

Christel House International, Inc. and Affiliates

Independent Auditor's Report and Combined
and Consolidated Financial Statements

December 31, 2020 and 2019

Christel House International, Inc. and Affiliates

December 31, 2020 and 2019

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Independent Auditor's Report

Board of Directors
Christel House International, Inc. and Affiliates
Indianapolis, Indiana

We have audited the accompanying combined and consolidated financial statements of Christel House International, Inc. and Affiliates, which comprise the combined and consolidated statements of financial position as of December 31, 2020 and 2019, and the related combined and consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the combined and consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these combined and consolidated 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 combined and consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined and consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined and consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the combined and consolidated financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined and consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the combined and consolidated financial statements referred to above present fairly, in all material respects, the combined and consolidated financial position of Christel House International, Inc. and Affiliates as of December 31, 2020 and 2019, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the combined and consolidated financial statements as a whole. The combined and consolidated 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 combined and consolidated 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

Indianapolis, Indiana
September 16, 2021

Christel House International, Inc. and Affiliates
Combined and Consolidated Statement of Financial Position
December 31, 2020 and 2019
(Amounts in Thousands)

	2020	2019
Assets		
Cash and cash equivalents		
Without donor restriction	\$ 14,315	\$ 2,884
With donor restriction	6,689	6,612
Total cash and cash equivalents	21,004	9,496
Investments		
Without donor restriction	8,625	7,966
With donor restriction	51,084	43,334
Total investments	59,709	51,300
Accounts receivable	149	188
Contributions receivable with donor restriction	1,663	1,366
Other assets	345	299
Rental property - Christel House Academy		
Without donor restriction	21,170	21,925
With donor restriction	222	222
Property and equipment, net	10,672	6,832
Total Assets	\$ 114,934	\$ 91,628
Liabilities		
Accounts payable	\$ 595	\$ 235
Accrued payroll and other		
Without donor restriction	1,719	1,494
With donor restriction	39	44
Accrued program grants	5,500	-
Interest rate swap	745	230
Bonds payable, net of bond issue costs	15,104	15,910
Total Liabilities	23,702	17,913
Net Assets		
Without donor restriction	31,613	22,225
With donor restriction	59,619	51,490
Total Net Assets	91,232	73,715
Total Liabilities and Net Assets	\$ 114,934	\$ 91,628

Christel House International, Inc. and Affiliates
Combined and Consolidated Statement of Activities
Years Ended December 31, 2020 and 2019
(Amounts in Thousands)

	2020		Total
	Without Donor Restriction	With Donor Restriction	
Revenue, Gains and Other Support			
Contributions	\$ 1,151	\$ 2,672	\$ 3,823
Founder funding	11,568	74	11,642
Supporting organization funding	-	14,200	14,200
In-kind contributions	907	-	907
Special events (net of expenses of \$24 and \$110)	361	136	497
Grant income	798	1,598	2,396
Investment income	260	21	281
Rental income - Christel House Academy	1,957	-	1,957
Other	66	219	285
	<u>17,068</u>	<u>18,920</u>	<u>35,988</u>
Net assets released from restrictions	10,836	(10,836)	-
Total Revenue, Gains and Other Support	<u>27,904</u>	<u>8,084</u>	<u>35,988</u>
Expenses			
Program services			
Grants	8,928	-	8,928
Academics	11,662	-	11,662
	<u>20,590</u>	<u>-</u>	<u>20,590</u>
Management and general	1,649	-	1,649
Fundraising	2,210	-	2,210
Total Expenses	<u>24,449</u>	<u>-</u>	<u>24,449</u>
Change in Net Assets Before Other Gains and Losses	3,455	8,084	11,539
Other Gains and Losses			
Loss on sale of property	(6)	-	(6)
Realized gain on investments	1,130	2	1,132
Unrealized gain on investments	5,427	43	5,470
Unrealized loss on interest rate swap	(514)	-	(514)
Foreign currency translation adjustment	(104)	-	(104)
	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Assets	9,388	8,129	17,517
Net Assets, Beginning of Year	<u>22,225</u>	<u>51,490</u>	<u>73,715</u>
Net Assets, End of Year	<u>\$ 31,613</u>	<u>\$ 59,619</u>	<u>\$ 91,232</u>

2019		
Without Donor Restriction	With Donor Restriction	Total
\$ 1,670	\$ 2,656	\$ 4,326
58	-	58
-	11,000	11,000
541	96	637
728	277	1,005
710	777	1,487
994	27	1,021
1,957	-	1,957
47	-	47
<u>6,705</u>	<u>14,833</u>	<u>21,538</u>
5,096	(5,096)	-
<u>11,801</u>	<u>9,737</u>	<u>21,538</u>
2,794	-	2,794
<u>11,631</u>	<u>-</u>	<u>11,631</u>
14,425	-	14,425
1,574	-	1,574
<u>2,424</u>	<u>-</u>	<u>2,424</u>
<u>18,423</u>	<u>-</u>	<u>18,423</u>
(6,622)	9,737	3,115
(1)	-	(1)
1,365	15	1,380
4,628	62	4,690
(601)	-	(601)
<u>128</u>	<u>-</u>	<u>128</u>
(1,103)	9,814	8,711
<u>23,328</u>	<u>41,676</u>	<u>65,004</u>
<u>\$ 22,225</u>	<u>\$ 51,490</u>	<u>\$ 73,715</u>

Christel House International, Inc. and Affiliates
Combining and Consolidating Statement of Functional Expenses
Year Ended December 31, 2020
(Amounts in Thousands)

	Program Service Expenses			Supporting Services		Total Expenses
	Grants	Academics	Total Program Services	Management and General	Fundraising	
Salaries and benefits	\$ -	\$ 6,297	\$ 6,297	\$ 1,105	\$ 1,702	\$ 9,104
Direct grants	8,928	-	8,928	-	-	8,928
Outside services	-	376	376	242	121	739
Course materials/supplies	-	656	656	-	-	656
Medicine/laboratories	-	12	12	-	-	12
Nutritional support	-	643	643	-	-	643
Sales and marketing	-	3	3	-	160	163
Travel and entertainment	-	19	19	18	8	45
Vehicle/transportation expense	-	422	422	1	-	423
Rent and facilities	-	1,224	1,224	104	113	1,441
Depreciation and amortization	-	1,466	1,466	17	4	1,487
Interest expense/bond fees	-	399	399	-	-	399
Unrelated business taxes on investments	-	-	-	(12)	-	(12)
Other	-	145	145	174	102	421
Total Expenses	\$ 8,928	\$ 11,662	\$ 20,590	\$ 1,649	\$ 2,210	\$ 24,449

Christel House International, Inc. and Affiliates
Combining and Consolidating Statement of Functional Expenses
Year Ended December 31, 2019
(Amounts in Thousands)

	Program Service Expenses			Supporting Services		Total Expenses
	Grants	Academics	Total Program Services	Management and General	Fundraising	
Salaries and benefits	\$ -	\$ 6,315	\$ 6,315	\$ 1,059	\$ 1,717	\$ 9,091
Direct grants	2,794	-	2,794	-	-	2,794
Outside services	-	371	371	187	198	756
Course materials/supplies	-	669	669	-	2	671
Medicine/laboratories	-	16	16	-	-	16
Nutritional support	-	706	706	-	-	706
Sales and marketing	-	13	13	-	251	264
Travel and entertainment	-	65	65	78	48	191
Vehicle/transportation expense	-	547	547	2	2	551
Rent and facilities	-	1,027	1,027	107	105	1,239
Depreciation and amortization	-	1,400	1,400	16	4	1,420
Interest expense/bond fees	-	417	417	-	-	417
Unrelated business taxes on investments	-	-	-	7	-	7
Other	-	85	85	118	97	300
Total Expenses	\$ 2,794	\$ 11,631	\$ 14,425	\$ 1,574	\$ 2,424	\$ 18,423

Christel House International, Inc. and Affiliates
Combined and Consolidated Statement of Cash Flows
Years Ended December 31, 2020 and 2019
(Amounts in Thousands)

	2020	2019
Operating Activities		
Change in net assets	\$ 17,517	\$ 8,711
Items not requiring (providing) cash		
Depreciation	1,479	1,412
Amortization of bond issue costs	8	8
Foreign currency translation adjustment	104	(128)
Realized gain on investments	(1,132)	(1,380)
Unrealized gain on investments	(5,470)	(4,690)
Unrealized loss on interest rate swap	514	601
Loss on sale of property	6	1
Changes in		
Accounts receivable	39	(146)
Contributions receivable	(297)	37
Other assets	(46)	(14)
Accounts payable	360	50
Accrued payroll and other	(221)	346
Accrued program grant	5,500	-
Net Cash Provided by Operating Activities	18,361	4,808
Investing Activities		
Purchase of investments	(7,084)	(9,673)
Proceeds from sale of investments	5,277	7,705
Purchase of property and equipment	(4,554)	(2,137)
Net Cash Used in Investing Activities	(6,361)	(4,105)
Financing Activity - bond principal payments	(813)	(792)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	321	143
Net Increase in Cash and Cash Equivalents	11,508	54
Cash and Cash Equivalents, Beginning of Year	9,496	9,442
Cash and Cash Equivalents, End of Year	\$ 21,004	\$ 9,496
Supplemental Cash Flows Information		
Interest paid	\$ 400	\$ 417
Property and equipment purchase included in accounts payable	441	-

Christel House International, Inc. and Affiliates
Notes to Combined and Consolidated Financial Statements
December 31, 2020 and 2019
(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, South Africa, Jamaica and the United States and currently serves over 5,600 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 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. 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.

Use of Estimates

The preparation of financial statements 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. and Affiliates

Notes to Combined and Consolidated Financial Statements

December 31, 2020 and 2019

(Amounts in Thousands)

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 Jamaica

Christel House India operates learning centers in Bengaluru (formerly Bangalore) and Atal Nagar, India.

Each of the entities is a separately incorporated not-for-profit organization and is governed by a board of directors within its respective country. CHI has an economic interest in all of these entities and has control over each 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, Inc. (Academy), an affiliated network of charter schools located in Indianapolis, Indiana. The Academy includes Christel House Academy South, Christel House Academy West and Christel House DORS. The financial information related to the Academy is 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*.

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, 2020 and 2019, cash equivalents consisted primarily of money market funds.

For purposes of the combined and consolidated statement of cash flows, certificates and investment cash included within investment accounts are not considered to be cash and cash equivalents.

At December 31, 2020, CHI's cash accounts exceeded federally insured limits by approximately \$18,576. Additionally, at December 31, 2020, funds held outside the United States were \$1,473 and are not insured by the FDIC.

Christel House International, Inc. and Affiliates
Notes to Combined and Consolidated Financial Statements
December 31, 2020 and 2019
(Amounts in Thousands)

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 valued at fair value. Investments in private equity funds and hedge funds are recorded at net asset value (NAV), as a practical expedient, to determine fair value of the investments. Investment return includes dividend, interest and other investment income; realized and unrealized gains and losses on investments carried at fair value; and realized gains and losses on other investments, less external and direct internal investment expenses.

Investment return that is initially restricted by donor stipulation is reported as with donor restriction return and net assets. When the donor stipulation is met, donor restricted net assets are reclassified to without donor restrictions net assets and reported in the combined and consolidated statement of activities as net assets released from restrictions. Other investment return is reflected in the combined and consolidated statement of activities as with or without donor restrictions based upon the existence and nature of any donor or legally imposed restrictions.

The Organization maintains pooled investment accounts for its endowments. Investment income and realized and unrealized gains and losses from securities in the pooled investment accounts are allocated monthly to the individual endowments based on the relationship of the fair value of the interest of each endowment of the total fair value of the pooled investments accounts, as adjusted for additions to or deductions from those accounts.

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>Years</u>
Buildings	30 - 40
Leasehold improvements	10 - 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, 2020 and 2019.

Christel House International, Inc. and Affiliates
Notes to Combined and Consolidated Financial Statements
December 31, 2020 and 2019
(Amounts in Thousands)

Net Assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor imposed restrictions. Net assets without donor restrictions are available for use in general operations. Net assets with donor restrictions are subject to donor imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Contributions

Revenues and other support are derived principally from contributions and income from special events.

Contributions are provided to Christel House either with or without restrictions placed on the gift by the donor. Revenues and net assets are separately reported to reflect the nature of those gifts – with or without donor restrictions. The value recorded for each contribution is recognized as follows:

Nature of the Gift	Value Recognized
<i>Conditional gifts, with or without restriction</i>	
Gifts that depend on Christel House overcoming a donor-imposed barrier to be entitled to the funds	Not recognized until the gift becomes unconditional, <i>i.e.</i> the donor-imposed barrier is met
<i>Unconditional gifts, with or without restriction</i>	
Received at date of gift – cash and other assets	Fair value
Received at date of gift – property, equipment and long-lived assets	Estimated fair value
Expected to be collected within one year	Net realizable value
Collected in future years	Initially reported at fair value determined using the discounted present value of estimated future cash flows technique

In addition to the amount initially recognized, revenue for unconditional gifts to be collected in future years is also recognized each year as the present-value discount is amortized using the level-yield method.

Christel House International, Inc. and Affiliates
Notes to Combined and Consolidated Financial Statements
December 31, 2020 and 2019
(Amounts in Thousands)

When a donor stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Absent explicit donor stipulations for the period of time that long-lived assets must be held, expirations of restrictions for gifts of land, buildings, equipment and other long-lived assets are reported when those assets are placed in service.

Gifts and investment income that are originally restricted by the donor and for which the restriction is met in the same time period the gift is received are recorded as revenue with donor restrictions and then released from restriction.

Conditional contributions and investment income having donor stipulations which are satisfied in the period the gift is received and the investment income is earned are recorded as revenue with donor restrictions and then released from restriction.

In-Kind Contributions

In addition to receiving cash contributions, Christel House receives in-kind contributions of goods, services and facilities 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 combined and consolidated financial statements, and similarly increase contribution revenue by a like amount. Christel House Jamaica receives use of land as part of a below market, long-term lease arrangement, the value of this arrangement is not reflected in the combined and consolidated financial statements due to immateriality.

Grant Making

Unconditional grants to support learning centers are recognized as expenses in the period approved.

Transfers Between Fair Value Hierarchy Levels

Transfers in and out of Level 1 (quoted market prices), Level 2 (other significant observable inputs) and Level 3 (significant unobservable inputs) are recognized on the period ending date.

Christel House International, Inc. and Affiliates
Notes to Combined and Consolidated Financial Statements
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(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 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 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 statement of financial position date. Revenues and expenses are translated at the average exchange rate during the year.

Income Taxes

Christel House International, Inc., a public charity, 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 India and Christel House Jamaica are also tax-exempt entities.

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 16, 2021, which is the date the combined and consolidated financial statements were available to be issued.

Christel House International, Inc. and Affiliates
Notes to Combined and Consolidated Financial Statements
December 31, 2020 and 2019
(Amounts in Thousands)

Note 2: Investments and Investment Return

Investments are as follows:

	<u>2020</u>	<u>2019</u>
Certificates and investment cash	\$ 2,756	\$ 2,682
Commodities	29	70
Equities		
North America	9,719	10,427
International	6,243	3,799
Government agencies		
North America	122	114
International	4,939	4,878
Corporate obligations	67	76
Foreign municipal obligations	875	-
Alternative investments	34,959	29,254
	<u>\$ 59,709</u>	<u>\$ 51,300</u>

Christel House invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying statement of financial position.

The following schedule summarizes the investment return and its classification in the combined and consolidated statement of activities.

	<u>2020</u>	<u>2019</u>
Investment income	\$ 281	\$ 1,021
Net realized gains	1,132	1,380
Net unrealized gains	5,470	4,690
	<u>\$ 6,883</u>	<u>\$ 7,091</u>
Total return on investments	<u>\$ 6,883</u>	<u>\$ 7,091</u>

Christel House International, Inc. and Affiliates
Notes to Combined and Consolidated Financial Statements
December 31, 2020 and 2019
(Amounts in Thousands)

Alternative Investments

Alternative investments held at December 31, 2020 and 2019 consist of the following:

	2020		
	Fair Value	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Fixed income (A)	\$ 650	Daily - Quarterly	0-45 days
International equity (B)	1,756	Monthly	30 days
Real assets (C)	673	Monthly - Quarterly	30-45 days
Private equity/partnerships (D)	17,839	Not eligible	N/A
Hedge funds (E)	<u>14,041</u>	Monthly - Semi Annually	30-100 days
Total alternative investments	<u>\$ 34,959</u>		

	2019		
	Fair Value	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Fixed income (A)	\$ 210	Daily - Quarterly	0-45 days
International equity (B)	1,609	Monthly	30 days
Real assets (C)	672	Monthly - Quarterly	30-45 days
Private equity/partnerships (D)	14,675	Not eligible	N/A
Hedge funds (E)	<u>12,088</u>	Monthly - Semi Annually	30-100 days
Total alternative investments	<u>\$ 29,254</u>		

Christel House International, Inc. and Affiliates
Notes to Combined and Consolidated Financial Statements
December 31, 2020 and 2019
(Amounts in Thousands)

Unfunded commitments for private equity/partnerships totaled approximately \$6,097 and \$6,418 at December 31, 2020 and 2019, respectively.

- (A) This category includes investments in emerging market debt, US high yield debt and money market instruments. Investments in this category are open-ended in duration but can be redeemed for liquidity, rebalancing or other needs of Christel House.
- (B) This category includes investments in high quality emerging market companies. Investments in this category are open-ended in duration but can be redeemed for liquidity, rebalancing or other needs of Christel House.
- (C) This category includes multiple real assets including a diversified open-end real estate fund, master limited partnership (MLP) and investments in liquid and illiquid commodity markets focused on energy, metals and agriculture. Investments in this category are open-ended in duration but can be redeemed for liquidity, rebalancing or other needs of Christel House.
- (D) This category includes limited partnership structured investments ranging from short-term bridge loans, floating rate senior debt loans, private equity buyout, secondary private equity funds, private credit/distressed funds and fund-of-funds. These investments typically have a life of 10 to 12 years and cannot be redeemed. Distributions from each fund will be made as the underlying investments in the funds are liquidated or debts are repaid.
- (E) This category includes investments in hedge funds and fund of funds that use long and short positions, leverage, variable levels of net exposure, investments in illiquid private placements that are not readily marketable and use of derivative instruments within all asset classes. These funds invest in securities traded on domestic, foreign and over-the-counter exchanges as well as securities for which there is no public market. Investments in this category are open-ended in duration but can be redeemed for liquidity, rebalancing or other needs of Christel House.

Note 3: Endowment

The endowment currently includes two donor-restricted endowment funds. As required by accounting principles generally accepted in the United States of America (GAAP), net assets associated with the endowment funds are classified and reported on the existence or absence of donor-imposed restrictions.

Christel House International, Inc. and Affiliates
Notes to Combined and Consolidated Financial Statements
December 31, 2020 and 2019
(Amounts in Thousands)

Christel House's governing body has interpreted the State of Indiana Prudent Management of Institutional Funds Act (SPMIFA) as requiring preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, Christel House classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts donated to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of donor-restricted endowment funds is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by Christel House in a manner consistent with the standard of prudence prescribed by SPMIFA.

The composition of net assets by type of endowment at December 31, 2020 and 2019, respectively, was:

	2020	2019
	With Donor Restriction	With Donor Restriction
Donor-restricted not held in perpetuity	\$ 83	\$ 67
Donor-restricted held in perpetuity	415	415
Total endowment funds	<u>\$ 498</u>	<u>\$ 482</u>

Changes in endowment net assets for the years ended December 31, 2020 and 2019, respectively, were:

	2020	2019
	With Donor Restriction	With Donor Restriction
Endowment net assets, beginning of year	\$ 482	\$ 432
Investment income (loss)	(1)	14
Net appreciation	34	47
Withdrawal per spending policy	<u>(17)</u>	<u>(11)</u>
Endowment net assets, end of year	<u>\$ 498</u>	<u>\$ 482</u>

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From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level Christel House is required to retain as a fund of perpetual duration pursuant to donor stipulation or SPMIFA. In accordance with GAAP, deficiencies of this nature are reported in net assets with donor restriction. At December 31, 2020 and 2019, a foreign endowment fell slightly below the prior year value due to currency exchange rates. The amount in local currency did not fall below the perpetual balance. At December 31, 2020 and 2019, the fund had an original gift value of \$23, a reported fair value of \$21 and \$20 and was underwater by \$2 and \$3, respectively.

Christel House has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs and other items supported by its endowment while seeking to maintain the purchasing power of the endowment. Endowment assets include donor-restricted endowment funds that Christel House must hold in perpetuity or for donor-specified periods. Under Christel House's policies, endowment assets are invested in a manner that is intended to produce results that exceed the distribution rate while assuming a moderate level of investment risk. Christel House expects its endowment funds to provide an average rate of return of approximately 7% annually over time. Actual returns in any given year may vary from this amount.

To satisfy its long-term rate of return objectives, Christel House relies on a total return strategy in which investment returns are achieved through both yield (investment income such as dividends and interest) and capital appreciation (both realized and unrealized). Christel House targets a diversified asset allocation that places emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Christel House has a spending policy of appropriating for expenditure each year 4% of its endowment funds' average fair value of the prior twelve quarters through the year end preceding the year in which expenditure is planned. In establishing this policy, Christel House considered the long-term expected return on its endowment. Accordingly, over the long term, Christel House expects to grow at an average of 3% annually. This is consistent with Christel House's objective to maintain the purchasing power of endowment assets held in perpetuity or for a specified term, as well as to provide additional real growth through new gifts and investment return.

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Note 4: Contributions Receivable

	2020	2019
	With Donor Restriction	With Donor Restriction
Due within one year	\$ 631	\$ 750
Due in one to five years	1,056	642
	<u>1,687</u>	<u>1,392</u>
Discount	(24)	(26)
	<u>\$ 1,663</u>	<u>\$ 1,366</u>

Discount rates ranged 0.17% to 1.76% for 2020 and 2019.

Note 5: Rental Property - Christel House Academy, Inc.

During 2002, Christel House International, Inc. (CHI) acquired and renovated an educational facility, Christel House Academy South. In December 2002, CHI agreed to lease this facility to Christel House Academy, Inc. (Academy). 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 and others. The lease entered into between CHI and the Academy for the Christel House Academy South facility was for a term of 25 years commencing on July 1, 2009.

During 2015, CHI completed construction of a Christel House Academy West also located in Indianapolis. Total construction cost was approximately \$11,500. Effective August 1, 2014, CHI entered into a 25-year lease with the Academy for this network expansion school.

As discussed in Note 7, CHI issued \$19,000 of bonds to assist in the financing the Christel House Academy South and West facilities.

Effective with the start of the 2021/22 school year, the Academy will relocate the operations of Christel House Academy South and DORS South from the CHI owned facility located at 2717 S. East St. to the Indianapolis Public Schools owned Manual High School building (Manual) located at 2405 Madison Avenue, both in Indianapolis, Indiana. The Manual facility is being provided to the Academy rent free under an Innovation School Agreement. Accordingly, the lease entered into between CHI and the Academy for the Christel House Academy South facility terminated on June 30, 2021. This facility with a net book value of \$11,637 will be listed for sale at a list price of \$9,825 by CHI in 2021. Rent receivable of \$131 existed at December 31, 2019.

CHI has committed \$5,500 to the Academy to fund renovations to the Manual facility and certain relocation costs. This funding, to be supplied in 2021, is recorded as accrued program grants on the combined and consolidated statement of financial position and program service grants on the combined and consolidated statement of activities.

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Property rented to Christel House Academy, Inc. for the operation of the charter schools is as follows:

	2020	2019
Buildings	\$ 24,984	\$ 24,984
Land improvements	2,596	2,596
	<u>27,580</u>	<u>27,580</u>
Accumulated depreciation	(8,693)	(7,938)
	<u>18,887</u>	<u>19,642</u>
Land	2,505	2,505
	<u>\$ 21,392</u>	<u>\$ 22,147</u>

Future lease payments due from Christel House Academy, Inc. at December 31, 2020 were:

2021	\$ 1,163
2022	750
2023	750
2024	750
2025	750
Thereafter	<u>10,125</u>
	<u>\$ 14,288</u>

Note 6: Property and Equipment

Christel House's property and equipment is as follows:

	2020	2019
Buildings	\$ 7,957	\$ 3,714
Land	1,381	185
Leasehold improvements	1,575	1,409
Furniture and equipment	1,498	1,322
Computer hardware and software	2,786	2,178
Books and educational materials	92	90
Motor vehicles	326	299
Work in progress	132	2,089
	<u>15,747</u>	<u>11,286</u>
Accumulated depreciation	(5,075)	(4,454)
	<u>\$ 10,672</u>	<u>\$ 6,832</u>

Christel House International, Inc. and Affiliates
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Note 7: Bonds Payable

On January 29, 2015, the Indiana Finance Authority issued its \$19 million Variable-Rate Demand Educational Facility Revenue Bonds, series 2015 (Christel House International, Inc. Project). The proceeds from 2015 Bonds were loaned to CHI for purposes of refunding the 2003 Bonds and funding the construction, installation and equipping of Christel House Academy West.

Principal on this loan is due annually on March 2 and interest is due monthly on the first day of each month. The bonds bear interest at the initial bank purchase mode through 2025. The interest under the initial bank purchase mode is equal to 70% of the one-month LIBOR plus 90 basis points. At the conclusion of the initial bank purchase mode, it may be converted to a new bank purchase mode term for an additional period of 10 years of any other duration agreed to. The interest rate in effect at December 31, 2020 was 1.01%. The bonds are guaranteed by the Christel DeHaan Irrevocable Trust through a "Continuing Guarantee Agreement". The agreement is in effect through the term of the loan ending January 1, 2035.

Issuance costs in the amount of \$81 were capitalized during 2015 and are being amortized over 10 years. Unamortized issuance costs as of December 31, 2020 and 2019 were \$33 and \$40, respectively, and are included in bonds payable.

The future maturities of bonds payable are as follows:

2021	\$	835
2022		857
2023		880
2024		903
2025		927
Thereafter		10,735
		15,137
Unamortized bond issuance costs		(33)
	\$	15,104

Note 8: Interest Rate Swap

As a strategy to maintain acceptable levels of exposure to the risk of changes in future cash flows due to interest rate fluctuations, Christel House entered into an interest rate swap agreement for its floating debt rate. The agreement provides for Christel House to receive interest from the counterparty equal to 70% of the one-month LIBOR plus 90 basis points and to pay interest to the counterparty at a fixed rate of 2.566% on notional amounts of \$19,000. Under the agreement, Christel House pays or receives the net interest amount monthly, with the monthly settlements included in interest expense.

The fair value of the interest swap rate was a liability of \$745 and \$230 at December 31, 2020 and 2019, respectively. Accordingly, Christel House recognized an unrealized loss of \$514 and \$601 in 2020 and 2019, respectively, which is included in the other gains and losses section of the combined and consolidated statement of activities.

Christel House International, Inc. and Affiliates
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Note 9: Leases

Christel House has a non-cancellable operating lease for office space, which expires on December 31, 2021. Christel House is required to pay all executory costs (property taxes, maintenance and insurance), the lease includes an option to terminate the lease provided Christel House pays a termination fee at least 30 days prior to termination. Subsequent to year-end, the lease was extended to December 31, 2022 with the same terms as 2021.

On April 15, 2016, CHMX entered into a lease arrangement for a school facility in Mexico City. This facility allowed CHMX to relocate its existing grades 1 through 9 and add grades 10 through 12, expanding one grade annually. The lease has an initial term of five years with an option to extend for an additional five-year term. The option to extend was exercised on April 1, 2021.

On November 3, 2014, Christel House India entered into an agreement with the Atal Nagar Development Authority (ANDA) of the government of Chhattigarh, India whereby ANDA constructed a school facility for use by Christel House India in operating Christel House Atal Nagar. The agreement is for a term of 20 years, renewable for additional terms of 5 years, on terms and conditions mutually agreeable to the parties. Under this agreement, the facilities are provided at no-cost to Christel House India. The estimated annual rental value of the facility of \$380 is recorded on the combined and consolidated statement of activities as in-kind contributions and rent expense.

On June 21, 2018, CHJ entered into a 99-year lease on approximately 12.5 acres of land on which CHJ has constructed and operates a learning center. The annual lease cost is de minimis.

Rent expense for the years ended December 31, 2020 and 2019 was \$800 and \$550, respectively. Rent expense is recognized on a straight-line basis.

Future minimum lease payments at December 31, 2020, were:

2021	\$ 560
2022	1,947
	\$ 2,507

Note 10: Related Party Transactions

Endless Success Foundation, Inc. (“ESF”) was founded by Christel DeHaan, CHI’s Founder, in January 2015. ESF exists as a supporting organization for the benefit of Christel House International, Inc. and other organizations. ESF contributed \$14,200 and \$11,000, respectively, to Christel House for the years ended December 31, 2020 and 2019. Additionally, during 2020 and 2019, Christel House received \$11,642 and \$58, respectively, in contributions from Ms. DeHaan’s Estate and Ms. DeHaan, respectively.

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In 2020 and 2019, Christel House expensed \$2,684 and \$2,748, respectively, in payroll related costs that were originally paid by CD Enterprises, Ltd. (CDE), a related party. Included in these expenses was \$73 and \$132 for CHI employer contributions to CDE's 401(k) plan for the years ended December 31, 2020 and 2019, respectively. As of December 31, 2020 and 2019, CHI had an outstanding liability balance of \$445 and \$508, respectively, 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 5, Christel House leases property to the Christel House Academy, Inc., and also provides grants to several affiliated learning centers.

Note 11: Net Assets

Net Assets With Donor Restrictions

Net assets with donor restrictions are available for the following purposes or periods:

	<u>2020</u>	<u>2019</u>
Capital projects	\$ 417	\$ 308
Learning center programs and services	1,309	1,256
Nutritional support	5	21
Special projects	326	295
Other programs	685	180
	<u>2,742</u>	<u>2,060</u>
Subject to the passage of time		
Time restricted pledges and Founder funding	<u>56,379</u>	<u>48,948</u>
Endowments		
Earnings restricted by donors to learning center programs	83	67
Original gift held in perpetuity	<u>415</u>	<u>415</u>
	<u>498</u>	<u>482</u>
	<u>\$ 59,619</u>	<u>\$ 51,490</u>

Each year, Christel House releases Endless Success Foundation, Inc. (ESF) and Founder donor restricted 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 and certain capital additions. One hundred percent of the contributions received from donors other than ESF and the Founder are solely applied to programs and services benefiting the students of Christel House.

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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.

	<u>2020</u>	<u>2019</u>
Satisfaction for specified purpose restrictions		
Capital projects	\$ 270	\$ 104
Learning center programs and services	2,032	1,991
Nutritional support	204	232
Special projects	283	-
Other programs	1,202	439
	<u>3,991</u>	<u>2,766</u>
Expiration of time restrictions		
Time restricted pledges and Founder funding	6,828	2,319
Endowments		
Earnings restricted by donors to learning center programs	17	11
	<u>17</u>	<u>11</u>
Net assets released from restriction at December 31	<u>\$ 10,836</u>	<u>\$ 5,096</u>

Note 12: Liquidity and Availability

Christel House receives significant contributions from donors to fund its programs and services. Additionally, as more fully described in the Related Party Transactions (Note 10), CHI's Founder established a supporting organization, Endless Success Foundation, Inc. (ESF), in January 2015. While donors' contributions fund programs and services, Founder funding through ESF funds general, administrative and fundraising expenses as well as operating shortfalls and certain capital needs of Christel House.

Christel House has budgeted 2021 cash needs for expenditures at approximately \$25,000.

Christel House International, Inc. and Affiliates
Notes to Combined and Consolidated Financial Statements
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As of December 31, 2020, Christel House has unrestricted financial assets available within one year to meet the organization's needs for general expenditures as follows:

	<u>2020</u>	<u>2019</u>
Financial assets		
Cash	\$ 14,315	\$ 2,884
Investments	8,625	7,966
Accounts receivable	<u>149</u>	<u>188</u>
Financial assets available to meet cash needs within one year	<u>\$ 23,089</u>	<u>\$ 11,038</u>

These financial assets are not subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of December 31, 2020.

In addition to the financial assets above, subsequent to year-end, ESF approved 2021 funding to Christel House in the amount of approximately \$10,837. This funding is budgeted to be received in installments throughout 2021.

Note 13: Disclosures About Fair Value of Assets and Liabilities

Fair value is 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. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of 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 supported by little or no market activity and are significant to the fair value of the assets or liabilities

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Following is a description of the valuation methodologies and input 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. There have been no significant changes in the valuation techniques during the year ended December 31, 2020.

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. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. Christel House currently does not have any Level 3 investments.

Interest Rate Swap Agreement

The fair value is estimated using forward-looking interest rate curves and discounted cash flows that are observable or can be corroborated by observable market data and, therefore, are classified with Level 2 of the valuation hierarchy.

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The following tables present the fair value measurements of assets and liabilities recognized in the accompanying combined and consolidated statement 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, 2020 and 2019:

	2020				
	Fair Value Measurements Using				
	Quoted Prices				
Fair Value	in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Investments Measured at NAV ^(A)	
Cash equivalents					
Money market mutual funds	\$ 18,816	\$ 18,816	\$ -	\$ -	\$ -
Investments					
Certificates and investment cash	2,756	2,756	-	-	-
Commodities	29	29	-	-	-
Equities					
North America	9,719	9,719	-	-	-
International	6,243	6,243	-	-	-
Government agencies					
North America	122	122	-	-	-
International	4,939	4,939	-	-	-
Corporate obligations	67	-	67	-	-
Foreign municipal obligations	875	-	875	-	-
Alternative investments					
Fixed income	650	-	22	-	628
International equity	1,756	-	-	-	1,756
Real assets	673	-	-	-	673
Private equity/partnerships	17,839	-	-	-	17,839
Hedge funds	14,041	-	-	-	14,041
Total investments	<u>59,709</u>	<u>23,808</u>	<u>964</u>	<u>-</u>	<u>34,937</u>
Total assets	<u>\$ 78,525</u>	<u>\$ 42,624</u>	<u>\$ 964</u>	<u>\$ -</u>	<u>\$ 34,937</u>
Liabilities					
Interest rate swap	<u>\$ 745</u>	<u>\$ -</u>	<u>\$ 745</u>	<u>\$ -</u>	<u>\$ -</u>

Christel House International, Inc. and Affiliates
Notes to Combined and Consolidated Financial Statements
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	2019				
	Fair Value Measurements Using				
Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Investments Measured at NAV ^(A)	
Cash equivalents					
Money market mutual funds	\$ 7,496	\$ 7,496	\$ -	\$ -	\$ -
Investments					
Certificates and investment cash	2,682	2,682	-	-	-
Commodities	70	70	-	-	-
Equities					
North America	10,427	10,427	-	-	-
International	3,799	3,799	-	-	-
Government agencies					
North America	114	114	-	-	-
International	4,878	4,878	-	-	-
Corporate obligations	76	-	76	-	-
Alternative investments					
Fixed income	210	-	22	-	188
International equity	1,609	-	-	-	1,609
Real assets	672	-	-	-	672
Private equity/partnerships	14,675	-	-	-	14,675
Hedge funds	12,088	-	-	-	12,088
Total investments	<u>51,300</u>	<u>21,970</u>	<u>98</u>	<u>-</u>	<u>29,232</u>
Total assets	<u>\$ 58,796</u>	<u>\$ 29,466</u>	<u>\$ 98</u>	<u>\$ -</u>	<u>\$ 29,232</u>
Liabilities					
Interest rate swap	<u>\$ 230</u>	<u>\$ -</u>	<u>\$ 230</u>	<u>\$ -</u>	<u>\$ -</u>

(A) Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified within a level in the fair value hierarchy. The fair value amounts included above are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the combined and consolidated statement of financial position.

Note 14: Concentrations

Christel House received approximately 78% and 60% of its contribution revenue from the Founder and ESF in 2020 and 2019, respectively (see Note 10).

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Note 15: Reclassifications

Certain reclassifications have been made in the 2019 combined and consolidated financial statements to conform to the 2020 financial statement presentation. These reclassifications had no effect on change in net assets.

Note 16: Other Discrete Event

As a result of the spread of the SARS-CoV-2 virus and the incidence of COVID-19, economic uncertainties have arisen which may negatively affect the financial position, results of operations and cash flows of Christel House. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time.

Supplementary Information

Christel House International, Inc. and Affiliates
Combining and Consolidating Statement of Financial Position
December 31, 2020
(Amounts in Thousands)

	Christel House International, Inc.	Christel House de Mexico, A.C.	Christel House India		Christel House South Africa	Christel House Jamaica	Christel House Europe	Eliminations	Total
			Christel House Bangalore	Christel House Atal Nagar					
Assets									
Cash and cash equivalents									
Without donor restriction	\$ 13,380	\$ 108	\$ 109	\$ 43	\$ 159	\$ 503	\$ 13	\$ -	\$ 14,315
With donor restriction	6,151	276	-	-	225	-	37	-	6,689
Investments									
Without donor restriction	-	6,834	220	168	1,403	-	-	-	8,625
With donor restriction	50,356	363	158	-	207	-	-	-	51,084
Accounts receivable	3	4	-	-	101	59	-	(18)	149
Contributions receivable, with donor restriction	668	-	180	-	713	-	102	-	1,663
Other assets									
Without donor restrictions	140	51	80	36	58	-	-	(20)	345
With donor restrictions	-	-	-	-	-	-	-	-	-
Rental property - Christel House Academy									
Without donor restriction	21,170	-	-	-	-	-	-	-	21,170
With donor restriction	222	-	-	-	-	-	-	-	222
Property and equipment	25	737	1,101	191	2,796	5,822	-	-	10,672
Total Assets	\$ 92,115	8,373	1,848	438	5,662	6,384	152	(38)	114,934
Liabilities									
Accounts payable	\$ 49	\$ 3	\$ 54	\$ -	\$ 19	\$ 470	\$ -	\$ -	\$ 595
Accrued payroll and other									
Without donor restriction	541	499	157	28	519	13	-	(38)	1,719
With donor restriction	2	-	-	-	-	-	37	-	39
Accrued program grants	5,500	-	-	-	-	-	-	-	5,500
Interest rate swap liability	745	-	-	-	-	-	-	-	745
Bonds payable, net of bond issue costs	15,104	-	-	-	-	-	-	-	15,104
Total Liabilities	21,941	502	211	28	538	483	37	(38)	23,702
Net Assets									
Without donor restriction	12,779	7,232	1,299	410	3,979	5,901	13	-	31,613
With donor restriction	57,395	639	338	-	1,145	-	102	-	59,619
Total Net Assets	70,174	7,871	1,637	410	5,124	5,901	115	-	91,232
Total Liabilities and Net Assets	\$ 92,115	\$ 8,373	\$ 1,848	\$ 438	\$ 5,662	\$ 6,384	\$ 152	\$ (38)	\$ 114,934

Christel House International, Inc. and Affiliates
Combining and Consolidating Statement of Financial Position
December 31, 2019
(Amounts in Thousands)

	Christel House International, Inc.	Christel House de Mexico, A.C.	Christel House India		Christel House South Africa	Christel House Jamaica	Christel House Europe	Eliminations	Total
			Christel House Bangalore	Christel House Atal Nagar					
Assets									
Cash and cash equivalents									
Without donor restriction	\$ 2,276	\$ 95	\$ 129	\$ 19	\$ 60	\$ 229	\$ 76	\$ -	\$ 2,884
With donor restriction	5,867	459	14	-	219	-	53	-	6,612
Investments									
Without donor restriction	-	6,379	287	73	1,227	-	-	-	7,966
With donor restriction	42,631	325	194	-	184	-	-	-	43,334
Accounts receivable	148	5	21	1	27	7	-	(21)	188
Contributions receivable, with donor restriction	985	-	-	-	361	-	20	-	1,366
Other assets									
Without donor restrictions	75	58	84	13	136	-	-	(67)	299
With donor restrictions	-	-	-	-	11	-	-	(11)	-
Rental property									
Without donor restriction	21,925	-	-	-	-	-	-	-	21,925
With donor restriction	222	-	-	-	-	-	-	-	222
Property and equipment	24	684	1,024	141	2,874	2,085	-	-	6,832
Total Assets	\$ 74,153	\$ 8,005	\$ 1,753	\$ 247	\$ 5,099	\$ 2,321	\$ 149	\$ (99)	\$ 91,628
Liabilities									
Accounts payable	165	4	41	22	23	1	-	(21)	235
Accrued payroll and other									
Without donor restriction	506	366	134	21	469	-	65	(67)	1,494
With donor restriction	-	-	-	-	-	-	55	(11)	44
Interest rate swap liability	230	-	-	-	-	-	-	-	230
Bonds payable, net of bond issue costs	15,910	-	-	-	-	-	-	-	15,910
Total Liabilities	16,811	370	175	43	492	1	120	(99)	17,913
Net Assets									
Without donor restriction	7,637	6,851	1,370	204	3,833	2,320	10	-	22,225
With donor restriction	49,705	784	208	-	774	-	19	-	51,490
Total Net Assets	57,342	7,635	1,578	204	4,607	2,320	29	-	73,715
Total Liabilities and Net Assets	\$ 74,153	\$ 8,005	\$ 1,753	\$ 247	\$ 5,099	\$ 2,321	\$ 149	\$ (99)	\$ 91,628

Christel House International, Inc. and Affiliates
Combining and Consolidating Statement of Activities
Year Ended December 31, 2020
(Amounts in Thousands)

	Christel House International, Inc.	Christel House de Mexico, A.C.	Christel House India		Christel House South Africa	Christel House Jamaica	Christel House Europe	Eliminations	Total
			Christel House Bangalore	Christel House Atal Nagar					
Revenue, Gains and Other Support									
Contributions	\$ 1,441	\$ 1,167	\$ 165	\$ -	\$ 897	\$ 1	\$ 152	\$ -	\$ 3,823
Founder funding	11,642	-	-	-	-	-	-	-	11,642
Supporting organization funding	14,200	-	-	-	-	-	-	-	14,200
Direct contributions	101	267	55	-	73	52	11	(559)	-
CHI funding	-	1,291	662	616	2,508	4,283	23	(9,383)	-
In-kind contributions	150	42	50	384	278	3	-	-	907
Special events	448	11	35	-	3	-	-	-	497
Grants	446	21	1,045	-	823	55	6	-	2,396
Investment income	73	57	34	17	100	-	-	-	281
Rental income - Christel House Academy	1,957	-	-	-	-	-	-	-	1,957
Other	221	16	-	-	48	-	-	-	285
Total Revenue, Gains and Other Support	<u>30,679</u>	<u>2,872</u>	<u>2,046</u>	<u>1,017</u>	<u>4,730</u>	<u>4,394</u>	<u>192</u>	<u>(9,942)</u>	<u>35,988</u>
Expenses									
Program services									
Grants	18,700	-	83	-	-	-	87	(9,942)	8,928
Academics	2,670	2,336	1,538	803	3,738	577	-	-	11,662
	21,370	2,336	1,621	803	3,738	577	87	(9,942)	20,590
Management and general	887	160	191	29	197	165	20	-	1,649
Fundraising	1,278	285	239	-	349	56	3	-	2,210
Total Expenses	<u>23,535</u>	<u>2,781</u>	<u>2,051</u>	<u>832</u>	<u>4,284</u>	<u>798</u>	<u>110</u>	<u>(9,942)</u>	<u>24,449</u>
Change in Net Assets Before Other Gains and Losses	7,144	91	(5)	185	446	3,596	82	-	11,539
Other Gains and Losses									
Loss on sale of property	-	-	-	-	(6)	-	-	-	(6)
Realized gain on investments	915	217	-	-	-	-	-	-	1,132
Unrealized gain on investments	5,287	183	-	-	-	-	-	-	5,470
Unrealized loss on interest rate swap	(514)	-	-	-	-	-	-	-	(514)
Foreign currency translation adjustment	-	(255)	64	21	77	(15)	4	-	(104)
Change in Net Assets	12,832	236	59	206	517	3,581	86	-	17,517
Net Assets, Beginning of Year	57,342	7,635	1,578	204	4,607	2,320	29	-	73,715
Net Assets, End of Year	<u>\$ 70,174</u>	<u>\$ 7,871</u>	<u>\$ 1,637</u>	<u>\$ 410</u>	<u>\$ 5,124</u>	<u>\$ 5,901</u>	<u>\$ 115</u>	<u>\$ -</u>	<u>\$ 91,232</u>

Christel House International, Inc. and Affiliates
Combining and Consolidating Statement of Activities
Year Ended December 31, 2019
(Amounts in Thousands)

	Christel House International, Inc.	Christel House de Mexico, A.C.	Christel House India		Christel House South Africa	Christel House Jamaica	Christel House Europe	Eliminations	Total
			Christel House Bangalore	Christel House Atal Nagar					
Revenue, Gains and Other Support									
Contributions	\$ 1,903	\$ 1,930	\$ 58	\$ -	\$ 317	\$ 7	\$ 111	\$ -	\$ 4,326
Founder funding	58	-	-	-	-	-	-	-	58
Supporting organization funding	11,000	-	-	-	-	-	-	-	11,000
Direct contributions	58	87	125	-	150	37	13	(470)	-
CHI funding	-	1,612	991	581	3,171	1,796	19	(8,170)	-
In-kind contributions	266	15	15	-	339	-	2	-	637
Special events	880	9	57	-	15	-	44	-	1,005
Grants	-	29	836	-	622	-	-	-	1,487
Investment income	930	-	27	4	60	-	-	-	1,021
Rental income - Christel House Academy	1,957	-	-	-	-	-	-	-	1,957
Other	4	35	-	-	8	-	-	-	47
Total Revenue, Gains and Other Support	17,056	3,717	2,109	585	4,682	1,840	189	(8,640)	21,538
Expenses									
Program services									
Grants	11,241	-	-	-	-	-	193	(8,640)	2,794
Academics	2,571	2,786	1,677	527	4,010	60	-	-	11,631
	13,812	2,786	1,677	527	4,010	60	193	(8,640)	14,425
Management and general	902	216	202	36	187	12	19	-	1,574
Fundraising	1,423	321	326	-	341	-	13	-	2,424
Total Expenses	16,137	3,323	2,205	563	4,538	72	225	(8,640)	18,423
Change in Net Assets Before Other Gains and Losses	919	394	(96)	22	144	1,768	(36)	-	3,115
Other Gains and Losses									
Gain (loss) on sale of property	-	2	1	-	(4)	-	-	-	(1)
Realized gain on investments	1,160	220	-	-	-	-	-	-	1,380
Unrealized gain on investments	4,288	402	-	-	-	-	-	-	4,690
Unrealized loss on interest rate swap	(601)	-	-	-	-	-	-	-	(601)
Foreign currency translation adjustment	-	267	(149)	(23)	10	20	3	-	128
Change in Net Assets	5,766	1,285	(244)	(1)	150	1,788	(33)	-	8,711
Net Assets, Beginning of Year	51,576	6,350	1,822	205	4,457	532	62	-	65,004
Net Assets, End of Year	\$ 57,342	\$ 7,635	\$ 1,578	\$ 204	\$ 4,607	\$ 2,320	\$ 29	\$ -	\$ 73,715