	<u>\$ 253</u>	<u>\$</u>
Cash and Investment Fund Balance - Ending							
Unrestricted	\$ 14,909	<u>\$</u>	<u>\$</u>	\$ 1,942	<u>\$</u>	\$ 253	<u>\$</u>

CHRISTEL HOUSE ACADEMY COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS OTHER GOVERNMENTAL FUNDS For the Year Ended June 30, 2009 (Continued)

	Drug Free Schools	Challenge Grant For Technology	Non-English Speaking Program	Title V Part B	Fiscal Stabilization	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 284,661
State sources	-	-	_	-	_	30,043
Federal sources	3,435			24,293	265,903	336,162
Total receipts	3,435			24,293	265,903	650,866
Disbursements:						
Current:						
Instruction	-	-	-	24,293		108,757
Support services	-	*			-	70,284
Noninstructional services	-	-	1	-		1,577
Facilities acquisition and construction					265,903	462,454
Total disbursements			1	24,293	265,903	643,072
Excess (deficiency) of receipts over disbursements	3,435	·	(1)			7,794
Other financing sources (uses): Transfers in				_		31,348
and other financing uses	3,435	-	(1)	•	~	39,142
Cash and investments - beginning	628	1,046	1	*		(98,354)
Cash and investments - ending	\$ 4,063	\$ 1,046	<u>\$ -</u>	<u>\$ -</u>	<u>\$</u>	<u>\$ (59,213)</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 4,063	\$ 1,046	\$ ~	<u> </u>	<u>\$</u>	\$ (59,213)
Cash and Investment Fund Balance - Ending						
Unrestricted	\$ 4,063	\$ 1,046	<u>\$</u>	<u>\$</u>	<u>\$</u>	\$ (59,213)

CHIRSTEL HOUSE ACADEMY SUPPLEMENTARY INFORMATION SCHEDULE OF CAPITAL ASSETS

For The Year Ended June 30, 2009

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

General infrastructure assets are not applicable to a school corporation.

Primary Government		Ending Balance
Governmental activities: Capital assets, not being depreciated:		
Buildings	\$	11,381
Improvements other than buildings		648
Machinery and equipment		718,161
Total governmental activities, capital		
assets not being depreciated	<u>\$</u>	730,190

CHRISTEL HOUSE ACADEMY AUDIT RESULT AND COMMENT

OVERDRAWN FUND BALANCES

The Textbook Rental Fund was overdrawn in FY 2007-2008 and FY 2008-2009 by \$132,170 and \$99,386, respectively.

The balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

SUPPLEMENTAL AUDIT OF FEDERAL AWARDS



STATE BOARD OF ACCOUNTS 302 WEST WASHINGTON STREET ROOM E418 INDIANAPOLIS, INDIANA 46204-2769

> Telephone: (317) 232-2513 Fax: (317) 232-4711 Web Site: www.in.gov/sboa

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

TO: THE OFFICIALS OF THE CHRISTEL HOUSE ACADEMY, MARION COUNTY, INDIANA

Compliance

We have audited the compliance of the Christel House Academy (School Corporation) with the types of compliance requirements described in the <u>U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement</u> that are applicable to each of its major federal programs for the years ended June 30, 2008 and 2009. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on the School Corporation's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in <u>Government Auditing Standards</u>, issued by the Comptroller General of the United States; and OMB Circular A-133, <u>Audits of States, Local Governments, and Non-Profit Organizations</u>. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the School Corporation's compliance with those requirements.

In our opinion, the School Corporation complied in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the years ended June 30, 2008 and 2009.

Internal Control Over Compliance

The management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the School Corporation's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over compliance.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 (Continued)

A control deficiency in a School Corporation's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance 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 compliance that we consider to be significant deficiencies or material weaknesses, as defined above.

The School Corporation's response to the findings identified in our audit is described in the accompanying Official Response. We did not audit the School Corporation's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the School Corporation's management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

February 10, 2009

CHRISTEL HOUSE ACADEMY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For The Years Ended June 30, 2007 and 2008

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-07	Total Federal Awards Expended 06-30-08
U.S. DEPARTMENT OF AGRICULTURE				
Pass-Through Indiana Department of Education Child Nutrition Cluster				
National School Breakfast Program	10.553	FY 2007-2008 FY 2008-2009	\$ 39,810	\$ - 39,923
National School Lunch Program	10.555	FY 2007-2008 FY 2008-2009	149,406	151,298
Total for cluster			189,216	191,221
U.S. DEPARTMENT OF EDUCATION				
Pass-through Indiana Department of Education				
Title I, Part A Cluster Title I Grants to Local Educational Agencies	84.010			
		FY 2007-2008 FY 2008-2009	285,083	15,825 380,784
Total for cluster			285,083	396,609
Special Education Cluster (IDEA)				
Special Education Grants to States	84.027	FY 2008-2009		36,117
State Fiscal Stabilization Fund Cluster State Fiscal Stabilization Fund Education State Grants Recover Act	84.394			265,903
Safe and Drug Free Schools and Communities State Grants	84.186	FY 2007-2008 FY 2008-2009	2,281	1,706
Total for program			2,281	1,706
Charter Schools	84,282	FY 2007-2008		155,650
Twenty-First Century Community Learning Centers	84.287			
TWENTY-THAT OCENTRY CONTINUENCY ECCURING CONTOCO	01.201	FY 2007-2008 FY 2008-2009	70,348 	69,996
Total for program			70,348	69,996
Reading First State Grants	84,357			
reading First Glace Ordina	01,001	FY 2007-2008 FY 2008-2009	146,812	151,598
Total for program			146,812	151,598
Mathematics and Science Partnerships	84.366	FY 2008-2009	7	2,528
Improving Teacher Quality State Grants	84.367	FY 2007-2008 FY 2008-2009	5,136	2,528
Total for program			5,136	2,528
Total for federal grantor agency			357,712	925,981
Total federal awards expended			\$ 698,876	\$ 1,273,856

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

CHRISTEL HOUSE ACADEMY NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Christel House Academy (School Corporation) and is presented in accordance with the requirements of OMB Circular A-133, <u>Audits of States, Local Governments, and Non-Profit Organizations</u>. Accordingly, the amount of federal awards expended is based on when the activity related to the award occurs. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Circular A-133 requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of \$500,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with the Indiana Code (IC 5-11-1 et seq.), audits of School Corporations shall be conducted biennially. Such audits shall include both years within the biennial period.

II. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2008 and 2009. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2008	2009
National School Breakfast Program National School Lunch Program	10.553 10.555	\$ 2,405 8,606	\$ 2,368 8,247

CHRISTEL HOUSE ACADEMY SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified? no

Significant deficiencies identified that are not considered to be

material weaknesses? none reported

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:

Material weaknesses identified?

Significant deficiencies identified that are not considered to be

material weaknesses? none reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in

accordance with section 510(a) of Circular A-133?

Identification of Major Programs:

Name of Federal Program or Cluster

Child Nutrition Cluster Title I, Part A Cluster Fiscal Stabilization Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? no

Section II - Financial Statement Findings

No matters are reportable.

Section III - Federal Award Findings and Questioned Costs

No matters are reportable.

CHRISTEL HOUSE ACADEMY SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

CHRISTEL HOUSE ACADEMY EXIT CONFERENCE

The contents of this report were discussed on February 10, 2010, with Carey Dahncke, Treasurer/Principal; Carlos Alexander, Business Manager; Cheryl Wendling, Vice President of the School Board; and Joseph Schneider, Chief Financial Officer of Christel House International. The official response has been made a part of this report and may be found on page 35.



State Board of Accounts 302 W Washington St Rm E Indianapolis, IN 46204-2765

OFFICIAL RESPONSE

Reference: Christel House Academy Examination for 07/01/2007-06/30/2009

The State Board of Accounts completed its examination of the books and records of Christel House Academy ("the Academy") on February 10, 2010. This examination resulted in one finding. The Academy's response to that finding is as follows:

Finding:

Overdrawn Cash Balances: The examination noted the Textbook Rental

Fund was overdrawn at June 30, 2009 by \$99,385.92.

Response;

The Textbook Rental Fund cash balance is negative due to the nature and functioning of this fund. Textbooks are purchased through this fund and the fund is then reimbursed through billings to students' families, as well as through textbooks receipts from government sources for children participating in the free and reduced lunch program. Generally, the cost of textbooks is recovered by the school over four to five years. The delay in these receipts perpetually keeps the textbook fund cash balance in a negative position. While this funds' cash balance was overdrawn, sufficient funding was, and continues, to be maintained in the General Fund cash account; the bank account, in total, was not overdrawn

Respectfully,

Carlos Alexander, School Business Munager

Carcy Dahncke, Principal / Treasurer

2717 South East Street, Indianapolis, IN 46225-2104 Tel 317.783.4690- www.cha.christelhouse.org

ATTACHMENT 23 AUDITED FINANCIAL STATEMENTS AND CURRENT INTERNAL FINANCIAL STATEMENTS FOR CHRISTEL HOUSE INTERNATIONAL, INC.

Attachment 23 contains the last three years' audited financial statements for Christel House International, as well as its most recent internal financial statements (including balance sheets and income statements).

Accountants' Report and Combined and Consolidated Financial Statements

December 31, 2011 and 2010

December 31, 2011 and 2010

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Independent Accountants' Report on Combined and Consolidated Financial Statements and Supplementary Information

Board of Directors Christel House International, Inc. and Affiliates Indianapolis, Indiana

We have audited the accompanying combined and consolidated statements of financial position of Christel House International, Inc. and Affiliates (Christel House) as of December 31, 2011 and 2010, and the related combined and consolidated statements of activities and cash flows for the years then ended. These financial statements are the responsibility of Christel House's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the combined and consolidated financial statements referred to above present fairly, in all material respects, the financial position of Christel House International, Inc. and Affiliates as of December 31, 2011 and 2010, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were performed for the purpose of forming an opinion on the combined and consolidated financial statements as a whole. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the combined and consolidated 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 combined and consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined and consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined and consolidated 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 combined and consolidated financial statements as a whole.

BKD, LLP







Combined and Consolidated Statements of Financial Position December 31, 2011 and 2010 (Amounts in Thousands)

		2010		
Assets				
Cash and cash equivalents				
Unrestricted	\$	904	\$	2,589
Temporarily restricted		336		1,066
Cash attributable to discontinued operations		-		39
Investments				
Unrestricted		4,614		668
Temporarily restricted		18,681		26,213
Accounts receivable		1,216		712
Contributions receivable		2,332		2,910
Other assets		170		191
Bond issue costs, net		162		177
Rental property - Christel House Academy		15,509		15,920
Property and equipment		7,585		9,484
Other assets attributable to discontinued operations		-		861
Total assets	\$	51,509	\$	60,830
Liabilities				
Accounts payable	\$	305	\$	286
Accrued payroll and other		688		689
Bonds payable		9,365		10,010
Liabilities attributable to discontinued operations		-		232
Total liabilities		10,358		11,217
Net Assets				
Unrestricted		19,892		19,444
Temporarily restricted		21,259		30,169
Total net assets		41,151		49,613
Total liabilities and net assets	\$	51,509	\$	60,830

Combined and Consolidated Statements of Activities Years Ended December 31, 2011 and 2010 (Amounts in Thousands)

0044

				2011		
			Ten	nporarily		_
	Unre	stricted	Re	stricted		Total
Revenue, Gains and Other Support		0.40		• 0=•	Φ.	
Contributions	\$	849	\$	2,873	\$	3,722
In-kind contributions		305		97		402
Special events (net of expenses of \$164 and \$153)		590		-		590
Grant income		942		571		1,513
Investment income (net of expenses of \$43 and \$7)		435		-		435
Rental income - Christel House Academy		1,164		-		1,164
Other	1	126				126
		4,411		3,541		7,952
Net assets released from restrictions		12,451		(12,451)		_
Total revenue, gains and other support		16,862	-	(8,910)		7,952
Expenses						
Program services						
Grants		681				681
Academics		7,679		_		7,679
Academics		8,360				8,360
Management and general		1,150		-		1,150
Management and general Fundraising				-		
		1,798				1,798
Total expenses	-	11,308	-			11,308
Change in Net Assets From Operations		5,554		(8,910)		(3,356)
Other Gains and Losses						
Realized gain on investments		191		-		191
Unrealized gain (loss) on investments		(797)		_		(797)
Foreign currency translation adjustment		(1,930)		=		(1,930)
Change in Net Assets From Continuing Operations		3,018		(8,910)		(5,892)
Loss on Discontinued Operations		(2,570)				(2,570)
Change in Net Assets		448		(8,910)		(8,462)
Net Assets, Beginning of Year		19,444		30,169		49,613
Net Assets, End of Year	\$	19,892	\$	21,259	\$	41,151
,	-	- , =		=-,===		,

2010							
Temporarily							
Unr	estricted	Re	Restricted		Total		
\$	1,048	\$	4,183	\$	5,231		
	468		10		478		
	508		-		508		
	1,103		563		1,666		
	448		-		448		
	812		-		812		
	91				91		
	4,478		4,756		9,234		
	7,040		(7,040)				
	11,518		(2,284)		9,234		
	25		-		25		
	6,942		<u> </u>		6,942		
	6,967		-		6,967		
	1,080		-		1,080		
	1,549				1,549		
	9,596				9,596		
	1,922		(2,284)		(362)		
	108		_		108		
	1,720		-		1,720		
	813		_		813		
	4,563		(2,284)		2,279		
			() ,				
	(2,276)		-		(2,276)		
	2,287		(2,284)		3		
	17,157		32,453		49,610		
\$	19,444	\$	30,169	\$	49,613		

Combined and Consolidated Statements of Cash Flows Years Ended December 31, 2011 and 2010 (Amounts in Thousands)

		2011		2010	
Operating Activities					
Change in net assets	\$	(8,462)	\$	3	
Items not requiring (providing) cash	*	(-, -)	•		
Depreciation		1,148		1,021	
Amortization of bond issue costs		15		15	
Foreign currency translation adjustment		1,930		(313)	
Realized gain on sale of investments		(191)		(108)	
Unrealized (gain) loss on investments		`797		(1,720)	
Transfer property and equipment to Fe Y Alegria		693		-	
Changes in					
Accounts receivable		(504)		-	
Contributions receivable		594		216	
Other assets		40		(457)	
Accounts payable		17		(300)	
Accrued payroll and other		(231)		(73)	
Net cash used in operating activities		(4,154)		(1,716)	
Investing Activities					
Purchase of investments		(15,064)		(6,656)	
Proceeds from sale of investments		18,177		11,190	
Purchase of property and equipment		(242)		(3,322)	
Net cash provided by investing activities		2,871		1,212	
Financing Activity - bond principal payments		(645)		(620)	
Effect of Exchange Rate Changes on Cash and Cash Equivalents		(526)		222	
Net Decrease in Cash and Cash Equivalents		(2,454)		(902)	
Cash and Cash Equivalents, Beginning of Year		3,694		4,596	
Cash and Cash Equivalents, End of Year	\$	1,240	\$	3,694	
Supplemental Cash Flows Information Interest paid	\$	35	\$	49	

Notes to Combined and Consolidated Financial Statements
December 31, 2011 and 2010
(Amounts in Thousands)

Note 1: Nature of Operations and Summary of Significant Accounting Policies

General

Christel House International, Inc. (CHI) and Affiliates (collectively known as "Christel House") is a not-for-profit organization (501(c)(3)) whose principal activity is to support educational efforts, primarily through grant-making. CHI was established in 1998 and developed learning centers in India, Mexico, Venezuela, South Africa and the United States and currently serves over 3,300 children worldwide. The mission of Christel House is to give impoverished children the tools and training to become self-sufficient, contributing members of society.

Christel House operates nonresidential learning centers for underserved children and provides a holistic approach to child development. The children are enrolled at Christel House learning centers in a formal, structured educational curriculum taught by qualified instructors. The curriculum is designed for mastery of basic skills in reading, writing and math. The curriculum supplements this core knowledge with classes in English, technology, character and leadership development, life skills, career planning, arts and culture. Medical needs affecting a child's ability to learn are identified and intervention programs implemented. Outcomes and progress of all programs are monitored for success, with the ultimate goal for each child to become a self-sufficient, productive member of society. The CHI Scholars program operates in Serbia where children have access to education, but lack the funds for book fees, study fees and vocational training. Christel House also operates its European fundraising activities through London-based, Christel House Europe.

Parents, family members and other caregivers are also offered education programs to improve parenting and life skills. These programs are designed to reinforce the gains made by the children at Christel House learning centers.

Christel House Venezuela, A.C. (CHV) executed a gift agreement effective July 29, 2011, transferring ownership and control of the learning center to Fe Y Alegria (FA), an internationally recognized provider of quality education. The agreement transferred ownership and control of all real and personal property; including furniture, fixtures, equipment, supplies, books and other items necessary to operate the school. Due to this change in control, employment of all CHV staff ceased in July 2011 and employees were provided the opportunity for reemployment with FA. Severance costs related to these terminations totaled approximately \$814. Revenue attributable to CHV before the transfer date for 2011 and 2010 totaled \$86 and \$198, respectively. The 2011 operations of CHV through the date of transfer resulted in expenses in excess of revenues of \$1,826. This combined with the net assets transferred to FA on July 29, 2011 of \$744 resulted in a loss from discontinued operations of \$2,570.

Contemporaneously with this gift agreement, CHI entered into a restricted grant agreement with FA to provide certain programs and services after the transfer of control including CHI's career guidance and work-study programs, afternoon extracurricular programs, and transportation and nurse services as these programs and services are not supported under FA's normal educational model. Estimated annual funding requirements of this grant are approximately \$200. The grant provides an annual review of effectiveness and can be terminated with one month notice.

Notes to Combined and Consolidated Financial Statements December 31, 2011 and 2010 (Amounts in Thousands)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of the revenues, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Principles of Combination and Consolidation

Christel House prepares its financial statements in accordance with accounting principles generally accepted in the United States of America.

Christel House International, Inc. presents combined and consolidated financial statements that include the financial information of the following affiliated organizations:

- Christel House International, Inc.
- Christel House India
- Christel House de Mexico, A.C.
- Christel House Europe
- Christel House South Africa
- Christel House Venezuela, A.C. (through the date of transfer of July 29, 2011)

Each of the entities is a separately incorporated not-for-profit organization and is governed by a board of directors within their respective countries. CHI has an economic interest in all of these entities and has control over a majority of these entities, within the meaning of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 958, *Not-for-Profit Entities*.

In addition, CHI provides management and financial support to Christel House Academy (Academy) and Christel House DORS (DORS), affiliated charter schools located in Indianapolis, Indiana; Christel House (Lavasa), located in Lavasa, India; and Christel House Venezuela, A.C. (CHV) after the date of transfer referred to above. The financial information related to the Academy, DORS, Lavasa and CHV (after July 29, 2011) are not consolidated in these financial statements as these organizations are not under the control of CHI within the meaning of FASB ASC Topic 958, *Not-For-Profit Entities*.

Notes to Combined and Consolidated Financial Statements December 31, 2011 and 2010 (Amounts in Thousands)

The December 31 net asset balances of the affiliated consolidated organizations are as follows:

	 2011	2010
Christel House de Mexico, A.C.	\$ 3,253	\$ 2,356
Christel House Venezuela, A.C.	-	668
Christel House India	1,761	1,709
Christel House South Africa	7,136	5,900
Christel House Europe (United Kingdom)	 34	 23
	\$ 12,184	\$ 10,656

All material interorganizational accounts and transactions have been eliminated in combination and consolidation.

Cash and Cash Equivalents

Christel House considers all liquid investments with original maturities of three months or less to be cash equivalents. At December 31, 2011 and 2010, cash equivalents consisted primarily of money market funds and bond funds.

Effective July 21, 2010, the FDIC's insurance limits were permanently increased to \$250. At December 31, 2011, CHI's interest-bearing cash accounts exceeded federally insured limits by approximately \$350. Additionally, at December 31, 2011, the funds held outside the United States were \$4,746 and are not insured by the FDIC.

Pursuant to legislation enacted in 2010, the FDIC will fully insure all noninterest-bearing transaction accounts through December 31, 2012.

Investments and Investment Return

Investments are carried at fair value. Investment return includes dividend, interest and other investment income and realized and unrealized gains and losses on investments.

Investment return that is initially restricted by donor stipulation is reported as temporarily restricted return and net assets. When the donor stipulation is met, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the combined and consolidated statements of activities as net assets released from restrictions. Other investment return is reflected in the combined and consolidated statements of activities as unrestricted, temporarily restricted or permanently restricted based upon the existence and nature of any donor or legally imposed restrictions.

Notes to Combined and Consolidated Financial Statements December 31, 2011 and 2010 (Amounts in Thousands)

Property and Equipment

Property and equipment are stated at cost, less accumulated depreciation. Depreciation is charged to expense using the straight-line basis or alternative depreciation system over the estimated useful life of assets as follows:

	<u>rears</u>
Buildings	40
Improvements	15 - 20
Furniture and equipment	5 - 7
Computer hardware	3 - 5

Long-Lived Asset Impairment

Christel House evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset is less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value. No asset impairment was recognized during the years ended December 31, 2011 and 2010.

Temporarily Restricted Net Assets

Temporarily restricted net assets are those whose use by Christel House has been limited by donors to a specific time period or purpose. Temporarily restricted net assets at December 31, 2011 include \$18,556 donated by Christel DeHaan, CHI's Founder, President and Chief Executive Officer. This balance is restricted for payment of future general and administrative expenses of Christel House. In addition, this balance may be used to fund future operating shortfalls of Christel House.

Contributions

Revenues and support are derived principally from contributions and income from special events.

Gifts of cash and other assets received without donor stipulations are reported as unrestricted revenue and net assets. Gifts received with a donor stipulation that limits their use are reported as temporarily restricted revenue and net assets. When a donor stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the combined and consolidated statements of activities as net assets released from restrictions. Gifts and investment income that are originally restricted by the donor and for which the restriction is met in the same time period are recorded as temporarily restricted and then released from restriction.

Notes to Combined and Consolidated Financial Statements December 31, 2011 and 2010 (Amounts in Thousands)

Gifts of land, buildings, equipment and other long-lived assets are reported as unrestricted revenue and net assets unless explicit donor stipulations specify how such assets must be used, in which case the gifts are reported as temporarily or permanently restricted revenue and net assets. Absent explicit donor stipulations for the time long-lived assets must be held, expirations of restrictions resulting in reclassification of temporarily restricted net assets as unrestricted net assets are reported when the long-lived assets are placed in service.

In-Kind Contributions

In addition to receiving cash contributions, Christel House receives in-kind contributions of goods from various donors. It is the policy of Christel House to record the estimated fair value of certain in-kind donations as an expense in its financial statements, and similarly increase contribution revenue by a like amount. For the years ended December 31, 2011 and 2010, \$402 and \$478, respectively, were received in in-kind contributions.

Grant Making

Unconditional grants are recognized as expenses in the period approved.

Foreign Currency Translation

Christel House considers US Dollars its functional currency as a substantial portion of Christel House's business activities are based in US Dollars. Transactions involving foreign currencies are translated at the approximate rates of exchange existing at the transaction dates. Monetary assets and liabilities denominated in foreign currencies at the year-end are retranslated at the approximate rates of exchange at that date. Gains and losses relating to foreign currency translations are recorded in the combined and consolidated statements of activities as a component of the change in net assets. The combined and consolidated financial statements include foreign affiliates. Their assets and liabilities are translated into US Dollars at the exchange rate in effect at the statements of financial position date. Revenues and expenses are translated at the average exchange rate during the year.

Income Taxes

Christel House International, Inc. is exempt from federal income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code and a similar provision of state law. Christel House de Mexico, A.C., Christel House Europe, Christel House South Africa, Christel House de Venezuela, A.C. and Christel House India are tax-exempt entities. Christel House International, Inc. is not considered to be a private foundation. For Christel House International, Inc., the tax years still subject to examination by taxing authorities in the United States are years subsequent to 2007.

Notes to Combined and Consolidated Financial Statements December 31, 2011 and 2010 (Amounts in Thousands)

Functional Allocation of Expenses

The costs of supporting the various programs and other activities have been summarized on a functional basis in the combined and consolidated statements of activities. Certain costs have been allocated among the grants, academic programs and other program services, management and general, and fundraising categories based upon actual expenditures and cost allocations estimated by Christel House personnel.

Reclassifications

Certain reclassifications have been made to the 2010 combined and consolidated financial statements to conform to the 2011 combined and consolidated financial statement presentation. These reclassifications had no effect on the change in net assets.

Subsequent Events

Subsequent events have been evaluated through the date of the Independent Accountants' Report, which is the date the combined and consolidated financial statements were available to be issued.

Note 2: Investments and Investment Return

Investments are as follows:

	2011		2010	
Certificates and investment cash	\$	4,987	\$	8,455
Commodities		320		-
Equities				
North America		3,744		3,901
International		712		3,208
Government agencies				
North America		2,504		2,679
International		736		380
Corporate obligations		1,761		1,363
Municipal obligations		206		205
Alternative investments		8,325		6,690
	\$	23,295	\$	26,881

Notes to Combined and Consolidated Financial Statements December 31, 2011 and 2010 (Amounts in Thousands)

The following schedule summarizes the investment return and its classification in the combined and consolidated statements of activities.

	 2011	2010
Investment income (net of expenses of \$43 and \$7)	\$ 435	\$ 448
Net realized gains	191	108
Net unrealized gains (losses)	 (797)	 1,720
Total return on investments	\$ (171)	\$ 2,276

Alternative Investments

Alternative investments held at December 31, 2011 and 2010 consist of the following:

		2011	
	Fair Value	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Equity and debt long/short hedge funds (A) Distressed debt funds (B) Private investment partnership funds (C) Multi-asset fund (D) Emerging markets (E) International equity (F) Private equity (G)	\$ 687 2,420 1,608 1,027 1,150 1,283 150	Monthly Not eligible Quarterly Daily Monthly Monthly Not eligible	30 days N/A 45 days None required 30 days 30 days N/A
Total alternative investments	\$ 8,325	2010	
	Fair Value	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Equity and debt long/short hedge funds (A) Distressed debt funds (B) Private investment partnership funds (C) Multi-asset fund (D) Total alternative investments	\$ 746 2,617 1,695 1,632 \$ 6,690	Monthly Not eligible Quarterly Daily	30 days N/A 45 days None required

Notes to Combined and Consolidated Financial Statements December 31, 2011 and 2010 (Amounts in Thousands)

Unfunded commitments totaled approximately \$972 at December 31, 2011. There were no unfunded commitments as of December 31, 2010.

- (A) This category includes investments in hedge funds that take both long and short positions, invested in securities traded on domestic and foreign exchanges and over-the-counter as well as securities for which there is no public market. The fair values of the investments in this category have been estimated using the net asset values per share as reported by the fund administrator.
- (B) This category includes investments in funds that invest primarily in distressed debt situations, including well-collateralized distressed senior secured loan obligations where the fund can influence the outcome of events. The fund seeks to invest in situations that reflect a discount to the underlying collateral value, enterprise value or both, with the intent of recovering substantial premiums to acquisition prices. Distributions from each fund will be made as the underlying investments of the funds are liquidated. The fund term will end on the seventh anniversary of the final closing date of the Partnership, subject to extension by the directors for up to two additional one-year periods. The fair values of the investments in this category have been estimated using Christel House's ownership interest in partners' capital as reported by the fund administrators. This category also includes several real estate funds that invest primarily in U.S. commercial real estate. The primary focus of the fund is to provide mezzanine financing for commercial buildings, single family lot development and condominium development. Investments are concentrated in the metropolitan areas of Indiana, Illinois, Ohio, North Carolina and Florida. These investments can never be redeemed with the funds. Distributions from each fund will be made as the underlying investments of the funds are liquidated. The fund term will end on the seventh anniversary of the final closing date of the Partnership, subject to extension by the directors for up to two additional one-year periods. The fair values of the investments in this category have been estimated using Christel House's ownership interest in partners' capital as reported by the fund administrators.
- (C) This category includes several private investment partnerships funds that invest in various industries and sectors or markets. In addition, certain investment partners invest in investment funds that utilize short positions, leverage (including margin borrowing), options, futures, commodities and other derivatives and may invest in non-U.S. securities and illiquid securities. The fair values of the investments in this category have been estimated using Christel House's ownership interest in partners' capital as reported by the fund administrators.
- (D) This category includes investments in acquired funds, common and preferred stocks, real estate investment trusts, high yield bonds, securities issued or guaranteed by the U.S. Government, corporate bonds and short-term money markets. The fair values of the investments in this category have been estimated using the net asset values per share as reported by the fund administrator.

Notes to Combined and Consolidated Financial Statements December 31, 2011 and 2010 (Amounts in Thousands)

- (E) This category includes investments in sensibly-priced, high quality emerging market companies that are anticipated to deliver long-term earnings growth. The fund will typically be invested in 50 70 holdings at any given time. In addition, certain funds see to diversify exposure to emerging market local currency debt asset class by reasonable participation in up markets while protecting assets in down markets. The investments seek to incorporate a risk management approach which emphasizes responsible investment in emerging markets. The fair values of the investments in this category have been estimated using Christel House's ownership interest in partners' capital as reported by the fund administrators.
- (F) This category includes investments in global companies expected to exceed expectations based upon improvements in key business drivers and investments in liquid commodity future markets focused on the energy, metals and agriculture markets. The fund will typically be invested in 70 95 companies expected to exceed market expectations at any point in time. The fair values of the investments in this category have been estimated either by using Christel House's ownership interest in partners' capital as reported by the fund administrators or using the net asset values per share as reported by the fund administrator.
- (G) This category seeks to provide investors with long-term compound annual returns in excess of those generally available in the public equity market by investing in funds which are expected to generate top-quartile performance. The funds focus on investments in U.S. Buyout Funds, Venture Capital Funds and Non-U.S. Buyout Funds. The fair values of the investments in this category have been estimated using Christel House's ownership interest in partners' capital as reported by the fund administrators.

Note 3: Contributions Receivable - Temporarily Restricted

	<u> </u>	2011	2010
Due within one year	\$	1,519	\$ 1,422
Due in one to five years		902	 1,689
		2,421	 3,111
Discount		(89)	 (201)
	\$	2,332	\$ 2,910

Discount rates ranged from .37% to 1.22% and 1.38% to 2.87% for 2011 and 2010, respectively.

Notes to Combined and Consolidated Financial Statements December 31, 2011 and 2010 (Amounts in Thousands)

Note 4: Rental Property - Christel House Academy

During 2002, Christel House International, Inc. (CHI) acquired and renovated an educational facility, Christel House Academy. In December 2002, CHI agreed to lease this facility to Christel House Academy, Inc. (Academy), a charter school in the Indianapolis area. The Academy is a separately incorporated, not-for-profit organization that is not controlled by CHI. The Academy receives public support from the State of Indiana as well as contributions from CHI. As discussed more fully in Note 6, CHI issued \$14,000 of bonds to assist in the financing and construction of Christel House Academy.

The lease entered into between CHI and the Academy is for a term of 25 years commencing on July 1, 2009. Future rent payments due from the Academy are shown below. Rent receivable under this lease agreement is \$707 and \$360 as of December 31, 2011 and 2010, respectively. This rent receivable is included in accounts receivable balances.

Property rented to Christel House Academy, Inc. for the operation of the charter school is as follows:

	2011		2010	
Buildings	\$	15,704	\$	15,704
Land improvements		363		363
		16,067		16,067
Accumulated depreciation		(2,791)		(2,380)
		13,276		13,687
Land		2,233		2,233
	\$	15,509	\$	15,920

Future lease payments due from Christel House Academy, Inc. at December 31, 2011 were:

2012 2013	\$ 1,034 1,023
2014	1,012
2014	1,012
	991
2016	
Thereafter	 5,852
	\$ 10,912

Notes to Combined and Consolidated Financial Statements
December 31, 2011 and 2010
(Amounts in Thousands)

Note 5: Property and Equipment

Christel House's property and equipment are as follows:

		2010	
Buildings	\$	7,169	\$ 8,486
Land		628	713
Leasehold improvements		360	370
Furniture and equipment		1,237	1,382
Computer hardware		1,287	1,344
Computer software		193	202
Books and educational materials		267	290
Motor vehicles		248	295
	-	11,389	13,082
Accumulated depreciation		(3,804)	 (3,598)
	\$	7,585	\$ 9,484

Note 6: Bonds Payable

The Indiana Development Finance Authority issued its \$14,000 Variable Rate Demand Educational Facilities Revenue Bonds, Series 2003 (Christel House, Inc. Project) (2003 Bonds) in February 2003. The proceeds from the 2003 Bonds were loaned to CHI for acquisition, construction, installation and equipping of the Christel House Academy. Principal on this loan is due annually on February 1, and interest is due monthly on the first day of each month. The interest rate mode at December 31, 2011 was weekly, and the interest rate is reset on a weekly basis by the remarketing agreement. CHI can periodically elect to change the interest rate modes as specified in the trust indenture. The interest rate in effect at December 31, 2011 was .22%. CHI pays the remarketing agent an annual fee of 0.075% of the outstanding principal balance on the loan. The 2003 Bonds mature February 1, 2023. CHI has agreed to redeem these bonds in the principal amounts and on the dates set forth in the reimbursement agreement with the bank. Furthermore, CHI has the option to redeem or repay these bonds prior to maturity, partially or in full, subject to the redemption terms and pricing set forth in the trust indenture.

Notes to Combined and Consolidated Financial Statements December 31, 2011 and 2010 (Amounts in Thousands)

The 2003 Bonds are secured by a reimbursement agreement and an irrevocable letter of credit in a maximum amount up to \$14,173, which expires February 15, 2013. The reimbursement agreement and letter of credit are secured by a "Continuing Guaranty Agreement" which is in effect for the term of the reimbursement agreement. The guarantor is Christel DeHaan, President, CEO and Founder of Christel House International, Inc. The guarantor must submit certain reports attesting to the Guarantor's net marketable asset position being at least two times the outstanding principal amount of the bonds. There are also other covenants with which the guarantor has agreed to comply. The beneficiary and trustee, Fifth Third Bank, holds the option to extend the expiration date of this letter of credit. This letter of credit will be reduced as the bond principal is repaid. There is an annual letter of credit fee of 0.68% of the outstanding principal balance. If the letter of credit is exercised, repayment is due on demand, with interest of prime plus 8%.

Issuance costs in the amount of \$293 were capitalized during 2003 and are being amortized over 20 years. Unamortized issuance costs as of December 31, 2011 and 2010 were \$163 and \$177, respectively.

The future maturities of bonds payable are as follows:

2012	\$ 66	50
2013	68	30
2014	70	00
2015	72	20
2016	74	40
Thereafter	5,86	55
	\$ 9,36	65
	-	

Interest expense for the years ended December 31, 2011 and 2010 was \$35 and \$49, respectively.

Note 7: Leases

Noncancellable operating leases for office space expire in various years through 2014. Christel House is required to pay all executory costs (property taxes, maintenance and insurance). CHI's lease for office space includes an option to terminate the lease provided CHI pays a termination fee at least 30 days prior to termination. Rent expense for the years ended December 31, 2011 and 2010 was \$175 and \$188, respectively. Rent expense is recognized on a straight-line basis.

Future minimum lease payments at December 31, 2011, were:

2012 2013 2014	\$ 163 163 81
	\$ 407

Notes to Combined and Consolidated Financial Statements
December 31, 2011 and 2010
(Amounts in Thousands)

Note 8: Related Party Transactions

Contributions from Christel DeHaan, CHI's Founder, President and Chief Executive Officer, can and have varied significantly from year to year resulting in significant swings in the financial results reflected on CHI's combined and consolidated statement of activities. During 2011 and 2010, CHI received \$1,221 and \$3,000, respectively, from Ms. DeHaan. The average annual Founder contribution for the five-year period from 2006 through 2010 was \$10,435. In 2012, through the date of the Independent Accountants' Report, CHI received approximately \$6.7 million in contributions from its Founder.

In 2011 and 2010, CHI expensed \$1,351 and \$1,296, respectively, in payroll related costs that were originally paid by CD Enterprises, Ltd. (CDE), a related party. Included in these expenses was \$72 and \$79 for CHI employer contributions to CDE's 401(k) plan for the years ended December 31, 2011 and 2010, respectively. As of December 31, 2011 and 2010, CHI had an outstanding liability balance of \$235 and \$225, respectively, related to these payroll costs, which is included in accrued payroll and other on the combined and consolidated statements of financial position.

As discussed in Note 4, Christel House leases property to the Christel House Academy, Inc., and also provides grants to several affiliates.

Note 9: Net Assets

Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes or periods:

	 2011	2010
Contributions restricted for periods after December 31	\$ 18,868	\$ 27,152
Capital projects	1,932	2,386
Learning center programs and services	369	594
Nutritional support	77	5
Parent workshops	=	5
Other programs	 13	 27
	\$ 21,259	\$ 30,169

Each year, CHI releases funds to cover all management and general expenses and fundraising expenses. In addition, funds are released to cover any shortfall in funding for programs and services. One hundred percent of the contributions received from donors other than the Founder are solely applied to programs and services benefiting the children.

Notes to Combined and Consolidated Financial Statements December 31, 2011 and 2010 (Amounts in Thousands)

Net Assets Released From Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

		2011	2010		
Time restrictions	\$	9,723	\$ 5,275		
Capital projects		1,003	1,121		
Nutritional support		11	45		
Learning center programs and services		1,604	498		
Parent workshops		5	-		
Other programs	-	105	 101		
	\$	12,451	\$ 7,040		

Note 10: Disclosures About Fair Value of Assets and Liabilities

ASC Topic 820, *Fair Value Measurements*, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Topic 820 also specifies a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

- **Level 1** Quoted prices in active markets for identical assets or liabilities
- **Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- **Level 3** Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities

Notes to Combined and Consolidated Financial Statements December 31, 2011 and 2010 (Amounts in Thousands)

Following is a description of the valuation methodologies and inputs used for assets measured at fair value on a recurring basis and recognized in the accompanying combined and consolidated statements of financial position, as well as the general classification of such assets pursuant to the valuation hierarchy.

Cash Equivalents

Christel House's cash equivalents consist of money market mutual funds that have quoted market prices available in an active market and are classified within Level 1 of the valuation hierarchy.

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 securities include equity securities, certain government debt securities and money market mutual funds. If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of securities with similar characteristics or discounted cash flows. For investments, other than alternative investments, the inputs used by the pricing service to determine fair value may include on, or a combination of, observable inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data market research publications and are classified within Level 2 of the valuation hierarchy. These Level 2 securities include certain government debt obligations, corporate obligations and treasury obligations. Level 2 investments also include certain alternative investments that are measured and can be redeemed at net asset value in the near term. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. For alternative investments that do not have sufficient activity or liquidity within the fund, the net asset value (or its equivalent) provided by the fund is utilized, as practical expedient, to determine fair value alternative investments are classified within Level 3 of the valuation hierarchy if they cannot be redeemed at net asset value at the measurement date. These Level 3 securities include distressed debt and private equity funds.

Notes to Combined and Consolidated Financial Statements December 31, 2011 and 2010 (Amounts in Thousands)

The following tables present the fair value measurements of assets recognized in the accompanying combined and consolidated statements of financial position, measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2011 and 2010:

2011
Fair Value Measurements Using

	Fair Value		in Mar Id	ed Prices Active kets for entical Assets evel 1)	O Obs Ir	nificant ther ervable aputs evel 2)	Uno	gnificant bservable Inputs evel 3)	
Cash and cash equivalents									
Money market mutual funds	\$	1,240	\$	1,240	\$	-	\$	-	
Investments									
Certificates and investment cash		4,987		4,987		-		-	
Commodities		320		320		-		-	
Equities									
North America		3,744		3,744		-		-	
International		712	712		-			-	
Government agencies									
North America		2,504	971			1,533	-		
International		736		736		-		-	
Corporate obligations		1,761		-		1,761		-	
Municipal obligations		206		-		206		-	
Equity and debt long/short									
hedge funds		687		-		687		-	
Distressed debt funds		2,420		-		-		2,420	
Private investment partnership									
funds		1,608		-		1,608		-	
Multi-asset fund		1,027		-		1,027		-	
Emerging markets		1,150		-		1,150		-	
International equity		1,283		-		1,283		-	
Private equity		150					150		
Total assets	\$	24,535	\$	12,710	\$	9,255	\$	2,570	

Notes to Combined and Consolidated Financial Statements
December 31, 2011 and 2010
(Amounts in Thousands)

2010 Fair Value Measurements Using

			Fair vail	ue iviea	asuremen	ts Usin	g
	 Fair Value	in Ma Id	ted Prices Active rkets for lentical Assets .evel 1)	Obs In	nificant Other ervable nputs evel 2)	Unok I	nificant eservable nputs evel 3)
Cash equivalents							
Money market mutual funds	\$ 3,655	\$	3,655	\$	-	\$	_
Investments							
Certificates and investment cash	8,455		8,455		-		=
Equities							
North America	3,901		3,901		_		-
International	3,208		3,208		_		-
Government agencies							
North America	2,679		1,367		1,312		-
International	380		380		-		-
Corporate obligations	1,363		-		1,363		-
Municipal obligations	205		-		205		-
Equity and debt long/short							
hedge funds	746		-		746		-
Distressed debt funds	2,617		-		-		2,617
Private investment partnership							
funds	1,695		-		1,695		-
Multi-asset fund	 1,632				1,632		
Total assets	\$ 30,536	\$	20,966	\$	6,953	\$	2,617

The following is a reconciliation of the beginning and ending balances of recurring fair value measurements recognized in the accompanying combined and consolidated statements of financial position using significant unobservable (Level 3) inputs:

	Distress	ed De	bt		Private Equity				
	 2011		2010	2	2011	20	10		
Balance, January 1	\$ 2,617	\$	1,737	\$	-	\$	-		
Total realized and unrealized gains	400		702		_		-		
Purchases	25		305		150		-		
Sales	 (622)		(127)						
Balance, December 31	\$ 2,420	\$	2,617	\$	150	\$			

Notes to Combined and Consolidated Financial Statements December 31, 2011 and 2010 (Amounts in Thousands)

Realized and unrealized gains and losses for items reflected in the table above are included in the change in net assets in the combined and consolidated statements of activities as follows:

				Distress	sed Debt				
		20	11		2010				
	Change in Net Assets From Operations		Other Gains and Losses		Change in Net Assets From Operations		Other Gains and Losses		
Total gains and losses	\$	-	\$	400	\$	-	\$	702	
Change in unrealized gains or losses									
relating to assets still held at the									
statement of financial position date		-		400		-		702	

Note 11: Concentration

Christel House received approximately 19% and 37% of its contribution revenue from the Founder in 2011 and 2010, respectively.

Note 12: Commitments and Contingencies

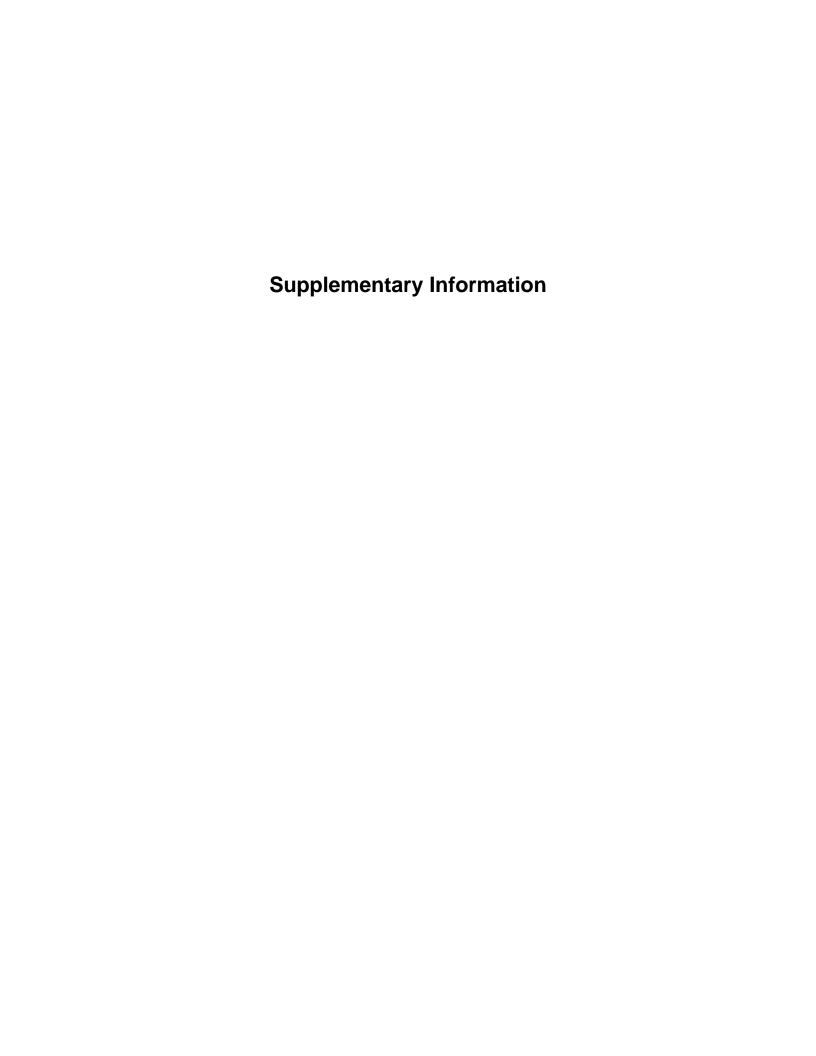
Christel House is subject to claims and lawsuits that arose primarily in the ordinary course of its activities. It is the opinion of management that the disposition or ultimate resolution of such claims and lawsuits will not have a material adverse effect on the combined and consolidated financial position, change in net assets and cash flows of Christel House. Events could occur that would change this estimate materially in the near term.

Notes to Combined and Consolidated Financial Statements
December 31, 2011 and 2010
(Amounts in Thousands)

Note 13: Current Economic Conditions

The current protracted economic decline continues to present not-for-profit organizations with difficult circumstances and challenges, which in some cases have resulted in large and unanticipated declines in the fair value of investments and other assets, and declines in contributions. The combined and consolidated financial statements have been prepared using values and information currently available to Christel House.

In addition, given the volatility of current economic conditions, the values of assets recorded in the combined and consolidated financial statements could change rapidly, resulting in material future adjustments in investment values that could negatively impact Christel House.



Combining and Consolidating Statement of Financial Position December 31, 2011 (Amounts in Thousands)

Assets Cash and cash equivalents Unrestricted \$ 577 \$ 148 \$ - \$ 39 \$ 29 \$ 111 \$ - Restricted 242 3 91 Investments - 216 2,493 Unrestricted 605 1,300 - 216 2,493 Restricted 18,365 45 - 24 247 Accounts receivable 1136 1136 11 11 11 11 11 11 11 11 11 11 11 11 11	Total
Unrestricted \$ 577 \$ 148 \$ - \$ 39 \$ 29 \$ 111 \$ - Restricted 242 3 91 1 Nivestments Unrestricted 605 1,300 - 216 2,493 Restricted 18,365 45 - 24 247	
Restricted 242 - - 3 91 - - Investments Unrestricted 605 1,300 - 216 2,493 - - Restricted 18,365 45 - 24 247 - -	
Investments Unrestricted 605 1,300 - 216 2,493 Restricted 18,365 45 - 24 247	\$ 904
Unrestricted 605 1,300 - 216 2,493 - - Restricted 18,365 45 - 24 247 - -	336
Restricted 18,365 45 - 24 247	
	4,614
Accounts received to 20 05 (20)	18,681
Accounts receivable 1,136 1 - 20 95 - (36)	1,216
Contributions receivable 2,025 307	2,332
Other assets 81 27 - 41 21	170
Bond issue costs, net 162	162
Rental property - Christel House Academy 15,509	15,509
Property and equipment 57 1,850 - 1,210 4,468	7,585
Total assets \$ 38,759 \$ 3,371 \$ - \$ 1,860 \$ 7,444 \$ 111 \$ (36)	\$ 51,509
Liabilities	
Accounts payable \$ 166 \$ 6 \$ - \$ 5 \$ 128 \$ - \$ -	\$ 305
Accrued payroll and other 261 112 - 94 180 77 (36)	688
Bonds payable 9,365	9,365
Total liabilities 9,792 118 - 99 308 77 (36)	10,358
Net Assets	
Unrestricted 8,335 3,208 - 1,427 6,888 34 -	19,892
Temporarily restricted 20,632 45 - 334 248	21,259
Total net assets 28,967 3,253 - 1,761 7,136 34 -	41,151
Total liabilities and net assets \$ 38,759 \$ 3,371 \$ - \$ 1,860 \$ 7,444 \$ 111 \$ (36)	\$ 51,509

Combining and Consolidating Statement of Financial Position December 31, 2010 (Amounts in Thousands)

Assets	Christel Christel House House de International, Inc. Mexico, A.C.		Н	Christel Christel House House Venezuela, A.C. India		Christel House South Africa		Christel House Europe		Eliminations		Total			
Assets															
Cash and cash equivalents															
Unrestricted	\$	2,194	\$ 162	\$	-	\$	3	\$	16	\$	73	\$	141	\$	2,589
Restricted		880	3		-		14		169		-		-		1,066
Cash attributable to discontinued operations		-	-		39		-		-		-		-		39
Investments															
Unrestricted		592	76		-		-		-		-		-		668
Restricted		26,155	46		-		-		12		-		-		26,213
Accounts receivable		676	1		-		50		35		-		(50)		712
Contributions receivable		2,626	-		-		311		64		-		(91)		2,910
Other assets		41	23		-		33		94		-		-		191
Bond issue costs, net		177	-		-		-		-		-		-		177
Rental property - Christel House Academy		15,920	-		-		-		-		-		-		15,920
Property and equipment		88	2,161		-		1,446		5,789		-		-		9,484
Other assets attributable to discontinued operations			 		861										861
Total assets	\$	49,349	\$ 2,472	\$	900	\$	1,857	\$	6,179	\$	73	\$	-	\$	60,830
Liabilities															
Accounts payable	\$	127	\$ -	\$	-	\$	25	\$	134	\$	-	\$	-	\$	286
Accrued payroll and other		255	116		_		123		145		50		_		689
Bonds payable		10,010	-		_		-		-		-		_		10,010
Liabilities attributable to discontinued operations		-	-		232		-		-		-		-		232
Total liabilities		10,392	116		232		148		279		50		-		11,217
Net Assets															
Unrestricted		9,296	2,308		668		1,384		5,765		23		_		19,444
Temporarily restricted		29,661	48		-		325		135		-		-		30,169
Total net assets		38,957	2,356		668		1,709		5,900		23				49,613
Total liabilities and net assets	\$	49,349	\$ 2,472	\$	900	\$	1,857	\$	6,179	\$	73	\$		\$	60,830

Combining and Consolidating Statement of Activities Year Ended December 31, 2011 (Amounts in Thousands)

	Chris Hous Internation	se	Ηοι	ristel use de co, A.C.	Но	ristel ouse iela, A.C.	H	ristel ouse ndia	H	ristel ouse h Africa	Но	istel use ope	Elim	inations	1	Γotal
Revenue, Gains and Other Support																
Contributions	\$	2,541	\$	221	\$	-	\$	185	\$	681	\$	94	\$	-	\$	3,722
Direct contributions		173		360		-		86		200		-		(819)		-
CHI Funding		-		2,297		-		934		5,196		100		(8,527)		-
In-kind contributions		243		9		-		26		105		19		-		402
Special events (net of expenses of \$164)		487		9		-		-		66		28		-		590
Grants		290		272		-		398		553		-		-		1,513
Investment income (net of expenses of \$43)		348		21		-		24		42		-		-		435
Rental income - Christel House Academy		1,164		-		-		-		-		-		-		1,164
Other		110						1		15						126
Total revenue, gains and other support		5,356		3,189		<u>-</u>		1,654		6,858		241		(9,346)		7,952
Expenses																
Program services																
Grants		11,809		4		-		-		-		116		(11,248)		681
Academics		1,122		1,552		-		1,029		3,976		-		-		7,679
		12,931		1,556		_		1,029		3,976		116		(11,248)		8,360
Management and general		735		157		-		102		136		20		_		1,150
Fundraising		1,074		232		-		206		193		93		-		1,798
Total expenses		14,740		1,945				1,337		4,305		229		(11,248)		11,308
Change in Net Assets From Operations		(9,384)		1,244		-		317		2,553		12		1,902		(3,356)
Other Gains and Losses																
Realized gain on investments		191		-		-		-		-		-		-		191
Unrealized loss on investments		(797)		-		-		-		-		-		-		(797)
Foreign currency translation adjustment				(347)				(265)		(1,317)		(1)				(1,930)
Change in Net Assets From Continuing Operations		(9,990)		897		-		52		1,236		11		1,902		(5,892)
Loss on Discontinued Operations		-		<u>-</u>		(668)				_		_		(1,902)		(2,570)
Change in Net Assets		(9,990)		897		(668)		52		1,236		11		-		(8,462)
Net Assets, Beginning of Year		38,957		2,356		668		1,709		5,900		23				49,613
Net Assets, End of Year	\$	28,967	\$	3,253	\$		\$	1,761	\$	7,136	\$	34	\$		\$	41,151

Combining and Consolidating Statement of Activities Year Ended December 31, 2010 (Amounts in Thousands)

	Christel House International, Inc.	Christel House de Mexico, A.C.	Christel House Venezuela, A.C.	Christel House India	Christel House South Africa	Christel House Europe	Eliminations	Total
Revenue, Gains and Other Support								
Contributions	\$ 4,502	\$ 194	\$ -	\$ 107	\$ 410	\$ 18	\$ -	\$ 5,231
Direct contributions	42	88	-	115	128	-	(373)	-
CHI Funding	-	372	-	553	1,068	77	(2,070)	-
In-kind contributions	86	21	-	20	330	21	-	478
Special events (net of expenses of \$153)	476	14	-	(50)	51	17	-	508
Grants	555	251	-	388	472	-	-	1,666
Investment income (net of expenses of \$7)	394	23	-	1	30	-	-	448
Rental income - Christel House Academy	812	-	-	-	-	-	-	812
Other	68	6		11	6			91
Total revenue, gains and other support	6,935	969		1,145	2,495	133	(2,443)	9,234
Expenses								
Program services								
Grants	3,833	4	-	-	-	46	(3,858)	25
Academics	1,158	1,490	-	923	3,371	_	-	6,942
	4,991	1,494	-	923	3,371	46	(3,858)	6,967
Management and general	738	122	-	84	117	19	-	1,080
Fundraising	994	137	-	182	151	85	-	1,549
Total expenses	6,723	1,753	-	1,189	3,639	150	(3,858)	9,596
Change in Net Assets From Operations	212	(784)	-	(44)	(1,144)	(17)	1,415	(362)
Other Gains and Losses								
Realized gain on investments	108	-	-	_	-	_	-	108
Unrealized gain on investments	1,720	-	-	_	-	_	-	1,720
Foreign currency translation adjustment	<u> </u>	131		58	626	(2)		813
Change in Net Assets From Continuing Operations	2,040	(653)	-	14	(518)	(19)	1,415	2,279
Loss on Discontinued Operations			(861)				(1,415)	(2,276)
Change in Net Assets	2,040	(653)	(861)	14	(518)	(19)	-	3
Net Assets, Beginning of Year	36,917	3,009	1,529	1,695	6,418	42		49,610
Net Assets, End of Year	\$ 38,957	\$ 2,356	\$ 668	\$ 1,709	\$ 5,900	\$ 23	\$ -	\$ 49,613

Combined and Consolidated Statement of Functional Expenses Year Ended December 31, 2011 (Amounts in Thousands)

		Prog	gram Se	ervice Expe	nses		Supporting Services			ces		
	Gi	rants	Aca	ademics	Total Program Services		Management and General		Fundraising		Ex	Total spenses
Salaries and benefits	\$	-	\$	4,033	\$	4,033	\$	717	\$	1,103	\$	5,853
Direct grants		681		-		681		-		-		681
Outside services		-		167		167		160		159		486
Course materials/supplies		-		416		416		-		-		416
Medicine/laboratories		-		31		31		-		-		31
Nutritional support		-		645		645		-		-		645
Sales and marketing		-		-		-		-		303		303
Travel and entertainment		-		29		29		56		80		165
Vehicle/transportation expense		-		480		480		2		3		485
Rent and facilities		-		473		473		81		61		615
Depreciation and amortization		-		1,121		1,121		38		4		1,163
Interest expense/bond fees		-		116		116		-		-		116
Other		-		168		168		96		85		349
Total expenses	\$	681	\$	7,679	\$	8,360	\$	1,150	\$	1,798	\$	11,308

Combined and Consolidated Statement of Functional Expenses Year Ended December 31, 2010 (Amounts in Thousands)

		Prog	gram Se	ervice Expe	nses		Supporting Services					
	Gra	ants	Academics		Total Program Services		Management and General		Fundraising			Total penses
Salaries and benefits	\$	_	\$	3,511	\$	3,511	\$	641	\$	773	\$	4,925
Direct grants		25		-		25		-		-		25
Outside services		-		230		230		131		205		566
Course materials/supplies		-		401		401		-		-		401
Medicine/laboratories		-		25		25		-		-		25
Nutritional support		-		646		646		-		-		646
Sales and marketing		-		-		-		-		233		233
Travel and entertainment		-		55		55		76		59		190
Vehicle/transportation expense		-		412		412		2		3		417
Rent and facilities		-		376		376		110		60		546
Depreciation and amortization		-		986		986		46		4		1,036
Interest expense/bond fees		-		147		147		-		-		147
Other	-			155		155	-	73		211		439
Total expenses	\$	25	\$	6,944	\$	6,969	\$	1,079	\$	1,548	\$	9,596

Accountants' Report and Combined and Consolidated Financial Statements

December 31, 2010 and 2009

December 31, 2010 and 2009

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Independent Accountants' Report on Combined and Consolidated Financial Statements and Supplementary Information

Board of Directors Christel House International, Inc. and Affiliates Indianapolis, Indiana

We have audited the accompanying combined and consolidated statements of financial position of Christel House International, Inc. and Affiliates (Christel House) as of December 31, 2010 and 2009, and the related combined and consolidated statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Christel House's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the combined and consolidated financial statements referred to above present fairly, in all material respects, the financial position of Christel House International, Inc. and Affiliates as of December 31, 2010 and 2009, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the combined and consolidated financial statements taken as a whole. The accompanying supplementary information, including the combining and consolidating information, is presented for purposes of additional analysis and is not a required part of the basic combined and consolidated financial statements. The combining and consolidating information is presented for purposes of additional analysis of the combined and consolidated financial statements rather than to present the financial position and changes in net assets of the individual entities. Such information has been subjected to the procedures applied in the audits of the basic combined and consolidated financial statements and, in our opinion, is fairly stated, in all material respects, in relations to the basic combined and consolidated financial statements taken as a whole.

BKD, LLPAugust 16, 2011





Combined and Consolidated Statements of Financial Position December 31, 2010 and 2009 (Amounts in Thousands)

	2	2010	2009
Assets			
Cash and cash equivalents			
Unrestricted	\$	2,628	\$ 3,915
Temporarily restricted		1,066	681
Investments			
Unrestricted		801	990
Temporarily restricted		26,213	28,730
Accounts receivable		714	269
Contributions receivable		2,926	3,142
Other assets		208	196
Bond issue costs, net		177	192
Rental property - Christel House Academy		15,920	12,502
Property and equipment		10,177	11,203
Total assets	\$	60,830	\$ 61,820
Liabilities			
Accounts payable	\$	288	\$ 588
Accrued payroll and other		919	992
Bonds payable		10,010	10,630
Total liabilities		11,217	12,210
Net Assets			
Unrestricted		19,444	17,157
Temporarily restricted		30,169	32,453
Total net assets		49,613	49,610
Total liabilities and net assets	\$	60,830	\$ 61,820

Combined and Consolidated Statements of Activities Years Ended December 31, 2010 and 2009 (Amounts in Thousands)

	2010						
	<u> </u>		Ten	nporarily			
	Unre	stricted	Re	stricted		Total	
Revenue, Gains and Other Support							
Contributions	\$	1,119	\$	4,183	\$	5,302	
In-kind contributions		535		10		545	
Special events (net of expenses of \$153 and \$232)		525		-		525	
Grant income		1,127		563		1,690	
Investment income (net of expenses of \$7 and \$58)		467		-		467	
Rental income - Christel House Academy		812		-		812	
Other		91		-		91	
	<u> </u>	4,676		4,756		9,432	
Net assets released from restrictions		7,040		(7,040)			
Total revenue, gains and other support		11,716		(2,284)		9,432	
Expenses							
Program services							
Grants		25		-		25	
Academics		8,664		-		8,664	
		8,689		-		8,689	
Management and general		1,253		-		1,253	
Fund raising		1,628		-		1,628	
Total expenses		11,570		-		11,570	
Change in Net Assets From Operations		146		(2,284)		(2,138)	
Other Gains and Losses							
Gain on sale of property		-		-		-	
Realized gain (loss) on investments		108		-		108	
Unrealized gain on investments		1,720		-		1,720	
Foreign currency translation adjustment		313				313	
Change in Net Assets		2,287		(2,284)		3	
Net Assets, Beginning of Year		17,157		32,453		49,610	
Net Assets, End of Year	\$	19,444	\$	30,169	\$	49,613	

			2009		
			nporarily		
Unre	stricted		stricted		Total
	oti iotou		<u>oti iotou</u>		- Total
Φ.	5 0.4	Φ.	2.070	Φ.	4 604
\$	784	\$	3,850	\$	4,634
	356 505		-		356
	585		104		585
	545		104		649
	878		-		878
	914		-		914
	4,078		3,954		8,032
	4,078 7,594				8,032
			(7,594)		9.022
	11,672		(3,640)		8,032
	888		-		888
	8,792				8,792
	9,680		-		9,680
	1,289		-		1,289
	1,511				1,511
	12,480		_		12,480
	(808)		(3,640)		(4,448)
	(000)		(3,040)		(4,440)
	113		-		113
	(3,198)		-		(3,198)
	3,192		-		3,192
	3,054				3,054
	2,353		(3,640)		(1,287)
	14,804				50,897
	14,004		36,093		30,097
\$	17,157	\$	32,453	\$	49,610

Combined and Consolidated Statements of Cash Flows Years Ended December 31, 2010 and 2009 (Amounts in Thousands)

	 2010	2009
Operating Activities		
Change in net assets	\$ 3	\$ (1,287)
Items not requiring (providing) cash		
Depreciation	704	919
Amortization of bond issue costs	15	15
Gain on disposal of property and equipment	-	(113)
Foreign currency translation adjustment	(313)	(3,054)
Realized (gain) loss on sale of investments	(108)	3,198
Unrealized gain on investments	(1,720)	(3,192)
Changes in		
Contributions receivable	216	(2,384)
Other assets	(457)	381
Accounts payable	(300)	245
Accrued payroll and other	(73)	378
Net cash used in operating activities	(2,033)	(4,894)
Investing Activities		
Purchase of investments	(6,656)	(23,857)
Proceeds from sale of investments	11,190	8,770
Proceeds from the sale of property and equipment	- -	276
Purchase of property and equipment	(3,005)	(2,736)
Net cash provided by (used in) investing activities	1,529	(17,547)
Financing Activity - bond principal payments	(620)	(605)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	 222	 1,765
Net Decrease in Cash and Cash Equivalents	(902)	(21,281)
Cash and Cash Equivalents, Beginning of Year	 4,596	 25,877
Cash and Cash Equivalents, End of Year	\$ 3,694	\$ 4,596
Supplemental Cash Flows Information Interest paid	\$ 49	\$ 161

Notes to Combined and Consolidated Financial Statements
December 31, 2010 and 2009
(Amounts in Thousands)

Note 1: Nature of Operations and Summary of Significant Accounting Policies

General

Christel House International, Inc. (CHI) and Affiliates (collectively known as "Christel House") is a not-for-profit organization (501(c)(3)) whose principal activity is to support educational efforts, primarily through grant-making. Christel House International was established in 1998 and developed learning centers in India, Mexico, Venezuela, South Africa and the United States and currently serves over 3,300 children worldwide. The mission of Christel House is to give impoverished children the tools and training to become self-sufficient, contributing members of society.

Christel House operates nonresidential learning centers for underserved children and provides a holistic approach to child development. The children are enrolled at Christel House learning centers in a formal, structured educational curriculum taught by qualified instructors. The curriculum is designed for mastery of basic skills in reading, writing and math. The curriculum supplements this core knowledge with classes in English, computer, character development and life skills, and arts and cultural activities. Medical needs affecting a child's ability to learn are identified and intervention programs implemented. Outcomes and progress of all programs are monitored for success, with the ultimate goal for each child to become a self-sufficient, productive member of society. The CHI Scholars program operates in Serbia where children have access to education, but lack the funds for book fees, study fees and vocational training. Christel House also operates its European fundraising activities through London-based, Christel House Europe.

Parents, family members and other caregivers are also offered education programs to improve parenting and life skills. These programs are designed to reinforce the gains made by the children at Christel House learning centers.

The revenues and support are derived principally from contributions and income from special events.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of the revenues, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Notes to Combined and Consolidated Financial Statements December 31, 2010 and 2009 (Amounts in Thousands)

Principles of Combination and Consolidation

Christel House prepares its financial statements in accordance with accounting principles generally accepted in the United States of America.

Christel House International, Inc. presents combined and consolidated financial statements that include the financial information of the following affiliated organizations:

- Christel House International, Inc.
- Christel House India
- Christel House de Mexico, A.C.
- Christel House Europe
- Christel House South Africa
- Christel House Venezuela, A.C.

Each of the entities is a separately incorporated not-for-profit organization and is governed by a board of directors within their respective countries. Christel House International, Inc. has an economic interest in all of these entities and has control over a majority of these entities, within the meaning of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 958, *Not-for-Profit Entities*.

In addition, Christel House International provides management and financial support to Christel House Academy (Academy), an affiliated charter school located in Indianapolis, Indiana and Christel House (Lavasa), located in Lavasa, India. The financial information related to the Academy and Lavasa are not consolidated in these financial statements as these organizations are not under the control of CHI within the meaning of FASB ASC Topic 958, *Not-For-Profit Entities*.

The December 31 net asset balances of the affiliated consolidated organizations are as follows:

	 2010		2009		
Christel House de Mexico, A.C.	\$ 2,356	\$	3,009		
Christel House Venezuela, A.C.	668		1,529		
Christel House India	1,709		1,695		
Christel House South Africa	5,900		6,418		
Christel House Europe (United Kingdom)	 23		42		
	\$ 10,656	\$	12,693		

All material interorganizational accounts and transactions have been eliminated in combination and consolidation.

Notes to Combined and Consolidated Financial Statements December 31, 2010 and 2009 (Amounts in Thousands)

Cash and Cash Equivalents

Christel House considers all liquid investments with original maturities of three months or less to be cash equivalents. At December 31, 2010 and 2009, cash equivalents consisted primarily of money market funds and bond funds.

The financial institution holding Christel House International, Inc.'s cash accounts is participating in the FDIC's Transaction Account Guarantee Program. Under the FDIC program, through December 31, 2010, all noninterest-bearing transaction accounts are fully guaranteed by the FDIC for the entire amount in the account. Pursuant to legislation enacted in 2010, the FDIC will fully insure all noninterest-bearing transaction accounts beginning December 31, 2010 through December 31, 2012.

At Effective July 21, 2010, the FDIC's insurance limits were permanently increased to \$250,000. At December 31, 2010, CHI's interest-bearing cash accounts exceeded federally insured limits by approximately \$2,519. Additionally, at December 31, 2010, the funds held outside the United States were \$529 and are not insured by the FDIC.

Investments and Investment Return

Investments are carried at fair value. Investment return includes dividend, interest and other investment income and realized and unrealized gains and losses on investments.

Investment return that is initially restricted by donor stipulation is reported as temporarily restricted return and net assets. When the donor stipulation is met, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the combined and consolidated statements of activities as net assets released from restrictions. Other investment return is reflected in the combined and consolidated statements of activities as unrestricted, temporarily restricted or permanently restricted based upon the existence and nature of any donor or legally imposed restrictions.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. Depreciation is charged to expense using the straight-line basis or alternative depreciation system over the estimated useful life of assets as follows:

	Years
Buildings	40
Improvements	15 - 20
Furniture and equipment	5 - 7
Computer hardware	3 - 5

Notes to Combined and Consolidated Financial Statements
December 31, 2010 and 2009
(Amounts in Thousands)

Long-Lived Asset Impairment

Christel House evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset is less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value. No asset impairment was recognized during the years ended December 31, 2010 and 2009.

Temporarily Restricted Net Assets

Temporarily restricted net assets are those whose use by Christel House has been limited by donors to a specific time period or purpose. Temporarily restricted net assets at December 31, 2010 include \$26,859 donated by Christel DeHaan, CHI's Founder, President and Chief Executive Officer. This balance is restricted for payment of future general and administrative expenses of Christel House. In addition, this balance may be used to fund future operating shortfalls of Christel House.

Contributions

Gifts of cash and other assets received without donor stipulations are reported as unrestricted revenue and net assets. Gifts received with a donor stipulation that limits their use are reported as temporarily restricted revenue and net assets. When a donor stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the combined and consolidated statements of activities as net assets released from restrictions. Gifts and investment income that are originally restricted by the donor and for which the restriction is met in the same time period are recorded as temporarily restricted and then released from restriction.

Gifts of land, buildings, equipment and other long-lived assets are reported as unrestricted revenue and net assets unless explicit donor stipulations specify how such assets must be used, in which case the gifts are reported as temporarily or permanently restricted revenue and net assets. Absent explicit donor stipulations for the time long-lived assets must be held, expirations of restrictions resulting in reclassification of temporarily restricted net assets as unrestricted net assets are reported when the long-lived assets are placed in service.

In-Kind Contributions

In addition to receiving cash contributions, Christel House receives in-kind contributions of goods from various donors. It is the policy of Christel House to record the estimated fair value of certain in-kind donations as an expense in its financial statements, and similarly increase contribution revenue by a like amount. For the years ended December 31, 2010 and 2009, \$545 and \$356, respectively, were received in in-kind contributions.

Notes to Combined and Consolidated Financial Statements
December 31, 2010 and 2009
(Amounts in Thousands)

Grant Making

Unconditional grants are recognized as expenses in the period approved.

Foreign Currency Translation

Christel House considers US Dollars its functional currency as a substantial portion of Christel House's business activities are based in US Dollars. Transactions involving foreign currencies are translated at the approximate rates of exchange existing at the transaction dates. Monetary assets and liabilities denominated in foreign currencies at the year end are retranslated at the approximate rates of exchange at that date. Gains and losses relating to foreign currency translations are recorded in the statement of activities as a component of the change in net assets. The combined and consolidated financial statements include foreign affiliates. Their assets and liabilities are translated into US Dollars at the exchange rate in effect at the statements of financial position date. Revenues and expenses are translated at the average exchange rate during the year.

Income Taxes

Christel House International, Inc. is exempt from federal income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code and a similar provision of state law. Christel House de Mexico, A.C., Christel House Europe, Christel House South Africa, Christel House de Venezuela, A.C. and Christel House India are tax-exempt entities. Christel House International, Inc. is not considered to be a private foundation. For Christel House International, Inc., the tax years still subject to examination by taxing authorities in the United States are years subsequent to 2006.

Functional Allocation of Expenses

The costs of supporting the various programs and other activities have been summarized on a functional basis in the combined and consolidated statements of activities. Certain costs have been allocated among the grants, academic programs and other program services, management and general, and fund raising categories based upon actual expenditures and cost allocations estimated by Christel House personnel.

Reclassifications

Certain reclassifications have been made to the 2010 combined and consolidated financial statements to conform to the 2009 combined and consolidated financial statement presentation. These reclassifications had no effect on the change in net assets.

Subsequent Events

Subsequent events have been evaluated through August 16, 2011, which is the date the combined and consolidated financial statements were available to be issued.

Notes to Combined and Consolidated Financial Statements December 31, 2010 and 2009 (Amounts in Thousands)

On July 28, 2011, Christel House Venezuela (CHV) entered into a gift agreement with Fe y Alegria (FA), a tax-exempt organization and internationally recognized provider of quality education to impoverished students, transferring control and operations of CHV to FA effective July 29, 2011. The agreement transfers ownership and control of all real and personal property; including furniture, fixtures, equipment, supplies, textbooks and other items necessary to operate the school. Due to this change in control, employment of all CHV staff ceased in July 2011. These employees were provided the opportunity for reemployment by Fe y Alegria. Severance costs related to these terminations totaled approximately \$757. Also as a result of this change in control, CHV will not be consolidated in future combined and consolidated financial statements of CHI and Affiliates and as such, net assets of the combined and consolidated entity will decrease by approximate \$670.

Contemporaneously with this gift agreement, CHI entered into a restricted grant agreement with FA to provide certain programs and services after the transfer of control including the Christel House Career Guidance and Work-Study Program, afternoon programs, transportation and an onsite nurse as these programs and services are not supported by FA. Estimated annual funding requirements of this grant are approximately \$200. The grant provides for annual reviews of effectiveness and can be terminated with one month notice.

Note 2: Investments and Investment Return

Investments are as follows:

	2010			2009
Equity securities	\$	8,264	\$	4,694
Government debt securities		2,109		2,038
Corporate obligations		1,363		830
Treasury obligations		-		81
Money market funds		8,588		16,645
Alternative investments		6,690		5,432
	\$	27,014	\$	29,720

Notes to Combined and Consolidated Financial Statements December 31, 2010 and 2009 (Amounts in Thousands)

The following schedule summarizes the investment return and its classification in the combined and consolidated statements of activities.

	2010		2010 2009	
Investment income (net of expenses of \$7 and \$58) Net realized gains (losses) Net unrealized gains	\$	467 108 1.720	\$	878 (3,198) 3,192
Total return on investments	\$	2,295	\$	872

Alternative Investments

Alternative investments held at December 31, 2010 and 2009 consist of the following:

	Fair Value	2010 Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Equity and debt long/short hedge funds (A) Distressed debt funds (B) Real estate funds (C) Private investment partnership funds (D) Multi-asset fund (E)	\$ 746 2,590 27 1,695 1,632	Monthly Not eligible Not eligible Quarterly Daily	30 days N/A N/A 45 days None required
	Fair Value	2009 Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Equity and debt long/short hedge funds (A) Distressed debt funds (B) Real estate funds (C) Private investment partnership funds (D) Multi-asset fund (E)	\$ 724 1,665 72 1,529 1,442	Monthly Not eligible Not eligible Quarterly Daily	30 days N/A N/A 45 days None required

Notes to Combined and Consolidated Financial Statements December 31, 2010 and 2009 (Amounts in Thousands)

There were no unfunded commitments as of December 31, 2010 and 2009.

- (A) This category includes investments in hedge funds that take both long and short positions, invested in securities traded on domestic and foreign exchanges and over-the-counter as well as securities for which there is no public market. The fair values of the investments in this category have been estimated using the net asset values per share as reported by the fund administrator.
- (B) This category includes investments in funds that invest primarily in distressed debt situations, including well-collateralized distressed senior secured loan obligations where the fund can influence the outcome of events. The fund seeks to invest in situations that reflect a discount to the underlying collateral value, enterprise value or both, with the intent of recovering substantial premiums to acquisition prices. Distributions from each fund will be made as the underlying investments of the funds are liquidated. The fund term will end on the seventh anniversary of the final closing date of the Partnership, subject to extension by the directors for up to two additional one-year periods. The fair values of the investments in this category have been estimated using Christel House's ownership interest in partners' capital as reported by the fund administrators.
- (C) This category includes several real estate funds that invest primarily in U.S. commercial real estate. The primary focus of the fund is to provide mezzanine financing for commercial buildings, single family lot development and condominium development. Investments are concentrated in the metropolitan areas of Indiana, Illinois, Ohio, North Carolina and Florida. These investments can never be redeemed with the funds. Distributions from each fund will be made as the underlying investments of the funds are liquidated. The fund term will end on the seventh anniversary of the final closing date of the Partnership, subject to extension by the directors for up to two additional one-year periods. The fair values of the investments in this category have been estimated using Christel House's ownership interest in partners' capital as reported by the fund administrators.
- (D) This category includes several private investment partnerships funds that invest in various industries and sectors or markets. In addition, certain investment partners invest in investment funds that utilize short positions, leverage (including margin borrowing), options, futures, commodities and other derivatives and may invest in non-U.S. securities and illiquid securities. The fair values of the investments in this category have been estimated using Christel House's ownership interest in partners' capital as reported by the fund administrators.
- (E) This category includes investments in acquired funds, common and preferred stocks, real estate investment trusts, high yield bonds, securities issued or guaranteed by the U.S. Government, corporate bonds and short-term money markets. The fair values of the investments in this category have been estimated using the net asset values per share as reported by the fund administrator.

Notes to Combined and Consolidated Financial Statements December 31, 2010 and 2009 (Amounts in Thousands)

Note 3: Contributions Receivable - Temporarily Restricted

	2010		2009	
Due within one year	\$	1,438	\$	843
Due in one to five years		1,689		2,499
		3,127		3,342
Discount		(201)		(200)
	\$	2,926	\$	3,142

Discount rates ranged from 1.38% to 2.87% and 1.95% to 2.87% for 2010 and 2009, respectively.

Note 4: Rental Property - Christel House Academy

During 2002, Christel House International, Inc. (CHI) acquired and renovated an educational facility, Christel House Academy. In December 2002, CHI agreed to lease this facility to Christel House Academy, Inc. (Academy), a charter school in the Indianapolis area. The Academy is a separately incorporated, not-for-profit organization that is not controlled by CHI. The Academy receives public support from the State of Indiana as well as contributions from CHI. As discussed more fully in Note 6, CHI issued \$14,000 of bonds to assist in the financing and construction of Christel House Academy.

The lease entered into between CHI and the Academy is for a term of 20 years commencing on March 1, 2003. Future rent payments due from the Academy are shown below. Rent receivable under this lease agreement is \$360 and is included in accounts receivable as of December 31, 2010. All 2009 rent payments were received by December 31, 2009.

Property rented to Christel House Academy, Inc. for the operation of the charter school is as follows:

	2010		2009	
Buildings	\$	15,704	\$	12,118
Land improvements		363		179
		16,067		12,297
Accumulated depreciation		(2,380)		(2,028)
		13,687		10,269
Land		2,233		2,233
	\$	15,920	\$	12,502

Notes to Combined and Consolidated Financial Statements December 31, 2010 and 2009 (Amounts in Thousands)

Future lease payments due from Christel House Academy, Inc. at December 31, 2010 were:

2011	\$ 99) 9
2012	1,03	34
2013	1,02	23
2014	1,01	12
2015	1,00	00
Thereafter	6,84	13
	\$ 11,91	i 1

Note 5: Property and Equipment

Christel House's property and equipment are as follows:

	2010		2009	
Buildings	\$	9,217	\$	9,121
Land		713		681
Leasehold improvements		388		267
Furniture and equipment		1,493		1,559
Computer hardware		1,409		1,292
Computer software		202		206
Books and educational materials		336		401
Motor vehicles		307		293
Works in progress		=		1,169
		14,065		14,989
Accumulated depreciation		(3,888)		(3,786)
	\$	10,177	\$	11,203

Note 6: Bonds Payable

The Indiana Development Finance Authority issued its \$14,000 Variable Rate Demand Educational Facilities Revenue Bonds, Series 2003 (Christel House, Inc. Project) (2003 Bonds) in February 2003. The proceeds from the 2003 Bonds were loaned to CHI for acquisition, construction, installation and equipping of the Christel House Academy. Principal on this loan is due annually on February 1, and interest is due monthly on the first day of each month. The interest rate mode at December 31, 2010 was weekly, and the interest rate is reset on a weekly basis by the remarketing agreement. CHI can periodically elect to change the interest rate modes as specified in the trust indenture. The interest rate in effect at December 31, 2010 was .71%. CHI pays the remarketing agent an annual fee of 0.075% of the outstanding principal balance on the loan. The 2003 Bonds mature February 1, 2023. CHI has agreed to redeem these bonds in the principal amounts and on the dates set forth in the reimbursement agreement with the bank. Furthermore, CHI has the option to redeem or repay these bonds prior to maturity, partially or in full, subject to the redemption terms and pricing set forth in the trust indenture.

Notes to Combined and Consolidated Financial Statements December 31, 2010 and 2009 (Amounts in Thousands)

The 2003 Bonds are secured by a reimbursement agreement and an irrevocable letter of credit in a maximum amount up to \$14,173, which expires February 15, 2013. The reimbursement agreement and letter of credit are secured by a "Continuing Guaranty Agreement" which is in effect for the term of the reimbursement agreement. The guarantor is Christel DeHaan, President, CEO and Founder of Christel House International, Inc. The guarantor must submit certain reports attesting to the Guarantor's net marketable asset position being at least two times the outstanding principal amount of the bonds. There are also other covenants with which the guarantor has agreed to comply. The beneficiary and trustee, Fifth Third Bank, holds the option to extend the expiration date of this letter of credit. This letter of credit will be reduced as the bond principal is repaid. There is an annual letter of credit fee of 0.68% of the outstanding principal balance. If the letter of credit is exercised, repayment is due on demand, with interest of prime plus 8%.

Issuance costs in the amount of \$293 were capitalized during 2003 and are being amortized over 20 years. Unamortized issuance costs as of December 31, 2010 and 2009 were \$177 and \$192, respectively.

The future maturities of bonds payable are as follows:

2011	\$ 645
2012	660
2013	680
2014	700
2015	720
Thereafter	6,605
	\$ 10,010

Interest expense for the years ended December 31, 2010 and 2009 was \$49 and \$185, respectively.

Note 7: Leases

Noncancellable operating leases for office space expire in various years through 2014. Christel House is required to pay all executory costs (property taxes, maintenance and insurance). CHI's lease for office space includes an option to terminate the lease provided CHI pays a termination fee at least 30 days prior to termination. Rent expense for the years ended December 31, 2010 and 2009 was \$188 and \$195, respectively. Rent expense is recognized on a straight-line basis.

Future minimum lease payments at December 31, 2010, were:

	Ψ	
	\$	573
2014		81
2013		163
2012		163
2011	\$	166

Notes to Combined and Consolidated Financial Statements
December 31, 2010 and 2009
(Amounts in Thousands)

Note 8: Related Party Transactions

During 2010 and 2009 CHI received \$3,000 and \$1,840, respectively, in contributions from Christel DeHaan, its Founder, President and Chief Executive Officer.

In 2010 and 2009, CHI expensed \$1,296 and \$1,359, respectively, in payroll related costs that were originally paid by CD Enterprises, Ltd. (CDE), a related party. Included in these expenses was \$79 and \$49 for CHI employer contributions to CDE's 401(k) plan for the year ended December 31, 2010 and 2009, respectively. As of December 31, 2010 and 2009, CHI had an outstanding liability balance of \$225 and \$213, respectively, related to these payroll costs, which is included in accrued payroll and other on the combined and consolidated statements of financial position.

As discussed in Note 4, Christel House leases property to the Christel House Academy, Inc., and also provides grants to several affiliates.

Note 9: Net Assets

Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes or periods:

	 2010	2009
Contributions restricted for periods after December 31	\$ 27,152	\$ 28,950
Capital projects	2,386	3,144
Learning center programs and services	594	224
Nutritional support	5	43
Parent workshops	5	5
Other programs	 27	 87
	\$ 30,169	\$ 32,453

Each year, CHI releases funds to cover all management and general expenses and fundraising expenses. In addition, funds are released to cover any shortfall in funding for programs and services. Annual funds released from restrictions are not to exceed amounts approved in the annual budget. One hundred percent of the contributions received from donors other than the Founder are solely applied to programs and services benefiting the children.

Notes to Combined and Consolidated Financial Statements December 31, 2010 and 2009 (Amounts in Thousands)

Net Assets Released From Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

	2010		2009	
Time restrictions	\$	5,275	\$	6,906
Capital projects		1,121		-
Nutritional support		45		98
Learning center programs and services		498		564
Parent workshops		-		4
Other programs		101		22
	\$	7,040	\$	7,594

Note 10: Disclosures About Fair Value of Assets and Liabilities

ASC Topic 820, *Fair Value Measurements*, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Topic 820 also specifies a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

- **Level 1** Quoted prices in active markets for identical assets or liabilities
- **Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- **Level 3** Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities

Notes to Combined and Consolidated Financial Statements December 31, 2010 and 2009 (Amounts in Thousands)

Following is a description of the valuation methodologies and inputs used for assets measured at fair value on a recurring basis and recognized in the accompanying combined and consolidated statement of financial position, as well as the general classification of such assets pursuant to the valuation hierarchy.

Cash Equivalents

Christel House's cash equivalents consist of money market mutual funds that have quoted market prices available in an active market and are classified within Level 1 of the valuation hierarchy.

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 securities include equity securities, certain government debt securities and money market mutual funds. If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of securities with similar characteristics or discounted cash flows. For investments, other than alternative investments, the inputs used by the pricing service to determine fair value may include on, or a combination of, observable inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data market research publications and are classified within Level 2 of the valuation hierarchy. These Level 2 securities include certain government debt obligations, corporate obligations and treasury obligations. Level 2 investments also include certain alternative investments that are measured and can be redeemed at net asset value in the near term. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. For alternative investments that do not have sufficient activity or liquidity within the fund, the net asset value (or its equivalent) provided by the fund is utilized, as practical expedient, to determine fair value alternative investments are classified within Level 3 of the valuation hierarchy if they cannot be redeemed at net asset value at the measurement date. These Level 3 securities include distressed debt and real estate funds.

Notes to Combined and Consolidated Financial Statements December 31, 2010 and 2009 (Amounts in Thousands)

The following tables present the fair value measurements of assets recognized in the accompanying combined and consolidated statements of financial position, measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2010 and 2009:

	2010	
air Value	Measurements \	Jsing

		Fair value Measurements Using								
	Fair Value	in Mar Ide	ed Prices Active kets for entical assets evel 1)	C Obs Ir	nificant Other ervable nputs evel 2)	Significant Unobservabl Inputs (Level 3)				
Cash equivalents										
Money market mutual funds	\$ 3,075	\$	3,075	\$	-	\$	-			
Investments										
Equity securities	8,264		8,264		-		-			
Government debt securities	2,109		592		1,517		-			
Corporate obligations	1,363		-		1,363					
Money market mutual funds	8,588		8,588		-		-			
Equity and debt long/short										
hedge funds	746		-		746		-			
Distressed debt funds	2,590		-		-		2,590			
Real estate funds	27		-		-		27			
Private investment partnership										
funds	1,695		-		1,695		-			
Multi-asset fund	 1,632				1,632					
Total assets	\$ 30,089	\$	20,519	\$	6,953	\$	2,617			

Notes to Combined and Consolidated Financial Statements December 31, 2010 and 2009 (Amounts in Thousands)

2009 Fair Value Measurements Using

			raii va	iue we	Surement	s using		
	Fair Value	in Mar Ide	ed Prices Active kets for entical Assets evel 1)	Obs II	nificant Other ervable nputs evel 2)	Significant Unobservable Inputs (Level 3)		
Cash equivalents								
Money market mutual funds	\$ 1,860	\$	1,860	\$	-	\$	-	
Investments								
Equity securities	4,694		4,694		-		-	
Government debt securities	2,038		575		1,463		-	
Corporate obligations	830		-		830		-	
Treasury obligations	81		-		81		-	
Money market mutual funds	16,645		16,645		-		-	
Equity and debt long/short								
hedge funds	724		-		724		-	
Distressed debt funds	1,665		-		-		1,665	
Real estate funds	72		-		-		72	
Private investment partnership								
funds	1,529		-		1,529		-	
Multi-asset fund	1,442				1,442			
Total assets	\$ 31,580	\$	23,774	\$	6,069	\$	1,737	

The following is a reconciliation of the beginning and ending balances of recurring fair value measurements recognized in the accompanying combined and consolidated statements of financial position using significant unobservable (Level 3) inputs:

	Distress	sed Del	Real Estate					
	 2010		2009		2010		2009	
Balance, January 1	\$ 1,665	\$	2,008	\$	72	\$	240	
Total realized and unrealized								
gains (losses)	747		43		(45)		(168)	
Purchases	305		58		-		-	
Sales	 (127)		(444)				-	
Balance, December 31	\$ 2,590	\$	1,665	\$	27	\$	72	

Notes to Combined and Consolidated Financial Statements December 31, 2010 and 2009 (Amounts in Thousands)

Realized and unrealized gains and losses for items reflected in the table above are included in the change in net assets in the statement of activities as follows:

	Distressed Debt											
		20	010			2	009					
	Net A	nge in Assets rom	_	Other	Net	ange in t Assets From		Other				
	Oper	ations	Lo	osses	Op	erations	L	osses				
Total gains and losses	\$	-	\$	747	\$	-	\$	43				
Change in unrealized gains or losses relating to assets still held at the												
statement of financial position date		-		747		-		-				
				Real I	Estate							
		20	10			20	09					
	Net A Fro	ge in ssets om ations	Gair	ther ns and sses	Net . F	inge in Assets rom rations	Gai	other ns and osses				
Total gains and losses Change in unrealized gains or losses relating to assets still held at the	\$	-	\$	(45)	\$	(10)	\$	(158)				
statement of financial position date		-		(45)		-		(115)				

Note 11: Concentration

Christel House received approximately 50% and 37% of its contribution revenue from the Founder in 2010 and 2009, respectively.

Note 12: Commitments and Contingencies

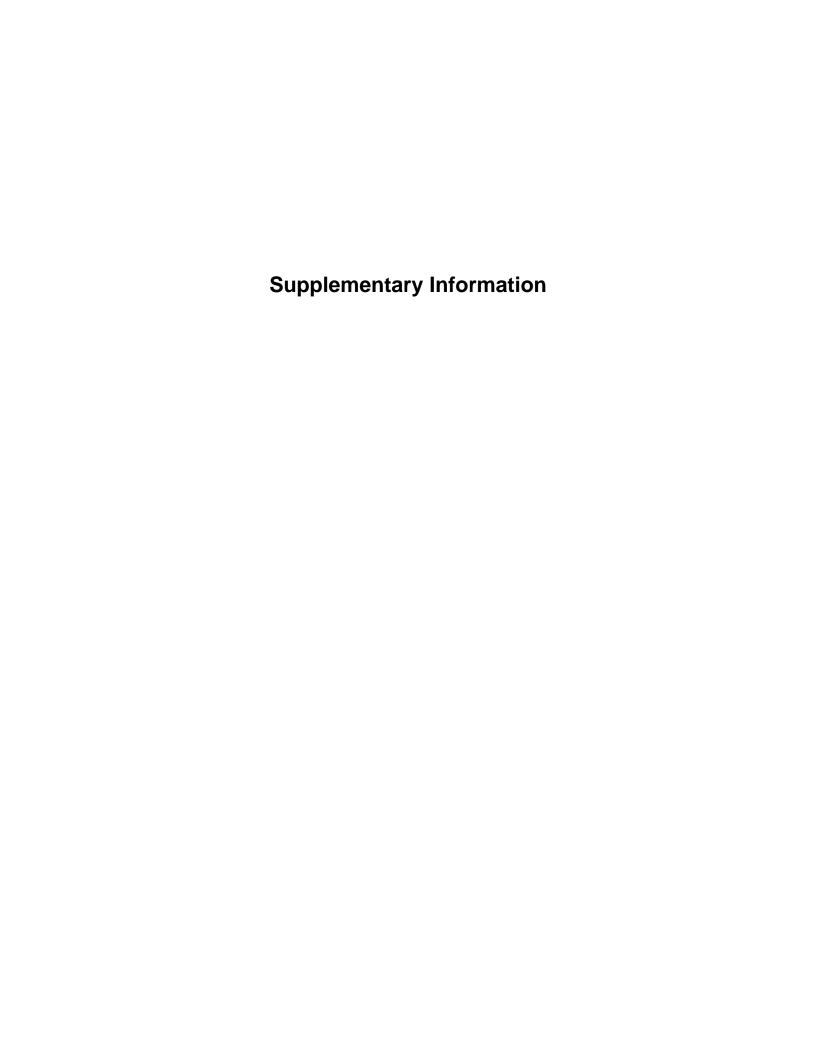
Christel House is subject to claims and lawsuits that arose primarily in the ordinary course of its activities. It is the opinion of management that the disposition or ultimate resolution of such claims and lawsuits will not have a material adverse effect on the financial position, change in net assets and cash flows of Christel House. Events could occur that would change this estimate materially in the near term.

Notes to Combined and Consolidated Financial Statements
December 31, 2010 and 2009
(Amounts in Thousands)

Note 13: Current Economic Conditions

The current protracted economic decline continues to present not-for-profit organizations with difficult circumstances and challenges, which in some cases have resulted in large and unanticipated declines in the fair value of investments and other assets, and declines in contributions. The combined and consolidated financial statements have been prepared using values and information currently available to Christel House.

In addition, given the volatility of current economic conditions, the values of assets recorded in the combined and consolidated financial statements could change rapidly, resulting in material future adjustments in investment values that could negatively impact Christel House.



Combining and Consolidating Statement of Financial Position December 31, 2010 (Amounts in Thousands)

	Ī	Christel House ational, Inc.	Ho	hristel ouse de iico, A.C.	Н	hristel louse zuela, A.C.	Н	hristel Iouse India	H	hristel louse th Africa	Но	ristel ouse rope	Elimi	nations	Total
Assets															
Cash and cash equivalents Unrestricted Restricted	\$	2,194 880	\$	162 3	\$	39	\$	3 14	\$	16 169	\$	73	\$	141	\$ 2,628 1,066
Investments Unrestricted Restricted Accounts receivable Contributions receivable Other assets Bond issue costs, net Rental property - Christel House Academy Property and equipment	· ·	592 26,155 676 2,626 41 177 15,920 88	Ф.	76 46 1 - 23 - 2,161		133 2 16 17		50 311 33 - 1,446		12 35 64 94 - 5,789			<u> </u>	(50) (91) - -	 801 26,213 714 2,926 208 177 15,920 10,177
Total assets	\$	49,349	\$	2,472	\$	900	\$	1,857	\$	6,179	\$	73	\$		\$ 60,830
Liabilities															
Accounts payable Accrued payroll and other Bonds payable Total liabilities	\$	127 255 10,010 10,392	\$	116 - 116	\$	230	\$	25 123 - 148	\$	134 145 - 279	\$	50	\$	- - - -	\$ 288 919 10,010 11,217
Net Assets															
Unrestricted Temporarily restricted Total net assets		9,296 29,661 38,957		2,308 48 2,356		668		1,384 325 1,709		5,765 135 5,900		23		- - -	 19,444 30,169 49,613
Total liabilities and net assets	\$	49,349	\$	2,472	\$	900	\$	1,857	\$	6,179	\$	73	\$	<u> </u>	\$ 60,830

Combining and Consolidating Statement of Financial Position December 31, 2009 (Amounts in Thousands)

Assets	Ī	christel House ational, Inc.	Ho	hristel ouse de kico, A.C.	ŀ	hristel House zuela, A.C.	Н	nristel ouse ndia	ŀ	hristel louse th Africa	Но	ristel use rope	Elim	ninations	Total
ASSEIS															
Cash and cash equivalents															
Unrestricted	\$	1,295	\$	26	\$	64	\$	20	\$	166	\$	46	\$	2,298	\$ 3,915
Restricted		590		12		-		35		44		-		-	681
Investments															
Unrestricted		575		122		186		-		107		-		-	990
Restricted		28,697		33		-		-		-		-		-	28,730
Accounts receivable		213		750		346		-		1,258		-		(2,298)	269
Contributions receivable		2,907		-		-		235		-		-		-	3,142
Other assets		42		32		74		48		-		-		-	196
Bond issue costs, net		192		-		-		-		-		-		-	192
Rental property - Christel House Academy		12,502		-		-		-		-		-		-	12,502
Property and equipment		1,281		2,103		1,321		1,404		5,094					 11,203
Total assets	\$	48,294	\$	3,078	\$	1,991	\$	1,742	\$	6,669	\$	46	\$		\$ 61,820
Liabilities															
Accounts payable	\$	391	\$	8	\$	29	\$	8	\$	152	\$	-	\$	-	\$ 588
Accrued payroll and other		356		61		433		39		99		4		-	992
Bonds payable		10,630		-		-		_		-		-		-	10,630
Total liabilities		11,377		69		462		47		251		4		-	12,210
Net Assets															
Unrestricted		4,823		2,964		1,529		1,425		6,374		42		-	17,157
Temporarily restricted		32,094		45		-		270		44		-			32,453
Total net assets		36,917		3,009		1,529		1,695		6,418		42		-	49,610
Total liabilities and net assets	\$	48,294	\$	3,078	\$	1,991	\$	1,742	\$	6,669	\$	46	\$	-	\$ 61,820

Combining and Consolidating Statement of Activities Year Ended December 31, 2010 (Amounts in Thousands)

	Christel House International, Inc.	Christel House de Mexico, A.C	Christel House C. Venezuela, A.C.	Christel House India	Christel House South Africa	Christel House Europe	Eliminations	Total
Revenue, Gains and Other Support								
Contributions	\$ 4,502	\$ 19		\$ 107	\$ 410	\$ 18	\$ -	\$ 5,302
Direct contributions	42		8 58	115	128	-	(431)	-
CHI Funding	-	37	,	553	1,068	77	(3,427)	-
In-kind contributions	86	2		20	330	21	-	545
Special events (net of expenses of \$153)	476	1		(50)	51	17	=	525
Grants	555	25		388	472	-	=	1,690
Investment income (net of expenses of \$7)	394	2	3 19	1	30	=	-	467
Rental income - Christel House Academy	812			-	-	-	-	812
Other	68		6 -	11	6			91
Total revenue, gains and other support	6,935	96	9 1,613	1,145	2,495	133	(3,858)	9,432
Expenses								
Program services								
Grants	3,833		4 -	-	=	46	(3,858)	25
Academics	1,158	1,49	0 1,722	923	3,371	-	-	8,664
	4,991	1,49	4 1,722	923	3,371	46	(3,858)	8,689
Management and general	738	12	2 173	84	117	19	-	1,253
Fundraising	994	13	7 79	182	151	85	-	1,628
Total expenses	6,723	1,75	3 1,974	1,189	3,639	150	(3,858)	11,570
Change in Net Assets From Operations	212	(78	4) (361)	(44)	(1,144)	(17)	-	(2,138)
Other Gains and Losses								
Realized gain on investments	108			-	=	-	=	108
Unrealized gain on investments	1,720			-	_	-	-	1,720
Foreign currency translation adjustment		13	1 (500)	58	626	(2)		313
Change in Net Assets	2,040	(65	3) (861)	14	(518)	(19)	-	3
Net Assets, Beginning of Year	36,917	3,00	9 1,529	1,695	6,418	42		49,610
Net Assets, End of Year	\$ 38,957	\$ 2,35	<u>\$</u> 668	\$ 1,709	\$ 5,900	\$ 23	\$ -	\$ 49,613

Combining and Consolidating Statement of Activities Year Ended December 31, 2009 (Amounts in Thousands)

	Christel Christel Christel House House de House International, Inc. Mexico, A.C. Venezuela, A.C.		H	Christel Christel House House India South Africa		Christel House Europe		Eliminations		Total			
Revenue, Gains and Other Support													
Contributions	\$ 4,034	\$	232	\$ 63	\$	115	\$	175	\$	15	\$	-	\$ 4,634
Direct contributions	53		32	45		85		138		-		(353)	-
CHI Funding	-		1,360	1,404		343		3,294		69		(6,470)	-
In-kind contributions	172		11	74		25		58		16		-	356
Special events (net of expenses of \$232)	449		39	36		16		24		21		-	585
Grants	17		44	-		237		351		-		-	649
Investment income (net of expenses of \$58)	782		10	42		3		41		-		-	878
Rental income - Christel House Academy	914		-	-		-		-		-		-	914
Other	-		_	-		1_		15		-		-	16
Total revenue, gains and other support	6,421		1,728	1,664		825		4,096		121		(6,823)	8,032
Expenses													
Program services													
Grants	7,419		4	_		_		_		288		(6,823)	888
Academics	1,334		1,266	2,891		740		2,561		_		-	8,792
	8,753		1,270	2,891		740		2,561		288		(6,823)	9,680
Management and general	661		108	339		72		86		23		-	1,289
Fundraising	936		116	136		147		114		62		_	1,511
Total expenses	10,350	_	1,494	3,366		959		2,761		373		(6,823)	12,480
Change in Net Assets From Operations	(3,929)	234	(1,702)		(134)		1,335		(252)		-	(4,448)
Other Gains and Losses													
Gain (loss) on sale of property	-		136	(20)		(6)		3		-		-	113
Realized loss on investments	(3,198)	-	-		-		-		-		-	(3,198)
Unrealized gain on investments	3,192		-	-		-		-		-		-	3,192
Foreign currency translation adjustment			102	 1,883		59		989		21			 3,054
Change in Net Assets	(3,935)	472	161		(81)		2,327		(231)		-	(1,287)
Net Assets, Beginning of Year	40,852		2,537	1,368		1,776		4,091		273			 50,897
Net Assets, End of Year	\$ 36,917	\$	3,009	\$ 1,529	\$	1,695	\$	6,418	\$	42	\$	-	\$ 49,610

Combined and Consolidated Statement of Functional Expenses Year Ended December 31, 2010 (Amounts in Thousands)

		Program Service Expenses					 Supporting				
	Gran			ndemics	Pr	Total ogram ervices	agement and eneral	Fun	draising	Ex	Total openses
Salaries and benefits	\$	-	\$	4,535	\$	4,535	\$ 751	\$	826	\$	6,112
Direct grants		25		-		25	-		-		25
Outside services		-		323		323	165		215		703
Course materials/supplies		-		502		502	-		-		502
Medicine/laboratories		-		33		33	-		-		33
Nutritional support		-		836		836	-		-		836
Sales and marketing		-		-		-	-		236		236
Travel and entertainment		-		58		58	78		59		195
Vehicle/transportation expense		-		487		487	4		3		494
Rent and facilities		-		545		545	128		67		740
Depreciation and amortization		-		1,009		1,009	51		6		1,066
Interest expense/bond fees		-		147		147	-		-		147
Other				189		189	76		216		481
Total expenses	\$	25	\$	8,664	\$	8,689	\$ 1,253	\$	1,628	\$	11,570

Combined and Consolidated Statement of Functional Expenses Year Ended December 31, 2009 (Amounts in Thousands)

		Program Service Expenses					Supporting				
	Grants		Academics		Total Program Services		Management and General		Fun	draising	Total spenses
Salaries and benefits	\$	-	\$	4,391	\$	4,391	\$	770	\$	895	\$ 6,056
Direct grants		888		-		888		-		-	888
Outside services		-		410		410		148		118	676
Course materials/supplies		-		504		504		-		-	504
Medicine/laboratories		-		43		43		-		-	43
Nutritional support		-		912		912		-		-	912
Sales and marketing		-		15		15		9		302	326
Travel and entertainment		-		31		31		54		49	134
Vehicle/transportation expense		-		442		442		3		2	447
Rent and facilities		-		601		601		127		75	803
Depreciation and amortization		-		863		863		52		4	919
Interest expense/bond fees		-		288		288		-		-	288
Other				292		292		126		66	484
Total expenses	\$	888	\$	8,792	\$	9,680	\$	1,289	\$	1,511	\$ 12,480

Accountants' Report and Combined and Consolidated Financial Statements

December 31, 2009

December 31, 2009

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Independent Accountants' Report on Combined and Consolidated Financial Statements and Supplementary Information

Board of Directors Christel House International, Inc. and Affiliates Indianapolis, Indiana

We have audited the accompanying combined and consolidated statement of financial position of Christel House International, Inc. and Affiliates (Christel House) as of December 31, 2009, and the related combined and consolidated statements of activities and cash flows for the year then ended. These financial statements are the responsibility of Christel House's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the combined and consolidated financial statements referred to above present fairly, in all material respects, the financial position of Christel House International, Inc. and Affiliates as of December 31, 2009, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the combined and consolidated financial statements taken as a whole. The accompanying supplementary information, including the combining and consolidating information, is presented for purposes of additional analysis and is not a required part of the basic combined and consolidated financial statements. The combining and consolidating information is presented for purposes of additional analysis of the combined and consolidated financial statements rather than to present the financial position, changes in net assets and cash flows of the individual entities. Such information has been subjected to the procedures applied in the audits of the basic combined and consolidated financial statements and, in our opinion, is fairly stated, in all material respects, in relations to the basic combined and consolidated financial statements taken as a whole.

BKOLLP

September 30, 2010





Combined and Consolidated Statement of Financial Position December 31, 2009 (Amounts in Thousands)

	2009		
Assets			
Cash and cash equivalents			
Unrestricted	\$ 3,915		
Temporarily restricted	681		
Investments			
Unrestricted	990		
Temporarily restricted	28,730		
Accounts receivable	269		
Contributions receivable	3,142		
Other assets	196		
Bond issue costs, net	192		
Rental property - Christel House Academy	12,502		
Property and equipment	11,203	i	
Total assets		\$	61,820
Liabilities			
Accounts payable	\$ 588		
Accrued payroll and other	992		
Bonds payable	10,630		
Total liabilities		\$	12,210
Net Assets			
Unrestricted	17,157		
Temporarily restricted	32,453		
Total net assets			49,610
Total liabilities and net assets		\$	61,820

Combined and Consolidated Statement of Activities Year Ended December 31, 2009 (Amounts in Thousands)

	Unre	estricted	nporarily stricted		Total
Revenue, Gains and Other Support					
Contributions	\$	784	\$ 3,850	\$	4,634
In-kind contributions		356	-		356
Special events (net of expenses of \$232)		585	-		585
Grant income		545	104		649
Investment income (net of expenses of \$58)		878	-		878
Rental income - Christel House Academy		914	-		914
Other		16	 _		16
		4,078	 3,954	<u> </u>	8,032
Net assets released from restrictions		7,594	 (7,594)		
Total revenue, gains and other support		11,672	(3,640)		8,032
Expenses					
Program services					
Grants		888	-		888
Academics		8,792	 _		8,792
		9,680	-		9,680
Management and general		1,289	-		1,289
Fund raising		1,511	 _		1,511
Total expenses		12,480			12,480
Change in Net Assets From Operations		(808)	(3,640)		(4,448)
Other Gains and Losses					
Gain on sale of property		113	-		113
Realized loss on investments		(3,198)	-		(3,198)
Unrealized gain on investments		3,192	-		3,192
Foreign currency translation adjustment		3,054	 		3,054
Change in Net Assets		2,353	(3,640)		(1,287)
Net Assets, Beginning of Year		14,804	36,093		50,897
Net Assets, End of Year	\$	17,157	\$ 32,453	\$	49,610

Combined and Consolidated Statement of Cash Flows Year Ended December 31, 2009 (Amounts in Thousands)

	2009			
Operating Activities				
Change in net assets	\$	(1,287)		
Items not requiring (providing) cash		, , ,		
Depreciation		919		
Amortization of bond issue costs		15		
Gain on disposal of property and equipment		(113)		
Foreign currency translation adjustment		(3,054)		
Realized loss on sale of investments		3,198		
Unrealized gain on investments		(3,192)		
Changes in				
Contributions receivable		(2,384)		
Other assets		381		
Accounts payable		245		
Accrued payroll and other		378		
Net cash used in operating activities			\$	(4,894)
Investing Activities				
Purchase of investments		(23,857)		
Proceeds from sale of investments		8,770		
Proceeds from the sale of property and equipment		276		
Purchase of property and equipment		(2,736)		
Net cash used in investing activities				(17,547)
Financing Activity - bond principal payments				(605)
Effect of Exchange Rate Changes on Cash and Cash Equivalents				1,765
Net Decrease in Cash and Cash Equivalents				(21,281)
Cash and Cash Equivalents, Beginning of Year				25,877
Cash and Cash Equivalents, End of Year			\$	4,596
Supplemental Cash Flows Information - interest paid			\$	161

Notes to Combined and Consolidated Financial Statements December 31, 2009 (Amounts in Thousands)

Note 1: Nature of Operations and Summary of Significant Accounting Policies

General

Christel House International, Inc. (CHI) and Affiliates (collectively known as "Christel House") is a not-for-profit organization (501(c)(3)) whose principal activity is to support educational efforts, primarily through grant-making. Christel House International was established in 1998 and developed learning centers in India, Mexico, Venezuela, South Africa and the United States. The mission of Christel House is to give impoverished children the tools and training to become self-sufficient, contributing members of society.

Christel House operates nonresidential learning centers for underserved children and provides a holistic approach to child development. The children are enrolled at Christel House learning centers in a formal, structured educational curriculum taught by qualified instructors. The curriculum is designed for mastery of basic skills in reading, writing and math. The curriculum supplements this core knowledge with classes in English as a second language, computer skills, character development, life skills, and arts and cultural activities. Since its founding in 1998, Christel House has established learning centers in India, Mexico, Venezuela, South Africa and the United States and currently serves over 3,000 children worldwide. Medical needs affecting a child's ability to learn are identified and intervention programs implemented. Outcomes and progress of all programs are monitored for success, with the ultimate goal for each child to become a self-sufficient, productive member of society. The CHI Scholars program operates in Serbia where children have access to education, but lack the funds for book fees, study fees and vocational training. Christel House also operates its European fundraising activities through London-based, Christel House Europe.

Parents, family members and other caregivers are also offered education programs to improve parenting and life skills. These programs are designed to reinforce the gains made by the children at Christel House learning centers.

The revenues and support are derived principally from contributions and income from special events.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of the revenues, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Notes to Combined and Consolidated Financial Statements December 31, 2009 (Amounts in Thousands)

Principles of Combination and Consolidation

For 2009, Christel House prepared its financial statements in accordance with accounting principles generally accepted in the United States of America. Accordingly, the financial operations of the international affiliates are combined and consolidated in these financial statements. Previously, Christel House prepared its financial statements on the accounting basis used for income tax purposes, and as such, the audited financial statements did not include the financial activities of the international affiliates.

Christel House International, Inc. presents combined and consolidated financial statements that include the financial information of the following affiliated organizations:

- Christel House International, Inc.
- Christel House India
- Christel House de Mexico, A.C.
- Christel House Europe
- Christel House South Africa
- Christel House Venezuela, A.C.

Each of the entities is a separately incorporated not-for-profit organization and is governed by a board of directors within their respective countries. Christel House International, Inc. has an economic interest in all of these entities and has control over a majority of these entities, within the meaning of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 958, *Not-for-Profit Entities*.

In addition, Christel House International provides management and financial support to Christel House Academy (Academy), an affiliated charter school located in Indianapolis, Indiana. The financial information related to the Academy is not consolidated in these financial statements as the Academy is not under the control of CHI within the meaning of FASB ASC Topic 958, *Not-For-Profit Entities*.

The December 31 net asset balances of the affiliated consolidated organizations are as follows:

	2009	
Christel House de Mexico, A.C.	\$	3,009
Christel House Venezuela, A.C.		1,529
Christel House India		1,695
Christel House South Africa		6,418
Christel House Europe (United Kingdom)		42
	\$	12,693

All material interorganizational accounts and transactions have been eliminated in combination and consolidation.

Notes to Combined and Consolidated Financial Statements December 31, 2009 (Amounts in Thousands)

Cash and Cash Equivalents

Christel House considers all liquid investments with original maturities of three months or less to be cash equivalents. The financial institution holding Christel House International, Inc.'s cash accounts is participating in the FDIC's Transaction Account Guarantee Program. Under the FDIC program, through June 30, 2010, all noninterest-bearing accounts are fully guaranteed by the FDIC for the entire amount in the account. The FDIC's insurance limits increased to \$250,000 for interest-bearing accounts through December 31, 2013.

At December 31, 2009, cash equivalents consisted primarily of money market funds and bond funds. The balance in excess of insured amounts was approximately \$1,544. Additionally, at December 31, 2009, the funds held outside the United States were \$2,711 and are not insured by the FDIC.

Investments and Investment Return

Investments in equity securities having a readily determinable fair value and all debt securities are carried at fair value. Other investments are also valued at fair value. Investment return includes dividend, interest and other investment income and realized and unrealized gains and losses on investments.

Investment return that is initially restricted by donor stipulation and for which the restriction will be satisfied in the same year is included in unrestricted net assets. Other investment return is reflected in the combined and consolidated statement of activities as unrestricted, temporarily restricted or permanently restricted based upon the existence and nature of any donor or legally imposed restrictions.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. Depreciation is charged to expense using the straight-line basis or alternative depreciation system over the estimated useful life of assets as follows:

	Years
Buildings	40
Improvements	15 - 20
Furniture and equipment	5 - 7
Computer hardware	3 - 5

Notes to Combined and Consolidated Financial Statements
December 31, 2009
(Amounts in Thousands)

Temporarily Restricted Net Assets

Temporarily restricted net assets are those whose use by Christel House has been limited by donors to a specific time period or purpose. Temporarily restricted net assets at December 31, 2009 include \$28,584 donated by Christel DeHaan, CHI's Founder, President and Chief Executive Officer. This balance is restricted for payment of future general and administrative expenses of Christel House. In addition, this balance may be used to fund future operating shortfalls of Christel House.

Contributions

Gifts of cash and other assets received without donor stipulations are reported as unrestricted revenue and net assets. Gifts received with a donor stipulation that limits their use are reported as temporarily restricted revenue and net assets. When a donor stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the combined and consolidated statement of activities as net assets released from restrictions. Gifts and investment income that are originally restricted by the donor and for which the restriction is met in the same time period are recorded as temporarily restricted and then released from restriction.

Gifts of land, buildings, equipment and other long-lived assets are reported as unrestricted revenue and net assets unless explicit donor stipulations specify how such assets must be used, in which case the gifts are reported as temporarily or permanently restricted revenue and net assets. Absent explicit donor stipulations for the time long-lived assets must be held, expirations of restrictions resulting in reclassification of temporarily restricted net assets as unrestricted net assets are reported when the long-lived assets are placed in service.

In-Kind Contributions

In addition to receiving cash contributions, Christel House receives in-kind contributions of goods from various donors. It is the policy of Christel House to record the estimated fair value of certain in-kind donations as an expense in its financial statements, and similarly increase contribution revenue by a like amount. For the year ended December 31, 2009, \$280 was received in in-kind contributions.

Grant Making

Unconditional grants are recognized as expenses in the period approved.

Notes to Combined and Consolidated Financial Statements December 31, 2009 (Amounts in Thousands)

Foreign Currency Translation

Christel House considers US Dollars its functional currency as a substantial portion of Christel House's business activities are based in US Dollars. Transactions involving foreign currencies are translated at the approximate rates of exchange existing at the transaction dates. Monetary assets and liabilities denominated in foreign currencies at the year end are retranslated at the approximate rates of exchange at that date. Gains and losses relating to foreign currency translations are recorded in the statement of activities as a component of the change in net assets. The combined and consolidated financial statements include foreign affiliates. Their assets and liabilities are translated into US Dollars at the exchange rate in effect at the balance sheet date. Revenues and expenses are translated at the average exchange rate during the year.

Income Taxes

Christel House International, Inc. is exempt from federal income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code and a similar provision of state law. Christel House de Mexico, A.C., Christel House Europe, Christel House South Africa, Christel House de Venezuela, A.C. and Christel House India are tax-exempt entities. Christel House International, Inc. is not considered to be a private foundation.

Uncertain Tax Positions

During 2009, Christel House adopted the provisions of ASC Topic 740, *Income Taxes*, concerning the accounting and disclosures for uncertain tax positions, previously deferred by ASC 740-10-65. As part of the implementation of this standard, management evaluated its current tax positions and determined the adoption of this standard had no material impact on the financial statements of Christel House. For Christel House International, Inc., the tax years still subject to examination by taxing authorities in the United States are years subsequent to 2005.

Functional Allocation of Expenses

The costs of supporting the various programs and other activities have been summarized on a functional basis in the combined and consolidated statement of activities. Certain costs have been allocated among the grants, academic programs and other program services, management and general, and fund raising categories based upon actual expenditures and cost allocations estimated by Christel House personnel.

Subsequent Events

Subsequent events have been evaluated through September 30, 2010, which is the date the combined and consolidated financial statements were available to be issued.

Notes to Combined and Consolidated Financial Statements December 31, 2009 (Amounts in Thousands)

Christel House Venezuela has entered into discussions with an education-based not-for-profit organization seeking a collaboration to reduce the expense structure of Christel House Venezuela. The details of this proposed collaboration have yet to be finalized.

Note 2: Investments and Investment Return

Investments are as follows:

	 2009
Equity securities	\$ 4,694
Government debt securities	2,868
Treasury obligations	81
Money market funds	16,645
Alternative investments	 5,432
	\$ 29,720

The following schedule summarizes the investment return and its classification in the combined and consolidated statement of activities.

	2009
Investment income (net of expenses of \$58) Net realized losses Net unrealized gains	\$ 878 (3,198) 3,192
Total return on investments	\$ 872

Notes to Combined and Consolidated Financial Statements December 31, 2009 (Amounts in Thousands)

Alternative Investments

Alternative investments held at December 31, 2009 consist of the following:

	 Fair Value	_	Infunded mmitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Equity and debt long/short hedge funds (A)	\$ 724	\$	_	Monthly	30 days
Distressed debt funds (B)	1,665		-	Not eligible	N/A
Real estate funds (C)	72		-	Not eligible	N/A
Private investment parternship funds (D)	1,529		-	Quarterly	45 days
Multi-asset fund (E)	1,442		-	Daily	None required

- (A) This category includes investments in hedge funds that take both long and short positions, invested in securities traded on domestic and foreign exchanges and over-the-counter as well as securities for which there is no public market. The fair values of the investments in this category have been estimated using the net asset values per share as reported by the fund administrator.
- (B) This category includes investments in funds that invest primarily in distressed debt situations, including well-collateralized distressed senior secured loan obligations where the fund can influence the outcome of events. The fund seeks to invest in situations that reflect a discount to the underlying collateral value, enterprise value or both, with the intent of recovering substantial premiums to acquisition prices. Distributions from each fund will be made as the underlying investments of the funds are liquidated. The fund term will end on the seventh anniversary of the final closing date of the Partnership, subject to extension by the directors for up to two additional one-year periods. The fair values of the investments in this category have been estimated using Christel House's ownership interest in partners' capital as reported by the fund administrators.

Notes to Combined and Consolidated Financial Statements December 31, 2009 (Amounts in Thousands)

- (C) This category includes several real estate funds that invest primarily in U.S. commercial real estate. The primary focus of the fund is to provide mezzanine financing for commercial buildings, single family lot development and condominium development. Investments are concentrated in the metropolitan areas of Indiana, Illinois, Ohio, North Carolina and Florida. These investments can never be redeemed with the funds. Distributions from each fund will be made as the underlying investments of the funds are liquidated. The fund term will end on the seventh anniversary of the final closing date of the Partnership, subject to extension by the directors for up to two additional one-year periods. The fair values of the investments in this category have been estimated using Christel House's ownership interest in partners' capital as reported by the fund administrators.
- (D) This category includes several private investment partnerships funds that invest in various industries and sectors or markets. In addition, certain investment partners invest in investment funds that utilize short positions, leverage (including margin borrowing), options, futures, commodities and other derivatives and may invest in non-U.S. securities and illiquid securities. The fair values of the investments in this category have been estimated using Christel House's ownership interest in partners' capital as reported by the fund administrators.
- (E) This category includes investments in acquired funds, common and preferred stocks, real estate investment trusts, high yield bonds, securities issued or guaranteed by the U.S. Government, corporate bonds and short-term money markets. The fair values of the investments in this category have been estimated using the net asset values per share as reported by the fund administrator.

Note 3: Contributions Receivable - Temporarily Restricted

	 2009
Due within one year	\$ 843
Due in one to five years	 2,499
	 3,342
Discount	 (200)
	\$ 3,142

Discount rates ranged from 1.95% to 2.87% for 2009.

Notes to Combined and Consolidated Financial Statements December 31, 2009 (Amounts in Thousands)

Note 4: Rental Property - Christel House Academy

During 2002, Christel House International, Inc. (CHI) acquired and renovated an educational facility, Christel House Academy. In December 2002, CHI agreed to lease this facility to Christel House Academy, Inc. (Academy), a charter school in the Indianapolis area. The Academy is a separately incorporated, not-for-profit organization that is not controlled by CHI. The Academy receives public support from the State of Indiana as well as contributions from CHI. As discussed more fully in Note 6, CHI issued \$14,000 of bonds to assist in the financing and construction of Christel House Academy.

The lease entered into between CHI and the Academy is for a term of 20 years commencing on March 1, 2003. Future rent payments due from the Academy are shown below. All 2009 rent payments were received by December 31.

Property rented to Christel House Academy, Inc. for the operation of the charter school is as follows:

	 2009	
Buildings Land improvements	\$ 12,118 179	
Accumulated depreciation	12,297 (2,028)	
Land	 10,269 2,233	
	\$ 12,502	

Future lease payments due from Christel House Academy, Inc. at December 31, 2009 were:

2010	\$ 1,010
2011	1,044
2012	1,034
2013	1,023
2014	1,012
Thereafter	 7,842
	\$ 12,965

Notes to Combined and Consolidated Financial Statements
December 31, 2009
(Amounts in Thousands)

Note 5: Property and Equipment

Christel House's property and equipment are as follows:

		2009
Buildings	\$	9,121
Land		681
Leasehold improvements		267
Furniture and equipment		1,559
Computer hardware		1,292
Computer software		206
Books and educational materials		401
Motor vehicles		293
Works in progress		1,169
		14,989
Accumulated depreciation		(3,786)
	\$	11,203

Note 6: Bonds Payable

The Indiana Development Finance Authority issued its \$14,000 Variable Rate Demand Educational Facilities Revenue Bonds, Series 2003 (Christel House, Inc. Project) (2003 Bonds) in February 2003. The proceeds from the 2003 Bonds were loaned to CHI for acquisition, construction, installation and equipping of the Christel House Academy. Principal on this loan is due annually on February 1, and interest is due monthly on the first day of each month. The interest rate mode at December 31, 2009 was weekly, and the interest rate is reset on a weekly basis by the remarketing agreement. CHI can periodically elect to change the interest rate modes as specified in the trust indenture. The interest rate in effect at December 31, 2009 was .55%. CHI pays the remarketing agent an annual fee of 0.075% of the outstanding principal balance on the loan. The 2003 Bonds mature February 1, 2023. CHI has agreed to redeem these bonds in the principal amounts and on the dates set forth in the reimbursement agreement with the bank. Furthermore, CHI has the option to redeem or repay these bonds prior to maturity, partially or in full, subject to the redemption terms and pricing set forth in the trust indenture.

The 2003 Bonds are secured by a reimbursement agreement and an irrevocable letter of credit in a maximum amount up to \$14,173, which expires February 15, 2013. The reimbursement agreement and letter of credit are secured by a "Continuing Guaranty Agreement" which is in effect for the term of the reimbursement agreement. The guarantor is Christel DeHaan, President, CEO and Founder of Christel House International, Inc. The guarantor must submit certain reports attesting to the Guarantor's net marketable asset position being at least 2.0 times the outstanding principal amount of the bonds. There are also other covenants with which the guarantor has agreed to comply. The beneficiary and trustee, Fifth Third Bank, holds the option to extend the expiration date of this letter of credit. This letter of credit will be reduced as the bond principal is repaid. There is an annual letter of credit fee of 0.68% of the outstanding principal balance. If the letter of credit is exercised, repayment is due on demand.

Notes to Combined and Consolidated Financial Statements December 31, 2009 (Amounts in Thousands)

Issuance costs in the amount of \$293 were capitalized during 2003 and are being amortized over 20 years. Unamortized issuance costs as of December 31, 2009 were \$192.

The future maturities of bonds payable are as follows:

2010	\$ 620
2011	645
2012	660
2013	680
2014	700
Thereafter	 7,325
	\$ 10,630

Interest expense for the year ended December 31, 2009 was \$185.

Note 7: Leases

Noncancellable operating leases for office space expire in various years through 2014. Christel House is required to pay all executory costs (property taxes, maintenance and insurance). CHI's lease for office space includes an option to terminate the lease provided CHI pays a termination fee at least 30 days prior to termination. Rent expense for the year ended December 31, 2009 was \$195. Rent expense is recognized on a straight-line basis.

Future minimum lease payments at December 31, 2009, were:

2010	\$	167
2011		166
2012		163
2013		163
2014		81
	<u>\$</u>	740

Notes to Combined and Consolidated Financial Statements December 31, 2009 (Amounts in Thousands)

Note 8: Related Party Transactions

During 2009, CHI received \$1,840 in contributions from Christel DeHaan, its Founder, President and Chief Executive Officer.

In 2009, CHI expensed \$1,359 in payroll related costs that were originally paid by CD Enterprises, Ltd. (CDE), a related party. Included in these expenses was \$49 for CHI employer contributions to CDE's 401(k) plan for the year ended December 31, 2009. As of December 31, 2009, CHI had an outstanding liability balance of \$213 related to these payroll costs, which is included in accrued payroll and other on the combined and consolidated statement of financial position.

As discussed in Note 4, Christel House leases property to the Christel House Academy, Inc., and also provides grants to several affiliates.

Note 9: Net Assets

Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes or periods:

	2009
Contributions restricted for periods after December 31	\$ 28,950
Capital projects	3,144
Learning center programs and services	224
Nutritional support	43
Parent workshops	5
Other programs	87
	\$ 32,453

Each year, CHI releases funds to cover all management and general expenses and fundraising expenses. In addition, funds are released to cover any shortfall in funding for programs and services. Annual funds released from restrictions are not to exceed amounts approved in the annual budget. One hundred percent of the contributions received from donors other than the Founder are solely applied to programs and services benefiting the children.

Notes to Combined and Consolidated Financial Statements December 31, 2009 (Amounts in Thousands)

Net Assets Released From Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

	 2009
Time restrictions	\$ 6,906
Nutritional and medical programs	98
Educational programs	564
Parent workshops	4
Other programs	 22
	\$ 7,594

Note 10: Disclosures About Fair Value of Assets and Liabilities

ASC Topic 820, *Fair Value Measurements*, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Topic 820 also specifies a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

- **Level 1** Quoted prices in active markets for identical assets or liabilities
- Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- **Level 3** Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities

Following is a description of the valuation methodologies used for assets measured at fair value on a recurring basis and recognized in the accompanying combined and consolidated statement of financial position, as well as the general classification of such assets pursuant to the valuation hierarchy.

Cash Equivalents

Christel House's cash equivalents consist of money market mutual funds that have quoted market prices available in an active market and are classified within Level 1 of the valuation hierarchy.

Notes to Combined and Consolidated Financial Statements December 31, 2009 (Amounts in Thousands)

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 securities include equity securities, government debt securities and money market mutual funds. If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of securities with similar characteristics or discounted cash flows. For investments, other than alternative investments, the inputs used by the pricing service to determine fair value may include on, or a combination of, observable inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data market research publications and are classified within Level 2 of the valuation hierarchy. These Level 2 securities include government debt obligations and treasury obligations. Level 2 investments also include certain alternative investments that are measured and can be redeemed at net asset value in the near term. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. For alternative investments that do not have sufficient activity or liquidity within the fund, the net asset value (or its equivalent) provided by the fund is utilized, as practical expedient, to determine fair value alternative investments are classified within Level 3 of the valuation hierarchy if they cannot be redeemed at net asset value at the measurement date. These Level 3 securities include certain alternative investments.

The following table presents the fair value measurements of assets recognized in the accompanying combined and consolidated statements of financial position, measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2009:

			Fair Value Measurements Using									
		Fair Value	ii Ma Id	oted Prices in Active arkets for dentical Assets Level 1)	Obs I	nificant Other servable nputs evel 2)	Significant Unobservable Inputs (Level 3)					
Cash equivalents												
Money market mutual funds	\$	1,860	\$	1,860	\$	_	\$	_				
Investments	Ψ	1,000	Ψ	1,000	Ψ		Ψ					
Equity securities		4,694		4,694		_		_				
Government debt securities		2,868		575		2,293		_				
Treasury obligations		81		-		81		_				
Money market mutual funds		16,645		16,645		_		_				
Equity and debt long/short												
hedge funds		724		-		724		_				
Distressed debt funds		1,665		-		-		1,665				
Real estate funds		72		-		-		72				
Private investment partnership												
funds		1,529		-		1,529		-				
Multi-asset fund		1,442				1,442		-				
Total assets	\$	31,580	\$	23,774	\$	6,069	\$	1,737				

Notes to Combined and Consolidated Financial Statements December 31, 2009 (Amounts in Thousands)

The following is a reconciliation of the beginning and ending balances of recurring fair value measurements recognized in the accompanying combined and consolidated statement of financial position using significant unobservable (Level 3) inputs:

	Alternative Investments					
Balance, January 1, 2009	\$	2,248				
Total realized and unrealized gains Purchases Sales		(125) 58 (444)				
Balance, December 31, 2009	\$	1,737				

Realized and unrealized gains and losses for items reflected in the table above are included in the change in net assets in the statement of activities as follows:

	Net . F	nge in Assets rom rations	Other Gains and Losses		
Total gains and losses Change in unrealized gains or losses relating to assets still	\$	(10)	\$	(115)	
held at the statement of financial position date		-		(115)	

Note 11: Concentration

Christel House received approximately 37% of its contribution revenue from the Founder in 2009.

Note 12: Commitments and Contingencies

Christel House is subject to claims and lawsuits that arose primarily in the ordinary course of its activities. It is the opinion of management that the disposition or ultimate resolution of such claims and lawsuits will not have a material adverse effect on the financial position, change in net assets and cash flows of Christel House. Events could occur that would change this estimate materially in the near term.

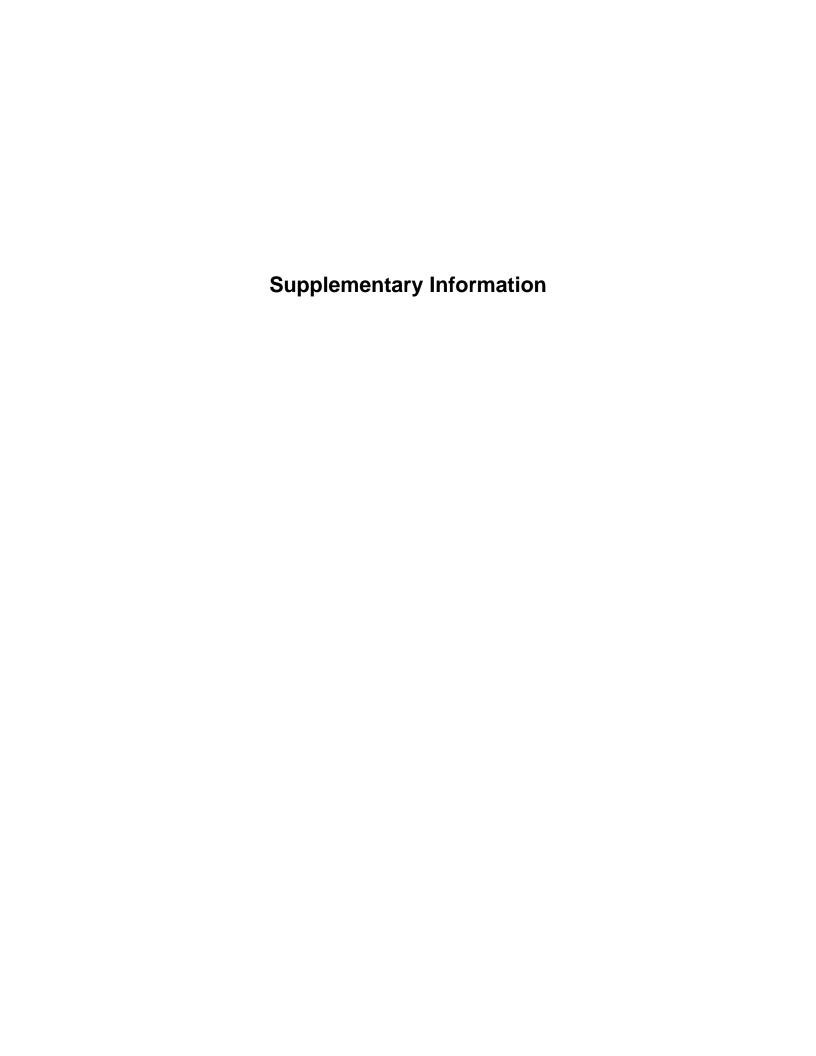
As of December 31, 2009, Christel House had commitments for the construction of a high school building to open in Fall of 2010, for Christel House Academy totaling approximately \$3,000.

Notes to Combined and Consolidated Financial Statements
December 31, 2009
(Amounts in Thousands)

Note 13: Current Economic Conditions

The current protracted economic decline continues to present not-for-profit organizations with difficult circumstances and challenges, which in some cases have resulted in large and unanticipated declines in the fair value of investments and other assets, and declines in contributions. The financial statements have been prepared using values and information currently available to Christel House.

In addition, given the volatility of current economic conditions, the values of assets recorded in the combined and consolidated financial statements could change rapidly, resulting in material future adjustments in investment values that could negatively impact Christel House.



Combining and Consolidating Statement of Financial Position

December 31, 2009 (Amounts in Thousands)

Assets	Christel House International, Inc.		Н	Christel House de Mexico, A.C.		Christel House Venezuela, A.C.		Christel House India		Christel House South Africa		Christel House Europe		ninations	Total
Cash and cash equivalents															
Unrestricted	\$	1,295	\$	26	\$	64	\$	20	\$	166	\$	46	\$	2,298	\$ 3,915
Restricted		590		12		-		35		44		-		-	681
Investments															
Unrestricted		575		122		186		-		107		-		-	990
Restricted		28,697		33		-		-		-		-		-	28,730
Accounts receivable		213		750		346		-		1,258		-		(2,298)	269
Contributions receivable		2,907		-		-		235		-		-		-	3,142
Other assets		42		32		74		48		-		-		-	196
Bond issue costs, net		192		-		-		-		-		-		-	192
Rental property - Christel House Academy		12,502		-		-		-		-		-		-	12,502
Property and equipment		1,281		2,103		1,321		1,404		5,094		-			11,203
Total assets	\$	48,294	\$	3,078	\$	1,991	\$	1,742	\$	6,669	\$	46	\$		\$ 61,820
Liabilities															
Accounts payable	\$	391	\$	8	\$	29	\$	8	\$	152	\$	_	\$	-	\$ 588
Accrued payroll and other		356		61		433		39		99		4		-	992
Bonds payable		10,630		=		-		-		-		_		-	10,630
Total liabilities		11,377		69		462		47		251		4		-	12,210
Net Assets															
Unrestricted		4,823		2,964		1,529		1,425		6,374		42		-	17,157
Temporarily restricted		32,094		45		-		270		44		-		-	32,453
Total net assets		36,917		3,009		1,529		1,695		6,418		42		-	49,610
Total liabilities and net assets	\$	48,294	\$	3,078	\$	1,991	\$	1,742	\$	6,669	\$	46	\$		\$ 61,820

Combining and Consolidating Statement of Activities

Year Ended December 31, 2009 (Amounts in Thousands)

	Н	ristel ouse ional, Inc.	Hou	ristel use de co, A.C.	se de House		Christel House India		ouse House		ristel ouse irope	Eliminations		Total
Revenue, Gains and Other Support														
Contributions	\$	4,034	\$	232	\$	63	\$ 115	\$	175	\$	15	\$	-	\$ 4,634
Direct contributions		53		32		45	85		138		-		(353)	-
CHI Funding		-		1,360		1,404	343		3,294		69		(6,470)	-
In-kind contributions		172		11		74	25		58		16		-	356
Special events (net of expenses of \$232)		449		39		36	16		24		21		-	585
Grants		17		44		-	237		351		-		-	649
Investment income (net of expenses of \$58)		782		10		42	3		41		-		-	878
Rental income - Christel House Academy		914		-		-	-		-		-		-	914
Other		-		-		-	-		16		-		-	16
Total revenue, gains and other support		6,421		1,728		1,664	824		4,097		121		(6,823)	8,032
Expenses														
Program services														
Grants		7,419		4		-	-		-		288		(6,823)	888
Academics		1,334		1,266		2,891	740		2,561		-		-	8,792
		8,753		1,270		2,891	740		2,561		288		(6,823)	 9,680
Management and general		661		108		339	72		86		23		-	1,289
Fund raising		936		116		136	147		114		62		-	1,511
Total expenses		10,350		1,494		3,366	959		2,761		373		(6,823)	12,480
Change in Net Assets From Operations		(3,929)		234		(1,702)	(135)		1,336		(252)		-	(4,448)
Other Gains and Losses														
Gain (loss) on sale of property		-		136		(20)	(6)		3		-		-	113
Realized loss on investments		(3,198)		-		-	-		-		-		-	(3,198)
Unrealized gain on investments		3,192		-		-	-		-		-		-	3,192
Foreign currency translation adjustment				102		1,883	 59		989		21			 3,054
Change in Net Assets		(3,935)		472		161	(82)		2,328		(231)		-	(1,287)
Net Assets, Beginning of Year		40,852		2,537		1,368	 1,776		4,091		273			 50,897
Net Assets, End of Year	\$	36,917	\$	3,009	\$	1,529	\$ 1,694	\$	6,419	\$	42	\$	_	\$ 49,610

Combining and Consolidating Statement of Functional Expenses Year Ended December 31, 2009 (Amounts in Thousands)

		Pro	gram Se	ervice Exper	nses		 Supportin			
	Grants		Academics		Total Program Services		agement and eneral	Fundraising		Total spenses
Salaries and benefits	\$	-	\$	4,391	\$	4,391	\$ 770	\$	895	\$ 6,056
Direct grants		888		-		888	-		-	888
Outside services		-		410		410	148		118	676
Course materials/supplies		-		504		504	-		-	504
Medicine/laboratories		-		43		43	-		-	43
Nutritional support		-		912		912	-		-	912
Sales and marketing		-		15		15	9		302	326
Travel and entertainment		-		31		31	54		49	134
Vehicle/transportation expense		-		442		442	3		2	447
Rent and facilities		-		601		601	127		75	803
Depreciation and amortization		-		863		863	52		4	919
Interest expense/bond fees		-		288		288	-		-	288
Other				292		292	126		66	484
Total expenses	\$	888	\$	8,792	\$	9,680	\$ 1,289	\$	1,511	\$ 12,480

Christel House International Balance Sheet 12/31/12 (000's)

	12/31/2012 12/31/2011		Inc	r/(Decr)	
Assets					
Cash & Cash Equivelants	\$	5,021	\$ 819	\$	4,202
Short Term Investments		877	720		157
Investments		17,683	17,128		555
Unrealized Investments Gains		1,685	1,122		563
Receivables		2,980	3,194		(214)
Prepaid Assets		52	49		4
Property & Equipment, Net		15,136	15,566		(430)
Other Assets		148	163		(15)
Total Assets	\$	43,583	\$ 38,760	\$	4,823
Liabilities & Net Assets					
Liabilities					
Accounts Payable	\$	48	\$ 166	\$	(118)
Accrued Expenses		272	261		11
Bonds Payable		8,705	9,365		(660)
Other Liabilities		1	(0)		1
Total Liabilities		9,026	9,792		(766)
Net Assets		34,557	28,968		5,589
Total Liabilities & Net Assets	\$	43,583	\$ 38,760	\$	4,823

Christel House International Statement of Activities 12 Months Ending 12/31/12 (000's)

	YTD Actual	YTD Budget	Variance	Annual Budget
Revenue				
Contributions	Φ 000	Φ 4074	(400)	Φ 4074
General Contributions	\$ 886	\$ 1,074	\$ (188)	
Board Support	335	300	35	300
Grants	932 513	1,070	(138)	1,070
Events - CH Open In-Kind Contributions	309	425 228	88 81	425 228
	2,974	3,097	(123)	3,097
Total Development Contributions	2,914	3,097	(123)	3,097
Direct Contributions for Centers	34	0	34	0
Founder Funding	6,705	2,000	4,705	2,000
Total Funding Contributions	6,739	2,000	4,739	2,000
Total Contributions	9,713	5,097	4,616	5,097
Other Income				
Investment Income (Loss)	1,564	1,131	433	1,131
Rental Income	1,195	836	359	836
Other	54	48	559 6	48
Total Other Income	2,813	2,015	798	2,015
Total Other modifie	2,013	2,013	730	2,013
Total Revenue	12,527	7,112	5,415	7,112
Program Grants				
Grants	2,848	467	2,382	467
Direct Contributions	1,172	280	892	280
Total Grants	4,020	747	3,273	747
Expenses				
Operating Expenses				
Salary and Benefits	1,471	1,780	(309)	1,780
Outside Services	96	135	(39)	135
Marketing	103	214	(111)	214
Travel & Entertainment	89	145	(56)	145
Facilities	197	189	` 8	189
Printing, Postage & Supplies	51	59	(8)	59
Other Expenses	355	333	22	333
Total Operating Expenses	2,362	2,855	(493)	2,855
Non Operating Expenses	555	604	(49)	604
Total Expenses	2,917	3,459	(542)	3,459
Total Grants & Expenses	6,937	4,206	2,731	4,206
Net Increase (Decrease) in Net Assets	\$ 5,589	\$ 2,906	\$ 2,683	\$ 2,906

ATTACHMENT 24 LITIGATION SUMMARY

None