



Paul D. Joyce, CPA
State Examiner

INDIANA STATE BOARD OF ACCOUNTS

302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769
Telephone: (317) 232-2513
Fax: (317) 232-4711
www.in.gov/sboa

April 2, 2025

Charter School Board
Christel House Academy, Inc.
d/b/a Christel House Schools
Marion County, Indiana

We have reviewed the audit report of Christel House Academy, Inc. d/b/a Christel House Schools, which was opined upon by Crowe LLP, Independent Public Accountants, for the period July 1, 2023 to June 30, 2024. Per the *Independent Auditor's Report* the financial statements included in the report present fairly the financial condition of Christel House Academy, Inc. d/b/a Christel House Schools as of June 30, 2024 and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Crowe LLP prepared the audit report in accordance with guidelines established by the Indiana State Board of Accounts.

In addition to the report presented herein, a supplemental report for Christel House Academy, Inc. d/b/a Christel House Schools was prepared in accordance with the guidelines established by the Indiana State Board of Accounts.

The report is filed with this letter in our office as a matter of public record.

Tammy R. White, CPA
Deputy State Examiner

CHRISTEL HOUSE ACADEMY, INC.
d/b/a Christel House Schools

FINANCIAL STATEMENTS
June 30, 2024 and 2023

CHRISTEL HOUSE ACADEMY, INC.

FINANCIAL STATEMENTS
June 30, 2024 and 2023

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Christel House Academy, Inc.
Indianapolis, Indiana

Report on the Audit of the Financial Statements***Opinion***

We have audited the financial statements of Christel House Academy, Inc. (d/b/a Christel House Schools or "CH Indy") which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Christel House Schools as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Christel House Schools and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

(Continued)

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Christel House Schools ability to continue as a going concern for one year from the date the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Christel House Schools' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Christel House Schools' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, schedules of financial position – school level and schedules of activities – school level are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated <> on our consideration of the Christel House Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the Christel House Schools' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Christel House Schools' internal control over financial reporting and compliance.

Crowe LLP

Crowe LLP

Indianapolis, Indiana
February 13, 2025

CHRISTEL HOUSE ACADEMY, INC.
STATEMENTS OF FINANCIAL POSITION
June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 16,466,206	\$ 10,284,189
Grants receivable	750,298	1,472,074
Right of use asset	521,512	495,390
Prepaid expenses	<u>196,662</u>	<u>59,993</u>
Total current assets	17,934,678	12,311,646
Non-current assets		
Right of use asset	9,272,296	8,972,820
Property and equipment, net	<u>8,037,742</u>	<u>8,786,570</u>
	<u>\$ 35,244,716</u>	<u>\$ 30,071,036</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 415,314	\$ 435,065
Accrued payroll	1,092,238	1,203,608
Lease liability	515,220	495,390
Accrued incentive compensation	<u>158,153</u>	<u>267,815</u>
Total current liabilities	2,180,925	2,401,878
Non-current liabilities		
Lease liability	9,284,880	8,972,820
Accrued incentive compensation	<u>1,986,457</u>	<u>1,275,126</u>
Total liabilities	13,452,262	12,649,824
Net assets		
Without donor restrictions	21,225,832	16,886,494
With donor restrictions	<u>566,622</u>	<u>534,718</u>
Total net assets	<u>21,792,454</u>	<u>17,421,212</u>
	<u>\$ 35,244,716</u>	<u>\$ 30,071,036</u>

See accompanying notes to financial statements.

CHRISTEL HOUSE ACADEMY, INC.
STATEMENTS OF ACTIVITIES
Years ended June 30, 2024 and 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Public support and revenues						
State support	\$ 18,628,395	\$ -	\$ 18,628,395	\$ 16,250,769	\$ -	\$ 16,250,769
Grant revenue	10,812,268	-	10,812,268	9,542,153	-	9,542,153
Contributions of cash and other financial assets	1,446,667	554,070	2,000,737	1,363,260	139,555	1,502,815
Contributions of nonfinancial assets	7,051,393	-	7,051,393	6,829,161	-	6,829,161
Student fees	124,424	-	124,424	79,414	-	79,414
Other revenue	1,301,121	-	1,301,121	1,429,738	-	1,429,738
Net assets released from restriction	522,166	(522,166)	-	70,191	(70,191)	-
Total public support and revenues	<u>39,886,434</u>	<u>31,904</u>	<u>39,918,338</u>	<u>35,564,686</u>	<u>69,364</u>	<u>35,634,050</u>
Expenses						
Program services						
K-12 learning programs	26,418,744	-	26,418,744	26,301,873	-	26,301,873
Adult learning programs	7,940,241	-	7,940,241	7,108,460	-	7,108,460
Teacher training program	208,366	-	208,366	177,489	-	177,489
Total program services	<u>34,567,351</u>	<u>-</u>	<u>34,567,351</u>	<u>33,587,822</u>	<u>-</u>	<u>33,587,822</u>
General and administrative	979,745	-	979,745	877,024	-	877,024
Total expenses	<u>35,547,096</u>	<u>-</u>	<u>35,547,096</u>	<u>34,464,846</u>	<u>-</u>	<u>34,464,846</u>
Change in net assets	4,339,338	31,904	4,371,242	1,099,840	69,364	1,169,204
Net assets, beginning of year	<u>16,886,494</u>	<u>534,718</u>	<u>17,421,212</u>	<u>15,786,654</u>	<u>465,354</u>	<u>16,252,008</u>
Net assets, end of year	<u>\$ 21,225,832</u>	<u>\$ 566,622</u>	<u>\$ 21,792,454</u>	<u>\$ 16,886,494</u>	<u>\$ 534,718</u>	<u>\$ 17,421,212</u>

See accompanying notes to financial statements.

CHRISTEL HOUSE ACADEMY, INC.
 STATEMENTS OF FUNCTIONAL EXPENSES
 Years ended June 30, 2024 and 2023

	2024				
	Program Services			General and Administrative	Total Expenses
	K-12 Learning	Adult Learning	Teacher Training		
Salaries and benefits	\$ 14,157,084	\$ 4,554,406	\$ 164,948	\$ 493,007	\$ 19,369,445
Instructional services	1,259,962	230,502	300	-	1,490,764
Accounting and payroll services	-	-	-	213,650	213,650
Administrative services	1,152	303	-	16,864	18,319
Legal services	-	-	-	23,934	23,934
Authorizer fees	-	-	-	121,962	121,962
Recruitment and placement	20,898	5,246	-	-	26,144
Technology services	329,281	146,356	-	-	475,637
Professional development	222,166	29,087	36,394	10,804	298,451
Nursing services	217,155	-	-	-	217,155
Course materials and supplies	485,974	50,429	5,186	-	541,589
Nutritional support	1,462,780	-	-	-	1,462,780
Advertising	57,718	52,071	-	-	109,789
Travel and entertainment	15,133	6,328	89	-	21,550
Vehicle and transportation	1,013,987	60,603	-	-	1,074,590
Facilities rental	3,763,171	1,439,062	-	-	5,202,233
Facilities (insurance, utilities, maintenance)	2,432,251	1,135,185	-	99,524	3,666,960
Equipment rental	15,896	8,316	-	-	24,212
Depreciation	964,136	222,347	1,449	-	1,187,932
	<u>\$ 26,418,744</u>	<u>\$ 7,940,241</u>	<u>\$ 208,366</u>	<u>\$ 979,745</u>	<u>\$ 35,547,096</u>
	2023				
	Program Services			General and Administrative	Total Expenses
	K-12 Learning	Adult Learning	Teacher Training		
Salaries and benefits	\$ 14,490,333	\$ 4,120,435	\$ 163,131	\$ 474,019	\$ 19,247,918
Instructional services	813,537	207,181	-	-	1,020,718
Accounting and payroll services	-	-	-	141,005	141,005
Administrative services	1,109	651	-	13,847	15,607
Legal services	-	-	-	8,724	8,724
Authorizer fees	-	-	-	107,562	107,562
Recruitment and placement	36,555	6,895	29	-	43,479
Technology services	355,667	134,437	57	5,371	495,532
Professional development	220,566	36,297	7,239	4,835	268,937
Nursing services	164,113	-	-	-	164,113
Course materials and supplies	760,508	41,770	4,328	-	806,606
Nutritional support	1,231,192	-	-	-	1,231,192
Advertising	32,099	18,932	-	-	51,031
Travel and entertainment	43,382	2,700	1,376	-	47,458
Vehicle and transportation	876,544	39,323	-	-	915,867
Facilities rental	3,825,016	1,394,948	-	-	5,219,964
Facilities (insurance, utilities, maintenance)	2,550,317	890,512	-	121,661	3,562,490
Equipment rental	12,216	7,460	-	-	19,676
Depreciation	888,719	206,919	1,329	-	1,096,967
	<u>\$ 26,301,873</u>	<u>\$ 7,108,460</u>	<u>\$ 177,489</u>	<u>\$ 877,024</u>	<u>\$ 34,464,846</u>

See accompanying notes to financial statements.

CHRISTEL HOUSE ACADEMY, INC.
STATEMENTS OF CASH FLOWS
Years ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities		
Change in net assets	\$ 4,371,242	\$ 1,169,204
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	1,187,932	1,096,967
Amortization on right of use asset	538,782	503,710
Loss on disposal of assets	48,954	-
Changes in assets and liabilities		
Grants receivable	721,776	452,807
Prepaid expense	(136,669)	216,940
Accounts payable	(19,751)	153,664
Accrued payroll	(111,370)	(364,340)
Lease liability	(532,490)	(503,710)
Accrued incentive compensation	<u>601,669</u>	<u>839,721</u>
Net cash provided from operating activities	<u>6,670,075</u>	<u>3,564,963</u>
Cash flows from investing activities		
Purchases of property and equipment	<u>(488,058)</u>	<u>(1,435,910)</u>
Net cash used for investing activities	<u>(488,058)</u>	<u>(1,435,910)</u>
Net change in cash and cash equivalents	6,182,017	2,129,053
Cash and cash equivalents, beginning of year	<u>10,284,189</u>	<u>8,155,136</u>
Cash and cash equivalents, end of year	<u>\$ 16,466,206</u>	<u>\$ 10,284,189</u>
Supplemental disclosures		
Contributions of nonfinancial assets	\$ 7,051,393	\$ 6,829,161
Right of use asset	864,400	9,971,920
Lease liability	864,400	9,971,920

See accompanying notes to financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of the Organization: Christel House Academy, Inc. (d/b/a Christel House Indianapolis or "CH Indy") was incorporated in October 2001, under the laws of the State of Indiana and commenced operations at Christel House Academy South in September 2002.

CH Indy offers elementary, middle and high school education, provides special education and English language support (serving over 50% ELL students), instructional staff training, college and career programs for grades K-12 as well as an adult high school with various locations and a nationally accredited teacher licensure program. Education includes enhanced national and state-mandated educational objectives, implemented with a focus on character development and academic performance. Students participate in service-learning projects and are exposed to an internationally focused perspective on the world. CH Indy uses a curriculum designed to promote critical thinking skills, academic achievement, and personal development through the use of in-depth investigations that engage students in community, projects, and service.

Christel House DORS, Inc. ("DORS") was opened in 2011, under the laws of the State of Indiana and commenced operations in 2011. DORS is a tuition free high school for adults over the age of 18 who still need to earn a high school diploma. Students earn college credit at Ivy Tech Community College or state recognized industry certifications, while completing high school course requirements.

During the school year that ended June 30, 2017, the Indiana Department of Education and Indiana State Board of Education provided Christel House Schools with authorization to operate a transition to teaching licensing program. Starting in July 2017, Christel House IndyTeach provides a competency based workplace training program for apprentice teachers in collaboration with all Christel House schools. Those apprentice teachers who successfully complete the year-long program are eligible for an Indiana Teacher's License. Indy Teach received national AAQEP accreditation in 2024.

During the year ended, June 30, 2020, CH Indy entered into a Charter Innovation School agreement with Indianapolis Public Schools ("IPS") to establish and operate Christel House Academy South as an Innovation Network School beginning in the 2020-2021 school year. The Charter Innovation School agreement allowed Christel House Academy South, Christel House Watanabe High School and Christel House DORS South (Day and Night) to relocate to the IPS Emmerich Manual High School Building beginning in the 2021-2022 school year.

During the year ended June 30, 2021, CH Indy entered into an agreement with IPS to operate Emmerich Manual High School for grades 10-12 in year one, grades 11-12 in year two, and grade 12 in year three. Manual High School ceased operations following the 2022-2023 school year.

CH Indy currently operates two K-8 schools (Christel House Academy South and Christel House Academy West), one school grades 9-12 (Christel House Watanabe Manual High School), one adult high school with 4 locations around Indianapolis, and the teacher preparation program (Christel House IndyTeach).

The financial statements include the activity of all schools and programs. All material inter-organizational accounts and transactions have been eliminated.

Method of Accounting: CH Indy maintains its accounts on the accrual basis of accounting and prepares its financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP).

(Continued)

CHRISTEL HOUSE ACADEMY, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 and 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes: CH Indy is exempt from income taxes on income from related activities under Section 501(c)(3) of the U. S. Internal Revenue Code and corresponding state tax law. Accordingly, no provision has been made for federal or state income taxes. Additionally, CH Indy is not considered to be a private foundation under Section 509(a) of the Internal Revenue Code.

CH Indy does not expect the total amount of unrecorded tax benefits to significantly change in the next 12 months. CH Indy recognizes interest and/or penalties related to income tax matters in income tax expense. CH Indy did not have any amounts accrued for interest and penalties at June 30, 2024 and 2023.

Use of Estimates: The preparation of financial statements in conformity with GAAP 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 revenue and expenses. Actual results could differ from those estimates.

Basis of Presentation: CH Indy follows GAAP and reports information regarding its financial position and activities according to two classes of net assets:

Net Assets Without Donor Restrictions – The net asset without donor restrictions class includes general assets and liabilities of CH Indy. The net assets without donor restrictions of CH Indy may be used at the discretion of management to support CH Indy’s purposes and operations.

Net Assets With Donor Restrictions – The net asset with donor restrictions class includes assets of CH INDY related to gifts and grants with explicit donor-imposed restrictions that have not been met as to specified purpose, or to later periods of time or after specified dates.

This class also includes assets of CH INDY related to contributions of assets whose use by CH Indy is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of CH Indy. CH Indy had no such net assets with permanent restrictions as of June 30, 2024 and 2023.

Cash Equivalents: Cash and cash equivalents consist of bank deposits in accounts that are federally insured up to \$250,000. For purposes of the statement of cash flows, CH Indy considers all highly liquid debt instruments, if any, purchased with a maturity of three months or less to be cash equivalent. During 2024 and 2023, the CH Indy’s cash accounts exceeded federally insured limits. CH Indy monitors the financial institutions for risk, has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

Grants Receivable: Grants receivable balances consist of amounts billed or billable for services provided or contracted. CH Indy does not accrue interest on any of its grants receivables.

Allowances: Allowances are based upon prior experience and management’s analysis of current and expected factors impacting receivables. Losses are charged off to the allowance when management deems further collection efforts will no longer produce additional recoveries. No allowance for uncollectible receivables or credit losses is recorded as of June 30, 2024 and 2023.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment: Expenditures for property and equipment and items in excess of \$1,000 which substantially increase the useful lives of existing assets are capitalized at cost or at fair value at date of gift. Repairs and maintenance costs are expensed as incurred. Leasehold improvements are depreciated over the lesser of the lease term or the estimated useful life. Depreciation has been computed on straight-line method at rates designed to depreciate the costs of assets over their estimated useful lives as follows:

Buildings and improvements	10-40 years
Furniture and equipment	3-7 years
Books and educational materials	3-5 years

Right Of Use (“ROU”) Asset and Lease Liability: ROU asset represents CH Indy’s right to use the underlying assets for the lease term and lease liabilities represent the net present value of CH Indy’s obligation to make payments arising from these leases. The lease liabilities are based on the present value of fixed lease payments over the lease term using its incremental borrowing rate on the lease commencement date. If the lease includes one or more options to extend the term of the lease, the renewal option is considered in the lease term if it is reasonably certain the CH Indy will exercise the options. Operating lease expense is recognized on a straight-line basis over the term of the lease. As permitted by ASC 842, leases with an initial term of twelve months or less ("short-term leases") are not recorded on the accompanying statement of financial position.

Impairment of Long-Lived Assets: In accordance with GAAP, CH Indy reviews its property and equipment for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. If the fair value is less than the carrying amount of the asset, an impairment loss is recognized for the difference. As of June 30, 2024 and 2023, management believes that no impairment exists.

Revenue Recognition: CH Indy recognizes revenue either as performance obligations are materially satisfied, and/or as applicable policy terms warrant. Program service fee revenue is recognized as services are provided and obligations are satisfied. Revenues primarily come from resources provided under the Indiana Charter Schools Act (Act). Under the Act, CH Indy receives an amount per student as funding from the State of Indiana based on enrollment and paid in equal monthly installments from July through June. Revenue is recognized in the year in which the educational services are rendered.

Federal and State Grants: Support funded by grants is recognized as the CH Indy satisfies the related conditions under various grant agreements. Grant revenue is typically recognized as allowable expenses are incurred. Government grants and contracts are generally subject to conditions that have a barrier and a right of return that must be met before the CH Indy is entitled to funding. Accordingly, advances from granting agencies are generally considered refundable in the unlikely event specified services are not performed. Some of the CH Indy’s grant agreements are not on a cost reimbursement basis, and support is recognized when earned. Grant expenditures are subject to audit and acceptance by the granting agency and, as a result of such audit, adjustments could be required.

Contributions: Contributions are recognized in the period that an unconditional promise to give is received. Unless specifically restricted by the donor, all contributions are considered available for use without restrictions. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as support with donor restrictions and are recognized as revenue when the conditions are substantially met. If a restriction is fully fulfilled in the same time period in which the contribution is received, CH Indy reports the support as without donor restrictions.

(Continued)

CHRISTEL HOUSE ACADEMY, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 and 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions of Nonfinancial Assets: Contributions of nonfinancial assets are recognized in the period that the asset is provided or received. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as support with donor restrictions. If a restriction is fulfilled at the same time in which the contribution is received, CH Indy reports the support as without donor restrictions. CH Indy received nonfinancial assets respectively as follows for fiscal years ended June 30. All contributions of nonfinancial assets are used for program and operating purposes of CH Indy.

	<u>2024</u>	<u>2023</u>
Rent provided by IPS	\$ 4,230,114	\$ 4,230,114
Student transportation	-	8,835
Utilities	1,988,664	1,877,975
Repairs and maintenance	167,379	134,517
IPS security	150,259	138,751
Professional development, and student programming	44,830	100,109
Classroom and office space	83,601	157,652
Furniture	-	7,037
Meals	240,384	1,080
IPS Public Engagement	25,042	117,227
Other	7,120	-
Adjunct staff and Counselors	<u>114,000</u>	<u>55,864</u>
	<u>\$ 7,051,393</u>	<u>\$ 6,829,161</u>

CH Indy entered into an agreement with IPS who contributed rent, transportation, utilities, security, and repairs and maintenance to CH Indy. CH Indy uses the nonfinancial assets to operate various charter schools within the Emmerich Manual High School (“MHS”) building, an IPS Local Educational Agency Innovation School as described in note 1. Annual value of the non-financial assets noted is determined and provided to CH Indy by IPS based on similar services noted within the current markets.

Contributed meals were related to either catering or student meals. Catering meals were provided as part of networking events hosted by CH Indy. In valuing catered meals, CH Indy estimated the fair value based on estimates from quotes acquired from similar organizations. In valuing student meals, CH Indy estimated the fair value based on a national market cost average by county in which the meals were provided.

Contributed classroom and office space were related to classroom facilities at Ivy Tech and Glick Neighborhood Center provided to CH Indy. The classrooms are used to help carry out the operations of CH Indy. The value of the classroom and office space is based on the current rate that would be charged to an outside party for the use of the space provided to CH Indy by Ivy Tech.

Contributed services related to adjunct staff assisting with running the operations of CH Indy. Services are valued and are reported at an estimated fair value in the financial statements based on current rates for similar staff.

Contributed services related to professional development within CH Indy. Services are valued and are reported at an estimated fair value in the financial statements based on current rates for similar services.

Contributed furniture is valued based on the fair value from estimated quotes acquired from similar organizations and for similar items.

Volunteers provide program services throughout the year that are not recognized as contributions in the financial statements since they do not meet the recognition criteria under GAAP. These services include volunteering at events, picking up donations, and various clerical work.

(Continued)

CHRISTEL HOUSE ACADEMY, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 and 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Expense Allocation: The costs of providing the various programs and other activities have been summarized in the statements of activities and statements of functional expenses. Some expenses relate directly to specific programs or supporting services while others do not. Expenses that relate to more than one program or supporting service are allocated among the applicable functions based upon estimates of time incurred by personnel or relative square footage of facilities.

Management periodically evaluates its allocation method and revises it when necessary. Management and general expenses include those expenses that are indirectly identifiable with other specific functions, but provide for the overall support and direction of CH Indy

Subsequent Events: Management has performed an analysis of the activities and transactions subsequent to June 30, 2024, to determine the need for any adjustments or disclosures to the financial statements for the year ended June 30, 2024. Management has performed their analysis through February 13, 2025, the date the financial statements were available to be issued.

In October 2024, CH Indy purchased with cash the school building located at 55 N. Tibbs that they had previously been leasing. The purchase price was \$4,062,500.

NOTE 2 - GRANTS RECEIVABLE

Grants receivable represent amounts due within one year from the Indiana Department of Education relating to the following sources:

	<u>2024</u>	<u>2023</u>
Title I, Part A	\$ 221,600	\$ 26,466
Federal Summer Food Service	10,227	10,357
Safety Grant	31,905	100,000
Special Education Cluster (IDEA)	45,610	62,755
Elementary and Secondary School Emergency Relief Funding	253,289	964,385
Title IV, Part A	-	7,929
Title I, SIG	-	54,221
K-12 Robotics	6,213	-
CSP Innovation	-	3,960
Title III	458	-
CFIG	-	93,531
Emergency Connectivity Fund	1,226	40,086
Federal Summer Food Program	8,136	7,353
Charter Facilities Incentive	-	111,484
Other	<u>171,634</u>	<u>83,078</u>
	<u>\$ 750,298</u>	<u>\$ 1,472,074</u>

(Continued)

CHRISTEL HOUSE ACADEMY, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 and 2023

NOTE 3 - PROPERTY AND EQUIPMENT

The carrying value of land, buildings and equipment consists of the following:

	<u>2024</u>	<u>2023</u>
Furniture and equipment	\$ 4,138,843	\$ 4,150,488
Leasehold improvements	7,727,575	7,416,731
Books and other education materials	<u>116,069</u>	<u>116,069</u>
	11,982,487	11,683,288
Less: accumulated depreciation	<u>(3,944,745)</u>	<u>(2,896,718)</u>
	<u>\$ 8,037,742</u>	<u>\$ 8,786,570</u>

Depreciation expense for the period ended June 30, 2024 and 2023 was \$1,187,932 and \$1,096,967, respectively.

NOTE 4 - LEASES

CH Indy leases various facilities in Indiana, that expire at various dates through July 2040. CH Indy has recognized a right of use asset of \$9,793,808 and \$9,468,210, and a lease liability of \$9,800,100 and \$9,468,210 on the statement of financial position as of June 30, 2024 and 2023, respectively. CH Indy utilized various Treasury rates to determine the net present value of the applicable lease liabilities, ranging from 1.35% to 3.95% at lease inception.

Effective August 1, 2014, CH Indy also entered into a 25-year lease with Christel House International, Inc. for educational facilities located at 55 North Tibbs Avenue, Indianapolis, Indiana. The lease expires on July 31, 2039, with an option to extend the lease for two additional five-year periods which management intends to take. During the years ended June 30, 2024 and 2023, \$750,000 was expensed for these leases, respectively.

Annual rent amounts under the leases are adjustable annually based on various occupancy costs of Christel House International, Inc.; the rent will continue to be in the amount last agreed upon. Christel House International, Inc. invoices CH Indy monthly for the amount due.

Effective September 4, 2019, CH Indy also entered into 4-year lease with 3808 Shelby Partners, LLC for office facilities located at 3808 Shelby Street, Indianapolis Indiana. The lease expired during 2024. During the years ended June 30, 2024 and 2023, \$31,752 and \$54,432 was expensed for this lease, respectively.

Effective January 1, 2024, CH Indy also entered into 79-month lease with Brougner Plaza, LLC for office facilities located at 2960 North Meridian Street, Indianapolis, Indiana. The lease expires in 2031. During the year ended June 30, 2024, \$77,587 was expensed for this lease.

During the years ended June 30, 2024 and 2023, \$5,202,231 and \$5,189,398 was expensed for educational facility rent, of which \$4,313,715 and \$4,387,766 was recorded as in-kind, respectively. In-kind rent includes amounts from IPS and Ivy Tech (for classroom and office space) as disclosed in Note 1. CH Indy has a conditional contribution receivable in relation to in-kind rent at Manual High School through 2030, with the option to renew for an additional two-year period through 2032. The continuation of in-kind rent is contingent upon CH Indy meeting the underlying conditions of the agreement, including maintaining its charter throughout the term of the agreement.

CH Indy also leases copiers under lease agreements with terms through June of 2024. During the years ended June 30, 2024 and 2023, \$27,777 and \$16,054 was expensed for these leases, respectively.

(Continued)

CHRISTEL HOUSE ACADEMY, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 and 2023

NOTE 4 – LEASES (Continued)

The future minimum rental payments required under the operating leases for the years subsequent to June 30, 2024, are as follows:

<u>Year</u>	<u>Amount</u>
2025	\$ 894,708
2026	899,027
2027	903,508
2028	908,153
2029	912,919
Thereafter	<u>7,744,452</u>
	12,262,767
Present value discount	<u>(2,462,667)</u>
Lease liability	<u>\$ 9,800,100</u>

NOTE 5 - PENSION PLANS

CH Indy elected to become a participating employer in the Indiana Public Retirement System (INPRS). INPRS includes both the Public Employees' Retirement Fund (PERF) and the Teachers' Retirement Fund (TRF). PERF is a defined benefit pension plan. PERF is a cost sharing multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. The contribution requirements of the plan members for PERF are established by the Board of Trustees of INPRS. 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. CH Indy contributes the required three percent of the annual covered salary of employees. CH Indy is required to contribute an actuarially determined rate determined annually for PERF and TRF. Retirement plan expense for PERF and TRF was \$789,186 and \$734,575 for the years ended June 30, 2024 and 2023, respectively.

CH Indy offers a 403(b) defined contribution plan for employees and all participants may contribute to the 403(b) plan. CH Indy offers an employer match of 1% of an employee's salary for those that contribute 2% or more to the 403(b) Plan. In addition, employees have an option to opt out of PERF and TRF. If so, then employees receive an additional employer contribution to the 403(b) Plan of 10% of their salary if eligible for TRF or 10% if otherwise eligible for PERF. There was a total 403(b) employer contribution of \$650,331 and \$749,416 for the years ended June 30, 2024 and 2023, respectively.

NOTE 6 - ACCRUED INCENTIVE COMPENSATION

CH Indy sponsors an unfunded long-term incentive plan for eligible employees. Benefits are limited to amounts specified in agreements with eligible employees that are to be paid out in two installments after five and ten years of service, respectively. A liability of \$2,144,610 and \$1,542,941 is recorded for the plan as accrued incentive compensation on the statements of financial position as of June 30, 2024 and 2023, respectively.

NOTE 7 - AFFILIATED ORGANIZATION

Christel House International, Inc. is an affiliated organization of CH Indy. Christel House International, Inc. is a separately incorporated, not-for-profit organization that is not controlled by CH Indy. CH Indy rents the Christel House Academy West facility through Christel House International, Inc. CH Indy did not have a balance payable to Christel House International, Inc. as of the years June 30, 2024 and 2023, respectively.

(Continued)

CHRISTEL HOUSE ACADEMY, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 and 2023

NOTE 7 - AFFILIATED ORGANIZATION (Continued)

During the years ended June 30, 2024 and 2023, contributions were received from Christel House International, Inc. as follows:

	<u>2024</u>	<u>2023</u>
Direct operating funding	\$ 1,038,411	\$ 698,503
Donor funding collected and directed to CH Indy by Christel House International, Inc.	<u>795,445</u>	<u>782,443</u>
Total	<u>\$ 1,833,856</u>	<u>\$ 1,480,946</u>

In total, these contributions represent 20% and 18% of total contributions revenue for the years ended June 30, 2024 and 2023, respectively.

NOTE 8 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes as of June 30:

	<u>2024</u>	<u>2023</u>
Capital purchases	\$ 296,471	\$ 355,250
Indianapolis Music Program	60,000	-
Indianapolis Athletic Programs	34,345	-
The Glick Fund	35,336	-
Band Uniforms	24,451	-
College Matters Grant	22,424	-
Mind Trust	7,671	19,911
Dorsey Foundation	-	20,000
Mural Project	1,450	22,860
Eli Lilly	50,374	107,000
DORS Expansion	7,987	-
Other	<u>26,113</u>	<u>9,697</u>
	<u>\$ 566,622</u>	<u>\$ 534,718</u>

Net assets with donor restrictions were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors. CH Indy recorded releases from restrictions for the following during the years ended June 30, 2024 and 2023, respectively:

	<u>2024</u>	<u>2023</u>
Eli Lilly	\$ 56,626	\$ 15,607
Mural Project	21,410	-
DORS Expansion	232,013	-
Capital purchases	58,779	-
The Glick Fund	64,664	-
Dorsey Foundation	20,000	-
Mind Trust	17,816	5,089
Charles and Lucile King Family	-	25,000
Other	<u>50,858</u>	<u>24,495</u>
	<u>\$ 522,166</u>	<u>\$ 70,191</u>

(Continued)

CHRISTEL HOUSE ACADEMY, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 and 2023

NOTE 9 - LIQUIDITY AND AVAILABILITY

CH Indy's financial assets available within one year of the statement of financial position date for general expenditure are as follows:

	<u>2024</u>	<u>2023</u>
Financial assets at year-end:		
Cash and cash equivalents	\$ 16,466,206	\$ 10,284,189
Grants receivable	<u>750,298</u>	<u>1,472,074</u>
Total financial assets	17,216,504	11,756,263
Less amounts not available to be used within one year:		
Net assets with donor restrictions	<u>566,622</u>	<u>534,718</u>
Financial assets available to meet general expenditures within one year	<u>\$ 16,649,882</u>	<u>\$ 11,221,545</u>

As of June 30, 2024 and 2023, CH Indy was subject to a 60-day cash-on-hand requirement from its Authorizing agency and complied with this requirements.

NOTE 10 - COVID-19 IMPACT

During 2021, CH Indy was awarded an allocation of the Education Stabilization Relief Fund through the Elementary and Secondary School Emergency Relief Funding (ESSER II) through the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act totaling \$3,194,212. CH Indy expended and recognized as revenue within the grant revenue line on the statements of activities \$0 and \$24,546 and for the years ended June 30, 2024 and 2023, respectively. As of June 30, 2023, the school had yet to receive \$24,546 and had recorded a corresponding grants receivable, which was received during 2024.

During 2021, CH Indy was awarded an allocation of the Education Stabilization Relief Fund through the Elementary and Secondary School Emergency Relief Funding (ESSER III) through American Rescue Plan (ARP) Act totaling \$7,118,620.

In fiscal year 2023, the school received additional allocation Elementary and Secondary School Emergency Relief Funding (ESSER III) through American Rescue Plan Act (ARP) totaling \$701,203.

In fiscal year 2024, the school received additional allocation Elementary and Secondary School Emergency Relief Funding (ESSER III) through American Rescue Plan Act (ARP) totaling \$250,000.

CH Indy expended and recognized as revenue within the grant revenue line on the statements of activities \$3,445,444 and \$3,369,636 for the years ended June 30, 2024 and 2023, respectively. As of June 30, 2024, the school had yet to receive \$254,515 and has recorded a corresponding grants receivable. The remaining \$240,700 of the award is expected to be expended and recognized through September 2024.

(Continued)

CHRISTEL HOUSE ACADEMY, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 and 2023

NOTE 11 – INDIANA CHARTER SCHOOL BOARD – FACILITY EXPENSE DISCLOSURE

As required by the Indiana Charter School Board, the following table discloses certain facility expense details for the fiscal year ended June 30, 2024 and 2023.

	<u>2024</u>	<u>2023</u>
Facility rental	\$ -	\$ 5,000
Water and sewage	11,570	12,228
Waste disposal	17,249	10,695
Maintenance and repairs	69,576	60,525
Security services	12,410	12,410
Custodial supplies	259,473	553,554
Depreciation	1,231,530	1,092,376
Insurance	-	-
Electric and gas	<u>99,227</u>	<u>113,021</u>
	<u>\$ 1,701,035</u>	<u>\$ 1,859,809</u>

SUPPLEMENTARY INFORMATION

CHRISTEL HOUSE ACADEMY, INC.
SCHEDULE OF FINANCIAL POSITION – SCHOOL LEVEL
June 30, 2024

	Wantanabe High School	Network	Academy South	Academy West	Manual High School	DORS	Indy Teach	Eliminations	Total
ASSETS									
Current assets									
Cash and cash equivalents	\$ 2,533,711	\$ 537,836	\$ 2,858,120	\$ 4,819,406	\$ -	\$ 5,611,204	\$ 105,929	\$ -	\$ 16,466,206
Inter-network receivable	-	23,589	-	-	441,878	600,000	-	(1,065,467)	-
Grants receivable	47,417	152,753	323,783	221,215	-	1,230	3,900	-	750,298
Right of use asset	-	521,512	-	-	-	-	-	-	521,512
Prepaid expenses	40,344	38,101	53,050	30,224	-	33,235	1,708	-	196,662
Total current assets	2,621,472	1,273,791	3,234,953	5,070,845	441,878	6,245,669	111,537	(1,065,467)	17,934,678
Non-current assets									
Right of use asset	-	9,272,296	-	-	-	-	-	-	9,272,296
Property and equipment, net	1,752,950	1,234	4,257,355	776,189	-	1,245,545	4,469	-	8,037,742
	<u>\$ 4,374,422</u>	<u>\$ 10,547,321</u>	<u>\$ 7,492,308</u>	<u>\$ 5,847,034</u>	<u>\$ 441,878</u>	<u>\$ 7,491,214</u>	<u>\$ 116,006</u>	<u>\$ (1,065,467)</u>	<u>\$ 35,244,716</u>
LIABILITIES AND NET ASSET									
Current liabilities									
Accounts payable	\$ 60,878	\$ 132,560	\$ 75,255	\$ 125,753	\$ -	\$ 20,721	\$ 147	\$ -	\$ 415,314
Inter-network payable	1,046,589	-	3,954	8,550	-	6,374	-	(1,065,467)	-
Accrued payroll	151,378	525,088	118,610	128,301	-	156,305	12,556	-	1,092,238
Lease liability	-	515,220	-	-	-	-	-	-	515,220
Accrued incentive compensation	29,288	-	23,430	46,860	-	58,575	-	-	158,153
Total current liabilities	1,288,133	1,172,868	221,249	309,464	-	241,975	12,703	(1,065,467)	2,180,925
Non-current liabilities									
Lease liability	-	9,284,880	-	-	-	-	-	-	9,284,880
Accrued incentive compensation	525,428	82,005	407,104	474,464	-	483,398	14,058	-	1,986,457
Total liabilities	1,813,561	10,539,753	628,353	783,928	-	725,373	26,761	(1,065,467)	13,452,262
Net Assets									
Without donor restrictions	2,470,182	(4,392)	6,626,910	4,941,040	441,878	6,711,344	38,870	-	21,225,832
With donor restrictions	90,679	11,960	237,045	122,066	-	54,497	50,375	-	566,622
Total net assets	2,560,861	7,568	6,863,955	5,063,106	441,878	6,765,841	89,245	-	21,792,454
	<u>\$ 4,374,422</u>	<u>\$ 10,547,321</u>	<u>\$ 7,492,308</u>	<u>\$ 5,847,034</u>	<u>\$ 441,878</u>	<u>\$ 7,491,214</u>	<u>\$ 116,006</u>	<u>\$ (1,065,467)</u>	<u>\$ 35,244,716</u>

CHRISTEL HOUSE ACADEMY, INC.
SCHEDULE OF FINANCIAL POSITION – SCHOOL LEVEL
June 30, 2023

	Wantanabe High School	Network	Academy South	Academy West	Manual High School	DORS	Indy Teach	Eliminations	Total
ASSETS									
Current assets									
Cash and cash equivalents	\$ 1,820,440	\$ 672,515	\$ 1,767,589	\$ 2,875,106	\$ 128,780	\$ 2,874,477	\$ 145,282	\$ -	\$ 10,284,189
Inter-network receivable	-	37,267	-	-	-	1,350,000	-	(1,387,267)	-
Grants receivable	248,712	10,253	203,473	591,752	385,405	32,479	-	-	1,472,074
Right of use asset	-	31,330	-	464,060	-	-	-	-	495,390
Prepaid expenses	-	6,561	3,825	47,907	-	1,700	-	-	59,993
Total current assets	2,069,152	757,926	1,974,887	3,978,825	514,185	4,258,656	145,282	(1,387,267)	12,311,646
Non-current assets									
Right of use asset	-	-	-	8,972,820	-	-	-	-	8,972,820
Property and equipment, net	1,611,278	1,614	4,828,763	797,385	78,283	1,463,329	5,918	-	8,786,570
	<u>\$ 3,680,430</u>	<u>\$ 759,540</u>	<u>\$ 6,803,650</u>	<u>\$ 13,749,030</u>	<u>\$ 592,468</u>	<u>\$ 5,721,985</u>	<u>\$ 151,200</u>	<u>\$ (1,387,267)</u>	<u>\$ 30,071,036</u>
LIABILITIES AND NET ASSETS									
Current liabilities									
Accounts payable	\$ 86,794	\$ 122,108	\$ 86,334	\$ 87,510	\$ 6,741	\$ 45,464	\$ 114	\$ -	\$ 435,065
Inter-network payable	1,208,601	-	152,003	13,704	6,427	6,532	-	(1,387,267)	-
Accrued payroll	134,855	541,596	150,146	152,809	52,438	147,612	24,152	-	1,203,608
Lease liability	-	31,330	-	464,060	-	-	-	-	495,390
Accrued incentive compensation	-	-	134,273	47,894	-	80,848	4,800	-	267,815
Total current liabilities	1,430,250	695,034	522,756	765,977	65,606	280,456	29,066	(1,387,267)	2,401,878
Non-current liabilities									
Lease liability	-	-	-	8,972,820	-	-	-	-	8,972,820
Accrued incentive compensation	352,918	32,802	175,711	290,674	86,691	320,043	16,287	-	1,275,126
Total liabilities	1,783,168	727,836	698,467	10,029,471	152,297	600,499	45,353	(1,387,267)	12,649,824
Net Assets									
Without donor restrictions	1,875,067	11,791	5,898,823	3,538,309	440,171	5,121,486	847	-	16,886,494
With donor restrictions	22,195	19,913	206,360	181,250	-	-	105,000	-	534,718
Total net assets	1,897,262	31,704	6,105,183	3,719,559	440,171	5,121,486	105,847	-	17,421,212
	<u>\$ 3,680,430</u>	<u>\$ 759,540</u>	<u>\$ 6,803,650</u>	<u>\$ 13,749,030</u>	<u>\$ 592,468</u>	<u>\$ 5,721,985</u>	<u>\$ 151,200</u>	<u>\$ (1,387,267)</u>	<u>\$ 30,071,036</u>

CHRISTEL HOUSE ACADEMY, INC.
SCHEDULE OF ACTIVITIES – SCHOOL LEVEL
Year ended June 30, 2024

	Wantanabe High School	Network	Academy South	Academy West	Manual High School	DORS	Indy Teach	Eliminations	Total
Public support and revenues									
State support	\$ 3,702,336	\$ -	\$ 4,251,224	\$ 4,039,585	\$ -	\$ 6,635,250	\$ -	\$ -	\$ 18,628,395
Grant revenue	3,055,361	213,746	3,669,268	3,706,524	1,174	166,195	-	-	10,812,268
Contributions of cash and other financial assets	182,808	1,119,757	126,027	160,778	-	401,367	10,000	-	2,000,737
Contributions of nonfinancial assets	2,113,577	5,700	2,758,589	12,338	-	2,161,189	-	-	7,051,393
Student fees	39,139	-	46,307	38,678	-	300	-	-	124,424
Other revenue	278,571	4,134,004	276,177	80,667	10,541	77,055	181,884	(3,737,778)	1,301,121
Total public support and revenues	<u>9,371,792</u>	<u>5,473,207</u>	<u>11,127,592</u>	<u>8,038,570</u>	<u>11,715</u>	<u>9,441,356</u>	<u>191,884</u>	<u>(3,737,778)</u>	<u>39,918,338</u>
Expenses									
Program services									
K-12 learning programs	8,680,975	3,693,862	10,337,708	6,655,142	9,990	-	-	(2,958,993)	26,632,828
Adult learning programs	-	970,994	-	-	-	7,748,092	-	(778,845)	7,726,157
Teacher training program	-	-	-	-	-	-	208,366	-	208,366
Total program expenses	8,680,975	4,664,856	10,337,708	6,655,142	9,990	7,748,092	208,366	(3,737,778)	34,567,351
General and administrative	27,218	832,487	31,112	39,881	18	48,909	120	-	979,745
Total expenses	<u>8,708,193</u>	<u>5,497,343</u>	<u>10,368,820</u>	<u>6,695,023</u>	<u>10,008</u>	<u>7,797,001</u>	<u>208,486</u>	<u>(3,737,778)</u>	<u>35,547,096</u>
Change in net assets	663,599	(24,136)	758,772	1,343,547	1,707	1,644,355	(16,602)	-	4,371,242
Net assets, beginning of year	<u>1,897,262</u>	<u>31,704</u>	<u>6,105,183</u>	<u>3,719,559</u>	<u>440,171</u>	<u>5,121,486</u>	<u>105,847</u>	<u>-</u>	<u>17,421,212</u>
Net assets, end of year	<u>\$ 2,560,861</u>	<u>\$ 7,568</u>	<u>\$ 6,863,955</u>	<u>\$ 5,063,106</u>	<u>\$ 441,878</u>	<u>\$ 6,765,841</u>	<u>\$ 89,245</u>	<u>\$ -</u>	<u>\$ 21,792,454</u>

CHRISTEL HOUSE ACADEMY, INC.
SCHEDULE OF ACTIVITIES – SCHOOL LEVEL
Year ended June 30, 2023

	Wantanabe High School	Network	Academy South	Academy West	Manual High School	DORS	Indy Teach	Eliminations	Total
Public support and revenues									
State support	\$ 2,623,087	\$ -	\$ 3,853,970	\$ 3,698,886	\$ 725,451	\$ 5,349,375	\$ -	\$ -	\$ 16,250,769
Grant revenue	2,512,187	61,192	3,168,672	3,387,059	109,789	303,254	-	-	9,542,153
Contributions of cash and other financial assets	195,582	812,287	168,943	145,269	3,284	72,450	105,000	-	1,502,815
Contributions of nonfinancial assets	1,717,622	-	2,600,504	12,509	619,922	1,878,604	-	-	6,829,161
Student fees	15,147	-	39,385	20,033	-	4,849	-	-	79,414
Other revenue	132,726	3,864,720	194,343	976	571,873	-	164,560	(3,499,460)	1,429,738
Total public support and revenues	<u>7,196,351</u>	<u>4,738,199</u>	<u>10,025,817</u>	<u>7,264,732</u>	<u>2,030,319</u>	<u>7,608,532</u>	<u>269,560</u>	<u>(3,499,460)</u>	<u>35,634,050</u>
Expenses									
Program services									
K-12 learning programs	7,109,970	3,100,850	10,080,118	6,483,723	2,240,889	-	-	(2,713,677)	26,301,873
Adult learning programs	-	897,894	-	-	-	6,996,349	-	(785,783)	7,108,460
Teacher training program	-	-	-	-	-	-	177,489	-	177,489
Total program expenses	<u>7,109,970</u>	<u>3,998,744</u>	<u>10,080,118</u>	<u>6,483,723</u>	<u>2,240,889</u>	<u>6,996,349</u>	<u>177,489</u>	<u>(3,499,460)</u>	<u>33,587,822</u>
General and administrative	18,188	757,751	25,617	32,494	-	42,383	591	-	877,024
Total expenses	<u>7,128,158</u>	<u>4,756,495</u>	<u>10,105,735</u>	<u>6,516,217</u>	<u>2,240,889</u>	<u>7,038,732</u>	<u>178,080</u>	<u>(3,499,460)</u>	<u>34,464,846</u>
Change in net assets	68,193	(18,296)	(79,918)	748,515	(210,570)	569,800	91,480	-	1,169,204
Net assets, beginning of year	<u>1,829,069</u>	<u>50,000</u>	<u>6,185,101</u>	<u>2,971,044</u>	<u>650,741</u>	<u>4,551,686</u>	<u>14,367</u>	<u>-</u>	<u>16,252,008</u>
Net assets, end of year	<u>\$ 1,897,262</u>	<u>\$ 31,704</u>	<u>\$ 6,105,183</u>	<u>\$ 3,719,559</u>	<u>\$ 440,171</u>	<u>\$ 5,121,486</u>	<u>\$ 105,847</u>	<u>\$ -</u>	<u>\$ 17,421,212</u>

CHRISTEL HOUSE ACADEMY, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2024

Federal Grantor/Pass-through Grantor/Program Title	Assistance Listing Number	Identifying Number	Total Federal Expenditures
<u>U.S. Department of Agriculture</u>			
Passed through the Indiana Department of Education			
Child Nutrition Cluster			
School Breakfast Program	10.553	FY 2023-2024	\$ 354,043
National School Lunch Program	10.555	FY 2023-2024	963,811
Summer Food Service Program for Children	10.559	FY 2023-2024	18,364
Fresh fruit and vegetable program	10.582	FY 2023-2024	<u>44,146</u>
Total Child Nutrition Cluster			1,380,364
Child and Adult Care Food Program	10.558	FY 2023-2024	54,517
Total U.S. Department of Agriculture			<u>1,434,881</u>
<u>U.S. Department of Education</u>			
Passed through Indiana Department of Education			
Title I Grants to Local Educational Agencies			
	84.010A	18611-001-PN01	1,113,522
	84.010A	SIG FY2024	<u>138,161</u>
Total for program			1,251,683
Special Education Cluster (IDEA)			
Special Education – Grants to States	84.027A	24611-525-PN01	<u>286,207</u>
Total for program			286,207
English Language Acquisition Grants			
	84.365A	S365A220014	537
		S365A230014	<u>52,009</u>
Total for program			52,546
Supporting Effective Instruction State Grants			
	84.367A	FY 2023-2024	4,272
		S367A230013	<u>102,325</u>
Total for program			106,597
Student Support and Academic Enrichment Grants	84.424A	S424A230015	79,410
Charter Schools			
Teacher Recruitment Retention Grant	84.282A	FY 2023–2024	195,995
Facilities Incentive Program	84.282D	S282D190002	<u>294,016</u>
Total for program			490,011
COVID-19 – Education Stabilization Fund			
American Rescue Plan Elementary and Secondary			
Emergency Relief (ARP ESSER) Fund	84.425U	S425U210013	<u>3,445,444</u>
Total for program			<u>3,445,444</u>
Total U.S. Department of Education			<u>5,711,898</u>
Total Expenditures of Federal Awards			<u>\$ 7,146,779</u>

See accompanying note to the schedule of expenditures of federal awards.

CHRISTEL HOUSE ACADEMY, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2024

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of CH Indy under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of CH Indy, it is not intended to and does not present the financial position, changes in net assets, or cash flows of CH Indy.

Expenditures reported on the Schedule are reported on the accrual basis of accounting. CH Indy has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

Such expenditures are recognized following, the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 2 – OTHER INFORMATION

CH Indy did not have any subrecipient activity for the period of July 1, 2023 through June 30, 2024.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors
Christel House Academy, Inc.
Indianapolis, Indiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of Christel House Academy, Inc. (d/b/a Christel House Schools' or "CH Indy"), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 13, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Christel House Schools' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Christel House Schools' internal control. Accordingly, we do not express an opinion on the effectiveness of Christel House Schools' internal control.

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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Christel House Schools' financial statements are free from 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 financial statements. 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Crowe LLP
Crowe LLP

Indianapolis, Indiana
February 13, 2025

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR MAJOR PROGRAM AND REPORT ON
INTERNAL CONTROL OVER COMPLIANCE

Board of Directors
Christel House Academy, Inc.
Indianapolis, Indiana

Report on Compliance for Major Federal Program

Opinion on Major Federal Program

We have audited Christel House Academy, Inc.'s (d/b/a Christel House Schools' or "CH Indy") compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on Christel House Schools' major federal program for the year ended June 30, 2024. Christel House Schools' major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Christel House Schools' complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2024.

Basis for Opinion on Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Christel House Schools' and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of Christel House Schools' compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Christel House Schools' federal programs.

(Continued)

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Christel House Schools' compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Christel House Schools' compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Christel House Schools' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Christel House Schools' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Christel House Schools' internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance 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 a 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. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

(Continued)

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Crowe LLP

Crowe LLP

Indianapolis, Indiana
February 13, 2025

CHRISTEL HOUSE ACADEMY, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COST
Year ended June 30, 2024

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? _____ Yes X No

Significant deficiencies identified not considered to be material weaknesses? _____ Yes X No

Compliance:

Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal Control over major programs:

Material weakness(es) identified? _____ Yes X No

Significant deficiencies identified that are not considered to be material weaknesses? _____ Yes X None noted

Type of auditor's report issued on compliance for major programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2CFR 200.516(a)? _____ Yes X No

Compliance with requirements applicable to the major program:

Identification of major program(s):

<u>Assistance Listing</u> <u>Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.425U	COVID-19 - Education Stabilization Fund

Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000

Auditee qualified as low-risk auditee? X Yes _____ No

SECTION II – FINANCIAL STATEMENT FINDINGS

None

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None
