

**CHRIS 180, INC. AND SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
**and**  
**SUPPLEMENTARY INFORMATION**

**with**  
**INDEPENDENT AUDITORS' REPORT**

## TABLE OF CONTENTS

	<b><u>PAGE</u></b>
INDEPENDENT AUDITORS' REPORT	3-5
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	6
CONSOLIDATED STATEMENT OF ACTIVITIES	7
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES	8-9
CONSOLIDATED STATEMENT OF CASH FLOWS	10
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS	11-32
SUPPLEMENTARY INFORMATION	
REPORTS AND OTHER SCHEDULES AND INFORMATION AS REQUIRED BY THE UNIFORM GUIDANCE	
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	35
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	36
INDEPENDENT AUDITORS' 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	37-38
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE	39-41
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	42-43
SCHEDULE OF STATE AWARDS EXPENDED	44-45
CONSOLIDATING STATEMENT OF FINANCIAL POSITION	46
CONSOLIDATING STATEMENT OF ACTIVITIES	47



## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
CHRIS 180, Inc. and Subsidiaries

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the consolidated financial statements of CHRIS 180, Inc. and Subsidiaries (the "Organization"), which comprise the consolidated statements of financial position as of December 31, 2021 and 2020, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2021 and 2020, 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 Auditors' Responsibilities for the Audit of the Consolidated financial statements section of our report. We are required to be independent of the Organization 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 Consolidated financial statements*

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date of this report.

## ***Auditors' Responsibilities for the Audit of the Consolidated financial statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 consolidated 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 consolidated 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 consolidated 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 the Organization's 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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's 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.

## **Other Matters**

### ***Supplementary Information***

Our audits were conducted for the purpose of forming an opinion on the consolidated 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, Schedule of State Awards Expended, and Consolidating Statements of Financial Position and Activities for the year ending December 31, 2021 are presented for purposes of additional analysis and are not a required part of the 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 consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audits of the 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 consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with Government Auditing Standards, we have also issued our report dated the date of this report on our consideration of the Organization’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Organization’s 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 Organization’s internal control over financial reporting and compliance.

*Smith and Howard*

March 31, 2022

**CHRIS 180, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2021 AND 2020**

**ASSETS**

	<u>2021</u>	<u>2020</u>
Current Assets		
Cash and cash equivalents	\$ 5,857,544	\$ 6,539,128
Contracts receivable - federal, state, and local, net	3,870,685	2,835,834
Unconditional promises to give, current portion	895,451	740,771
Prepaid expenses and other assets	176,440	309,563
Total Current Assets	<u>10,800,120</u>	<u>10,425,296</u>
Cash restricted for capital improvements	1,028,207	1,364,793
Unconditional promises to give, net of current portion and present value discount	-	104,233
Note receivable - NMTC	8,563,750	8,563,750
Property and equipment, net	19,109,942	19,694,024
Other assets	630,230	288,815
	<u>29,332,129</u>	<u>30,015,615</u>
	<u>\$ 40,132,249</u>	<u>\$ 40,440,911</u>

**LIABILITIES AND NET ASSETS**

	<u>2021</u>	<u>2020</u>
Current Liabilities		
Accounts payable	\$ 493,827	\$ 367,138
Accrued expenses	1,384,936	1,218,332
Refundable advances	60,000	43,742
Notes payable, current portion	70,633	64,137
Total Current Liabilities	<u>2,009,396</u>	<u>1,693,349</u>
Notes Payable, Net of Current Portion and Unamortized Debt Issuance Costs	<u>18,088,208</u>	<u>18,153,744</u>
Total Liabilities	<u>20,097,604</u>	<u>19,847,093</u>
Net Assets		
Without donor restrictions:		
Available for operations	6,564,673	5,237,341
Board designated	1,632,723	1,632,187
Contractually restricted	367,488	438,590
Expended for property and equipment, net of debt	9,514,851	10,031,631
Total net assets without donor restrictions	<u>18,079,735</u>	<u>17,339,749</u>
With donor restrictions	<u>1,954,910</u>	<u>3,254,069</u>
Total net assets	<u>20,034,645</u>	<u>20,593,818</u>
	<u>\$ 40,132,249</u>	<u>\$ 40,440,911</u>

The accompanying notes are an integral part of these consolidated financial statements.

**CHRIS 180, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
Changes in net assets without donor restrictions		
Revenues, gains and support		
Government grants and contracts	\$ 19,357,322	\$ 17,228,722
Paycheck Protection Program grant	-	2,600,149
Fee for service revenues	5,525,054	5,750,599
Contributions	2,373,731	3,384,823
In-kind contributions	953,548	349,678
Interest income	124,178	133,938
Special event revenue, net of \$221,893 and \$114,968 in direct expenses for 2021 and 2020, respectively	582,183	377,008
Rental income	156,989	101,657
Other income	315,224	430,375
Total revenues, gains and support	<u>29,388,229</u>	<u>30,356,949</u>
Net assets released from restrictions	<u>2,649,048</u>	<u>1,944,594</u>
Total revenues, gains and support without donor restrictions	<u>32,037,277</u>	<u>32,301,543</u>
Expenses:		
Program services		
Counseling Services	10,104,218	10,378,688
Community Services & Keeping Families Together	4,748,556	5,055,745
JourneyZ	4,060,445	4,299,681
TransitionZ	691,861	675,695
Clubhouse/Drop In Center	427,996	502,399
AdoptionZ	596,467	542,731
Migrant Wellness	532,657	-
Youth Build	-	278,665
Training Institute	1,488,564	1,065,316
Housing and Property	1,776,693	1,805,144
Zones 1 & 3	1,790,313	880,824
Total program services	<u>26,217,770</u>	<u>25,484,888</u>
Supporting services		
Management and general	3,749,185	2,808,377
Fundraising	1,330,336	809,514
Total expenses	<u>31,297,291</u>	<u>29,102,779</u>
Change in net assets without donor restrictions	<u>739,986</u>	<u>3,198,764</u>
Changes in net assets with donor restrictions:		
Contributions	1,345,454	1,807,970
Interest income	4,435	2,890
Net assets released from restrictions	<u>(2,649,048)</u>	<u>(1,944,594)</u>
Change in net assets with donor restrictions	<u>(1,299,159)</u>	<u>(133,734)</u>
Change in net assets	(559,173)	3,065,030
Net assets, beginning of year	<u>20,593,818</u>	<u>17,528,788</u>
Net assets, end of year	<u>\$ 20,034,645</u>	<u>\$ 20,593,818</u>

The accompanying notes are an integral part of these consolidated financial statements.

**CHRIS 180, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2021**

	Counseling Services	Community Services & Keeping Families Together	JourneyZ	TransitionZ	Clubhouse / Drop In Center	AdoptionZ	Migrant Wellness	Training Institute	Housing and Property	Zones 1 & 3	Total Program	Management and General	Fundraising	Total Expenses
Salaries and wages	\$ 6,405,915	\$ 2,522,773	\$ 2,861,049	\$ 459,211	\$ 275,396	\$ 285,295	\$ 329,769	\$ 1,038,602	\$ -	\$ 1,183,258	\$ 15,361,268	\$ 1,856,761	\$ 462,335	\$ 17,680,364
Benefits and payroll taxes	1,182,623	660,465	454,150	152,142	58,136	53,396	24,133	225,657	-	192,218	3,002,920	687,054	68,933	3,758,907
Total payroll expense	7,588,538	3,183,238	3,315,199	611,353	333,532	338,691	353,902	1,264,259	-	1,375,476	18,364,188	2,543,815	531,268	21,439,271
Rent and building maintenance	203,114	9,370	52,892	96	2,536	9,601	31,603	3,561	51,982	43,049	407,804	10,082	1,468	419,354
Depreciation and amortization	-	-	-	-	-	-	-	-	1,052,598	-	1,052,598	-	-	1,052,598
Direct care	110,766	1,306,240	355,003	45,329	40,749	130,160	33,593	5,921	-	131,954	2,159,715	20,567	656,455	2,836,737
Legal and accounting	-	-	-	-	-	-	-	-	5,066	-	5,066	144,003	-	149,069
Equipment leases and repairs	72,706	6,778	19,282	473	6,646	4,766	25,249	6,320	-	9,529	151,749	21,758	2,590	176,097
Travel and Transportation	18,135	41,548	53,917	878	3,811	8,476	23,849	19,932	-	9,842	180,388	12,020	423	192,831
Supplies	-	-	-	-	-	-	-	-	13,796	-	13,796	-	-	13,796
Postage and printing	2,671	136	-	-	-	223	-	648	-	1,108	4,786	3,902	19,266	27,954
Telephone	170,341	16,118	72,975	4,471	150	6,894	3,063	780	-	4,344	279,136	157,477	-	436,613
Utilities	35,748	7,227	47,241	-	4,769	19,852	15,380	11,182	173,676	106	315,181	24,407	4,227	343,815
Promotions	14,086	1,067	971	431	907	50	264	138	-	4,837	22,751	47,433	6,998	77,182
Insurance	52,515	16,391	39,921	9,854	11,969	21,178	17,302	7,752	-	30,246	226,740	83,750	2,211	312,701
Interest	-	-	-	-	-	-	-	-	204,018	-	204,018	-	-	204,018
Training	106,299	8,825	863	72	3,986	963	2,019	61,242	-	26,957	211,226	11,842	4,221	227,289
Consulting and contract services	1,077,483	141,408	43,997	14,180	12,214	24,161	4,757	60,992	-	139,447	1,518,639	151,650	66,231	1,736,520
Dues and subscriptions	13,104	1,098	8,428	882	407	1,369	440	20,686	-	192	46,606	34,906	1,824	83,336
Professional medical fees	527,830	-	-	-	-	-	-	-	-	12,900	540,730	-	-	540,730
Management fees	-	-	-	-	-	-	-	-	213,600	-	213,600	-	-	213,600
Security	49,360	9,112	42,476	2,275	4,296	29,005	19,047	22,302	-	3,158	181,031	37,859	8,446	227,336
Bad debt expense	-	-	-	-	-	-	-	-	-	-	-	431,571	-	431,571
Other	61,522	-	7,280	1,567	2,024	1,078	2,189	2,849	31,711	7,802	118,022	12,143	24,708	154,873
<b>Total expenses</b>	<b>\$ 10,104,218</b>	<b>\$ 4,748,556</b>	<b>\$ 4,060,445</b>	<b>\$ 691,861</b>	<b>\$ 427,996</b>	<b>\$ 596,467</b>	<b>\$ 532,657</b>	<b>\$ 1,488,564</b>	<b>\$ 1,776,693</b>	<b>\$ 1,790,313</b>	<b>\$ 26,217,770</b>	<b>\$ 3,749,185</b>	<b>\$ 1,330,336</b>	<b>\$ 31,297,291</b>
	32%	15%	13%	2%	1%	2%	2%	5%	6%	6%	84%	12%	4%	100%

The accompanying notes are an integral part of these consolidated financial statements.



**CHRIS 180, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2020**

	Counseling Services	Community Services & Keeping Families Together	JourneyZ	TransitionZ	Clubhouse / Drop In Center	AdoptionZ	Youth Build	Training Institute	Housing and Property	Zones 1 & 3	Total Program	Management and General	Fundraising	Total Expenses
Salaries and wages	\$ 6,657,117	\$ 2,212,875	\$ 2,943,528	\$ 457,052	\$ 269,361	\$ 232,929	\$ 144,989	\$ 733,201	\$ -	\$ 530,664	\$ 14,181,716	\$ 1,659,221	\$ 502,457	\$ 16,343,394
Benefits and payroll taxes	1,316,620	689,740	403,576	141,641	79,957	44,960	103,742	174,004	-	97,904	3,052,144	450,657	85,719	3,588,520
Total payroll expense	7,973,737	2,902,615	3,347,104	598,693	349,318	277,889	248,731	907,205	-	628,568	17,233,860	2,109,878	588,176	19,931,914
Rent and building maintenance	137,295	48,553	123,262	1,440	20,842	7,466	-	9,054	39,067	14,463	401,442	22,130	3,016	426,588
Depreciation and amortization	-	-	-	-	-	-	-	-	1,104,259	-	1,104,259	-	-	1,104,259
Direct care	64,423	1,792,368	337,743	44,178	67,257	181,226	11,357	3,354	-	82,949	2,584,855	7,694	38,679	2,631,228
Legal and accounting	-	98	-	-	-	-	-	-	38,528	-	38,626	81,750	-	120,376
Property taxes	-	4,731	-	-	-	-	-	-	-	-	4,731	-	-	4,731
Equipment leases and repairs	70,215	26,832	13,889	787	3,036	3,636	2,591	1,743	10,144	3,441	136,314	47,781	11,668	195,763
Travel and Transportation	30,146	44,521	115,605	1,416	3,355	8,995	1,629	827	-	6,921	213,415	10,789	91	224,295
Supplies	53,845	15,400	2,402	752	5,840	296	4,604	1,391	3,211	1,648	89,389	7,984	1,422	98,795
Postage and printing	4,473	553	-	-	-	555	-	2,506	3,758	1,051	12,896	6,377	31,975	51,248
Telephone	94,426	46,648	54,530	8,363	6,519	12,925	302	1,454	-	11,656	236,823	14,147	1,144	252,114
Utilities	41,262	27,437	53,225	-	5,129	14,290	-	12,950	122,564	4,958	281,815	27,323	4,872	314,010
Promotions	28,293	5,486	1,099	280	650	220	2,020	3,524	-	10,242	51,814	41,664	29,502	122,980
Insurance	28,615	5,295	51,026	6,304	11,239	11,826	5,205	3,228	60,189	496	183,423	50,235	1,996	236,654
Interest	-	-	-	-	-	-	-	-	195,905	-	195,905	795	-	196,700
Training	119,335	9,675	1,185	680	948	951	175	37,850	-	25,550	196,349	85,364	4,619	286,332
Consulting and contract services	841,579	105,152	180,364	10,657	20,476	15,678	25	48,093	-	82,129	1,304,153	156,006	51,990	1,512,149
Dues and subscriptions	14,957	1,810	175	70	3,172	825	-	15,318	-	41	36,368	46,945	4,793	88,106
Professional medical fees	577,543	1,468	-	-	-	-	-	-	-	5,916	584,927	-	-	584,927
Management fees	-	-	-	-	-	-	-	-	145,137	-	145,137	-	-	145,137
Security	30,666	13,723	13,204	-	3,511	5,382	-	7,038	39,562	-	113,086	22,747	16,961	152,794
Bad debt expense	221,377	-	-	-	-	-	-	-	33,138	-	254,515	12,000	-	266,515
Other	46,501	3,380	4,868	2,075	1,107	571	2,026	9,781	9,682	795	80,786	56,768	18,610	156,164
<b>Total expenses</b>	<b>\$ 10,378,688</b>	<b>\$ 5,055,745</b>	<b>\$ 4,299,681</b>	<b>\$ 675,695</b>	<b>\$ 502,399</b>	<b>\$ 542,731</b>	<b>\$ 278,665</b>	<b>\$ 1,065,316</b>	<b>\$ 1,805,144</b>	<b>\$ 880,824</b>	<b>\$ 25,484,888</b>	<b>\$ 2,808,377</b>	<b>\$ 809,514</b>	<b>\$ 29,102,779</b>
	35%	17%	15%	2%	2%	2%	1%	4%	6%	3%	87%	10%	3%	100%

The accompanying notes are an integral part of these consolidated financial statements.

**CHRIS 180, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
Cash Flows from Operating Activities:		
Change in Net Assets	\$ (559,173)	\$ 3,077,030
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Required) by Operating Activities:		
Provisions for uncollectible receivables	431,571	229,307
Change in present value discount on unconditional promises to give	(91,306)	23,065
Depreciation and amortization	1,052,598	1,104,259
Amortization of debt issuance costs	2,645	8,900
Gain on disposal of fixed assets	(395)	(194,186)
Changes in assets and liabilities:		
(Increase) decrease:		
Contracts receivable - federal, state, and local	(1,438,174)	(1,050,155)
Unconditional promises to give	12,611	735,630
Prepaid expenses and other assets	133,123	(104,385)
Other assets	(341,415)	(61,422)
Increase (decrease):		
Accounts payable	126,689	(411,938)
Accrued expenses	166,604	375,447
Refundable advances	16,258	(198,413)
Total Adjustments	<u>70,809</u>	<u>456,109</u>
Net Cash Provided (Required) by Operating Activities	<u>(488,364)</u>	<u>3,533,139</u>
Cash Flows from Investing Activities:		
Proceeds from sale of property and equipment	-	209,866
Purchase of property and equipment	<u>(468,121)</u>	<u>(185,977)</u>
Net Cash Provided (Required) by Investing Activities	<u>(468,121)</u>	<u>23,889</u>
Cash Flows from Financing Activities:		
Cash collected for long-term purposes	-	255,705
Principal payments on debt	<u>(61,685)</u>	<u>(194,657)</u>
Net Cash Provided (Required) by Financing Activities	<u>(61,685)</u>	<u>61,048</u>
Increase (Decrease) in Cash and Cash Equivalents	(1,018,170)	3,618,076
Cash and Cash Equivalents, Beginning of Year	<u>7,903,921</u>	<u>4,285,845</u>
Cash and Cash Equivalents, End of Year	<u>\$ 6,885,751</u>	<u>\$ 7,903,921</u>
<b><u>Supplemental Cash Flow Information:</u></b>		
Cash paid for interest	<u>\$ 201,373</u>	<u>\$ 187,800</u>

The accompanying notes are an integral part of these consolidated financial statements.

**CHRIS 180, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

**NOTE 1 – NATURE OF ORGANIZATION**

CHRIS 180, Inc. (the “Organization”) is a nationally accredited nonprofit 501(c)(3) organization whose mission is to heal children, strengthen families and build community. CHRIS 180 helps children, adults and families who have experienced trauma change the direction of their lives to become more productive, self-sufficient members of the community. This is accomplished through behavioral health counseling, training, safe housing and real-world skill building. CHRIS is an acronym for our values: Creativity, Honor, Respect, Integrity, Safety. CHRIS 180’s goal is to empower people to heal, build resiliency and develop the skills they need to navigate life’s challenges so that they can live fuller, richer lives as contributing members of the community. During 2021, life changing services were provided by CHRIS 180 to 10,051 people through its various programs and services, approximately 7,000 individuals through food distribution and well-checks, and specialized training was provided to an additional 10,457 community professionals, paraprofessionals, school personnel and individuals.

CHRIS 180 is a value driven multi-service behavioral health organization that exists to improve the lives of children, adults and families through innovative, trauma informed practices that inspire hope and help people throughout our community build resiliency and thrive. CHRIS 180 accomplishes this purpose through a continuum of trauma informed services, partnerships and trainings that acknowledge and address the impacts of historical and generational trauma, structural and systemic racism, inequity, implicit bias, and discrimination in any form. All services are grounded in acceptance of people for who they are, where they are, and the belief that the voice of the client should guide service delivery. Services are designed to promote healing and recovery, foster individual accountability, build resiliency, and unlock the potential that exists within every person.

At December 31, 2021 and 2020, the consolidated financial statements of CHRIS 180, Inc. (the Organization) include the accounts of CHRIS Operations, LLC, CHRIS Homes Properties, LLC, CHRIS Properties Graham Circle, LLC, CHRIS Properties, LLC, and the CHRIS 180 Support Organization, Inc. On January 1, 2012, the legal structure of the combining entities designated CHRIS 180, Inc. as the umbrella company managing its operations and delivering its services through each LLC listed above. CHRIS 180, Inc. is the sole member entity of each LLC that it manages on behalf of its mission. Prior to 2012, the combined entities were separate stand-alone corporations or LLC’s as in the case of CHRIS Properties, LLC. All significant inter-company accounts and transactions have been eliminated.

CHRIS Homes Properties, LLC owns residential properties, seven of which are EarthCraft Certified, and vehicles leased to CHRIS 180 Operations, LLC. CHRIS Properties, LLC owns the real estate that provides a LEED Platinum Certified office building to CHRIS Operations, LLC for the CHRIS Counseling Center as well as other program services. CHRIS Properties Graham Circle, LLC holds title to a fully furnished, EarthCraft Certified, multi-family apartment complex for CHRIS Operations, LLC to utilize for the client population of single and parenting youth, 18-24 upon entry, who are homeless or aging out of foster care. The CHRIS 180 Support Organization, a related 501 (c)(3), holds title to all property partially funded through the New Market Tax Credit (NMTC) program.

**CHRIS 180, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

NOTE 1 – NATURE OF ORGANIZATION (Continued)

In March 2016, the Board of Directors voted to proceed with a capital campaign and in 2017 the charitable goal was increased due to increased construction costs. A decision was made to pursue an allocation through the NMTC program for the eligible portion of CHRIS 180's expansion. Construction began in March 2018 and the NMTC transaction agreement was finalized in April 2018. Capital campaign funds in the amount of \$8,563,750 were transferred into the CHRIS 180 Investment Fund at SunTrust Bank to be disbursed for capital construction and renovations. The new seven-acre site, occupied in 2019, includes the Center of Excellence in Training, Education and Connections, an EarthCraft Platinum certified building, which is home to administrative offices, the CHRIS Training Institute, CHRIS Adoptions and CHRIS Community Programs; and, three foster homes for traumatized children/sibling groups in foster care, and a duplex that also serves traumatized children in foster care. The titles to properties associated with the NMTC transaction were transferred from CHRIS 180 to the CHRIS 180 Support Organization, Inc. At the end of a seven-year compliance period titles to these properties will be transferred back to CHRIS 180. See Note 17 for further discussion regarding the NMTC program.

**CHRIS 180**

Trauma informed care is the centerpiece of CHRIS 180's work. The Adverse Childhood Experiences (ACE) questionnaire is utilized to help assess levels of trauma. Research by the Centers of Disease Control over two decades reveals that without intervention an ACE score of four (4) or more is predictive of poor long-term physical health, mental health and social functioning outcomes as well as a significantly shortened life span. From 38% to 78% of individuals served throughout CHRIS 180 programs have an ACE score of four (4) or more versus 12% of the general population. CHRIS 180 identifies, understands, and treats the impact of chronic stress and adverse childhood experiences so that children, adults and families can recover, avoid long term negative physical and mental health consequences, become resilient and help build strong communities. CHRIS 180 is a member of the National Child Traumatic Stress Network (NCTSN) and in 2020 and 2021 provided leadership to help NCTSN develop a series on Supporting Trauma-Informed Schools to Keep Students in Classrooms.

During 2021, the impact of the COVID-19 pandemic continued. CHRIS 180 applied for and received a Paycheck Protection Program Loan in 2020 which was forgiven in 2021. And, in early 2021 the Board of Directors adopted a revised strategic plan, the Roadmap to Resiliency 2021-2022, which endorsed the goals of the pre-pandemic strategic plan to become an Employer of Choice, Provider of Choice and Financially Sustainable. Revised tactics were developed as a result of numerous focus groups, work groups and discussion with the Board Governance Committee and the full Board of Directors. These included a decision to re-organize the leadership structure of the organization, pursue re-alignment of programming and included an intensive focus on supporting and developing CHRIS 180's workforce. The re-organization of the leadership structure and re-alignment of programming began in the second half of 2021 and will continue. In addition, an African American owned diversity firm was engaged to work with the organization during 2022 to provide Diversity, Equity, Inclusion and Belonging training and consultation. Throughout 2021, weekly video messages from the CEO continued and sought to enhance communication and help staff feel valued and supported as changes were discussed and implemented.

**CHRIS 180, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

NOTE 1 – NATURE OF ORGANIZATION (Continued)

**CHRIS 180 (Continued)**

Throughout 2021, CHRIS 180 programs operated for the benefit of children, families and the community. Employees continued to work virtually as well as in person. Depending on the needs of the child, family or individual, counseling occurred either virtually and in person. Children in foster care and homeless youth in our apartments continued to receive quality services. Families continued to receive wraparound services, homeless youth and families with children received services and housing, struggling families received rent and utility assistance, and individuals of all ages and families received counseling. Work in the community continued at the At Promise Centers and through our Cure Violence Atlanta program in neighborhoods in South Atlanta. Vaccination community events in partnership with CORE, ARCHI (Atlanta Regional Commission Health Initiative) and Mercy Care, a Federally Qualified Health Center, continued throughout 2021.

Services provided by CHRIS 180 are integrated, collaborative and coordinated across service areas, police zones and communities. Numbers served are unduplicated across program areas. Primary service areas include: Behavioral Health, Community, Foster Care & Residential, Housing and Training. The majority of behavioral health services and training were provided virtually, although as 2021 continued more and more clients were interested in being seen in person.

Throughout the year CHRIS 180 adapted to meet emerging needs and participated in a number of community collaborative efforts. Highlights include:

- CHRIS 180 continued to deliver food and conduct checks on the well-being of each person and family who received food in three City of Atlanta Police Zones during the first 7 months of 2021. The Well-being checks enabled CHRIS 180 to offer support, counseling, assistance for women and children needing to flee from domestic violence and to respond to other needs. Food assistance and other support continues for the community through a weekly distribution event at the Drop In Center.
- In addition to counseling and other services CHRIS 180 provided virtual learning support which began in 2020 for youth at the At Promise Centers through the first half of 2021.
- CHRIS 180 provided access to emergency, transitional and permanent housing services and in the first quarter of 2021 provided rental, utility and housing assistance. Assistance was made possible through a combination of federal, state and local contracts and donations.
- Vaccine events were created and held throughout 2021 in under-resourced communities and combined with test kit and food give away, food trucks, music and other services.
- A monthly Facebook Lunchtime Live series (recognized with a Phoenix Award in 2020), and a mental health blog provided vehicles to support and inform the community at large.
- Due to the anticipated impact of the federal Family First Prevention Services Act, CHRIS 180 made the decision to begin the process of transitioning from a group home model of care to a therapeutic foster care model of care.
- CHRIS 180 provided extensive trauma training and child welfare consulting services for staff working at emergency shelters set up in Texas for unaccompanied minors.

**CHRIS 180, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

NOTE 1 – NATURE OF ORGANIZATION (Continued)

**CHRIS 180 (Continued)**

- As a result of trauma training provided by CHRIS 180, the organization was asked to help provide short-term trauma informed foster care services for unaccompanied minors placed in Transitional Foster Care while relatives were located. As a result CHRIS 180 entered into an agreement to provide trauma informed residential services for unaccompanied minors placed in Transitional Foster Care.

**Behavioral Health Services**

CHRIS 180 offers trauma informed behavioral health services for children, adults and families throughout the greater metro Atlanta area to help them through difficult times so that they feel and function better. CHRIS 180 focuses on decreasing stigma, eliminating barriers to increase access, and expanding our impact through partnerships, place-based counseling and substance abuse services both in communities and through telehealth. CHRIS 180 completed year four of a five-year renewable contract with Fulton County to provide behavioral health services for uninsured children, adolescents and young adults up to age 25 who are residents of Fulton County as well as a Substance Abuse Clubhouse. CHRIS 180 also operates an intensive out-patient day treatment substance abuse program for teens and young adults at the CHRIS Counseling Center in DeKalb County.

CHRIS 180's special focus is on helping people recover from trauma. Therapists utilize 27 different evidenced based treatment modalities to ensure people receive the individually tailored assistance they need to help them develop the skills required to heal, build personal resiliency and sustain recovery. Therapists use their skills to help people confront, recover and heal from past sexual abuse, physical abuse and/or the impact of other adverse childhood/life experiences. CHRIS 180 partners with Emory University Medical School and the Morehouse School of Medicine enabling psychiatric fellows to further their training and as well as several local colleges to provide supervised internship experiences for Masters level clinical interns.

During 2021, CHRIS 180 continued expansion of school-based counseling to include services in 70 public Title 1 schools in Atlanta, Fulton, DeKalb and Clayton Counties and an afterschool partnership was established with the Boys and Girls Club of Metro Atlanta.

Across all locations counseling was provided for 7,267 individuals in 2020 and 8,331 individuals in 2021. Counseling locations include: the CHRIS Counseling Center - Atlanta; the CHRIS Counseling Center - DeKalb; the CHRIS Counseling Center - Gwinnett; the Adamsville Health Center, the Oakhill Service Center and the North Fulton Annex in Fulton County; the Integrated Health Clinic, two At Promise Centers and the Westside Empowerment Center in Atlanta; 70 schools in the City of Atlanta, Fulton County, Clayton County and DeKalb County Public School Systems; at partner locations; in the community and through telehealth.

**CHRIS 180, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

NOTE 1 – NATURE OF ORGANIZATION (Continued)

**Wraparound and Community Services**

CHRIS 180 offers an expanding array of trauma informed community services designed to help children, adolescents and adults heal, strengthen families and build safe, resilient communities. Utilizing evidence based models that include High Fidelity WrapAround and Multi-Systemic Therapy, families are helped to navigate multiple systems and community resources while receiving prevention, reunification and support services that help them build resiliency and achieve their goals so that families and each individual within the family can build a natural support system in the community and learn the skills to help themselves. CHRIS 180's Jail Re-entry and Youth Build Programs focus on helping young adults heal from past trauma, obtain a GED, become career ready and develop the skills and resiliency needed for self-sufficiency.

Community services include focused programming in five City of Atlanta Police Zones through the Drop In Center, the At Promise Center, the Westside Empowerment Center and the Cure Violence program which was launched in 2020 in the midst of Atlanta's social and racial unrest. Interfacing with school based mental health services provided in Title 1 schools in these Zones and with CHRIS 180's programs for people experiencing homelessness, these programs work in partnership with community residents and neighborhoods to intervene in the lives of children, teens and young adults to help them change the direction of their lives to productivity and success. CHRIS 180 operates Cure Violence Atlanta in NPU-V of Zone 3 to help build strong, resilient communities through intervention and interruption of community and gun violence with the goal of re-directing and supporting individuals in developing the skills and resiliency needed for self-sufficiency and productivity. In 2021, while gun violence and homicides were increasing throughout the City, homicides dropped by 30% in NPU-V. The frequency of Healing Circles increased in 2021 helping residents of communities receive empowering support to address community violence and re-claim spaces where violence occurred. Training for residents in Healing Circles and building Trauma Response Networks was also expanded in 2021. Vaccine events and food distribution further provided community support and served to build trust. All community services work together and in partnership with other community providers, leveraging each partner's strengths to accomplish goals.

In order to enhance services to populations with need while avoiding duplication of services, CHRIS 180 seeks to leverage our strengths and the strengths of partners by creating partnerships designed to fulfill our missions in the most cost effective, efficient manner. To this end, during 2021, CHRIS 180 maintained MOUs with over 50 non-profit and for-profit partners including the Atlanta Police Foundation, Lutheran Services, Atlanta Volunteer Lawyers, the Urban League of Atlanta, the Boys and Girls Club, Endeavors, four different public school systems in metro Atlanta and two federally qualified health centers, Mercy Care and Good Samaritan. As a result, barriers to services were reduced and access to essential trauma informed counseling and other services were increased for children, adults and families as well as for clients of other nonprofits. A partnership with the Georgia Partnership for TeleHealth continues to expand services on behalf of our clients. Training partners include the Atlanta Public Schools, DeKalb County Public Schools, Purpose Built Schools, YMCA, Sheltering Arms, United Way, and the Georgia Department of Family and Children Services. Other collaborative partnerships in 2021 included the Ansley School for Homeless Children, Year Up, the Grady Trauma Project, Our House, Open Doors, the Criminal Justice Coordinating Council, Georgia State University, Fulton County Sheriff's Office, the Fulton County DA's office and the juvenile courts of Fulton, DeKalb and Gwinnett Counties.

**CHRIS 180, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

NOTE 1 – NATURE OF ORGANIZATION (Continued)

**Foster Care, Adoption and Migrant Wellness**

In 2021 CHRIS 180 operated traditional foster homes, two Gateway homes for siblings in foster care, foster to adopt homes and our legacy group home program. Because CHRIS 180 believes that every child deserves a safe, loving home and that no child should age out of foster care, a trauma informed adoption program has the goal of no failed adoptions.

The JourneyZ Group Home Program is the organization's founding program and consists of seven six bed homes in the community designed to help traumatized and exploited children in foster care who have severe emotional and behavior problems heal, build resiliency and develop the skills they need to navigate life's challenges by giving them essential supports and a home in a neighborhood. 62% of youth have an ACE score of four (4) or more and have experienced multiple moves while in foster care. Some have experienced one or more failed adoption(s). The pandemic required a variety of modifications, including home schooling as well as intermittent school attendance. During 2021, 105 foster children received a home, counseling and support. Graduation from high school was celebrated for three residents, two of whom went on to college.

CHRIS Adoptions provides a unique set of trauma informed services and supports to ensure that children in foster care truly have a forever family. In 2013, CHRIS 180 developed a Trauma Informed Foster Care Adoption Model (TIFCAM) with the goal of reducing – and eliminating – failed adoptions for children in foster care. Gateway Foster Homes were envisioned and created by CHRIS 180 to support the adoption or reunification process by providing specialized homes for sibling groups in foster care who were separated into different foster homes but can be reunited or for whom the separation of siblings can be avoided in the first place. During 2021, there were two adoption finalizations and CHRIS 180 received notification of a new adoption contract from the State of Georgia. There have been no adoption disruptions (failures) since the program's inception in 2013.

Due to the anticipated impact of the federal Family First Prevention Services Act, CHRIS 180 made the decision to begin the process of transitioning from a group home model of care to a therapeutic foster care model of care. In accordance with this plan, CHRIS 180 sold one of its homes in 2020 and another in 2022 and has planned other mission related uses for the homes.

During 2021, CHRIS 180 entered into a contract to provide therapeutic transitional foster care services for unaccompanied minors. Some of the new homes developed as a part of the capital campaign are being utilized for this purpose and the organization is implementing plans to incorporate use of the former group homes as homes for children in transitional foster care. The Migrant Wellness program is helping children and teen parents and their children who are primarily from South American countries, Mexico and Afghanistan by providing trauma counseling and other support services as the children prepare to be united with relatives. The average length of stay before reunification is 40 days.



**CHRIS 180, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

NOTE 1 – NATURE OF ORGANIZATION (Continued)

**Outreach and Community Housing Services**

Service components include CHRIS 180's Drop-In-Center, emergency assistance, emergency/transitional housing, permanent supportive housing at Summit Trail Apartments which is owned and operated by CHRIS 180, and housing in the community. Through the Drop-In-Center, teens and young adults who are experiencing homelessness are connected with support, counseling, emergency assistance and housing. Counseling and support services are available to every person touched by these service components and 90% use at least one service.

**Outreach and Community Housing Services**

The Drop In Center helped 122 youth experiencing homelessness or at risk of homelessness with therapy, life and job skill coaching and facilitated the transition to becoming housed either through community housing or housing at CHRIS 180's permanent supportive housing apartment complex, Summit Trail Apartments. In the TransitionZ program at Summit Trail Apartments the goal of services is to help single and parenting homeless youth and those aging out of foster care, ages 18 – 24 (upon entry), become self-sufficient adults through a combination of housing, counseling, employment services and support services. Support services include case management, life skills, educational support, financial management, job coaching and parenting skills. 74% of youth served have an ACE score of four (4) or more. During 2021, 66 young adults, including young parents with a total of 6 children, received housing and comprehensive services for an average length of stay of 15 months.

Through partnerships and a number of grants, CHRIS 180 provides Emergency Housing, Rapid Re-Housing, Transitional Housing and helps clients attain Permanent Supportive Housing in the community. The Emergency Assistance program prevents homelessness for young adults with mental health issues who are up to age 35 (and their families) and helps those who are already homeless by assisting them in obtaining stable housing and employment while they receive support, counseling, guidance and instruction designed to foster self-sufficiency. 78% of young adults served had an ACE score of four (4) or more. Since the end of 2017, CHRIS 180 has steadily increased efforts to prevent homelessness through expansion of "bridge housing" options while working to help young adults and families secure more permanent housing. Partners include the Fulton and DeKalb Continuums of Care, Salvation Army, Partners for Home, Quest Community Development, Open Doors and the Westside Future Fund. During 2021, 1,287 individuals received assistance. Support, assistance, resource guides and referrals were provided to additional homeless youth, adults and families through face-to-face meetings and telephone follow up support.

**The CHRIS Training Institute**

The CHRIS Training Institute provides high quality training with a focus on trauma informed care, child abuse prevention, evidence based clinical treatment approaches and modalities, cultural humility and diversity, equity and inclusion. Training is provided with the intent of exponentially expanding impact in the areas of clinical professional services, human services, child welfare, juvenile justice, and family welfare, while promoting prevention and increasing awareness of the importance of mental health and addiction treatment as wise investments in the future. During 2021 and 2020, respectively, 6,831 and 3,797 unduplicated external individuals attended trainings provided by the Institute. (Note that total training numbers include training offered through different programs.)

**CHRIS 180, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

NOTE 1 – NATURE OF ORGANIZATION (Continued)

**The CHRIS Training Institute (Continued)**

Trauma STARs is CHRIS 180's signature trauma training program utilizing the evidence-based Attachment, Regulation and Competency framework. In 2020, CHRIS 180 adapted to the pandemic and offered most trainings virtually including trauma training provided for 1,395 school personnel and secondary trauma trainings which were provided to employees of non-profits, schools and service providers, such as the YMCA, Goodwill, NAMI, KIPP Schools, the Georgia Department of Family and Children Services, and the Georgia Center for Nonprofits. Youth/Adult Mental Health First Aid and clinical professional courses such as Motivational Interviewing, Ethics, EMDR (a trauma therapy), Play Therapy, Trauma Assessments, and Comprehensive Child and Family Assessment Trainings were provided over the course of 2020 to both internal and external participants. Specialized training was provided to 653 staff participants as well as 3,825 external participants in areas ranging from trauma informed practice, professional clinical services, secondary trauma, self-care, grief and loss, cultural diversity, working with transition age youth, working with LGBTQ+ youth, and sexually exploited youth, the prevention of child sexual abuse, bullying and understanding diversity. Management training was also provided to 45 middle managers at CHRIS 180 and virtual courses in Edutainment are helping all CHRIS 180 departments and programs develop and conduct effective virtual meetings.

The Institute for Spiritual Health and Wellness began operating as a part of the CHRIS Training Institute on January 1<sup>st</sup> adding a spiritual care component to our training and to our work in the community. Through a contract with Northside Hospital CHRIS 180 recruits, supervises, and trains Chaplaincy Residents who serve their residencies at Northside Hospital in Atlanta and Northside-Gwinnett Hospital. The Institute for Spiritual Health and Wellness prepares individuals for certification as chaplains who provide spiritual care in medical settings and in community settings.

During the pandemic, the hospitals allowed residents, but not interns, to work in the hospitals. Therefore, chaplaincy interns served their internship working in four CHRIS 180 Community programs, adding great value through the spiritual care they offered to clients and to staff. In October, accreditation examiners highlighted the excellent job that Northside Hospital and CHRIS 180 did in pivoting to ensure quality training and supervision for both residents and interns during the pandemic. The Institute was re-accredited by the ACPE, the national accrediting body for Spiritual Care. During 2020, 28 residents provided invaluable services for patients in both hospitals and four interns provided invaluable support for clients and staff in four CHRIS 180 programs.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

**Basis of Accounting**

The Organization follows accounting standards set by the Financial Accounting Standards Board ("FASB"). The FASB sets accounting principles generally accepted in the United States of America ("GAAP").

**CHRIS 180, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reclassifications

Certain balances in the 2020 consolidated financial statements have been reclassified to conform with the 2021 consolidated financial statement presentation.

Net Assets

The Organization's net assets and its support and revenues are classified based on existence or absence of donor-imposed restrictions using the following net asset classifications:

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating and maintenance reserve.

*Net Assets With Donor Restrictions* – Net assets subject to donor, or certain grantor, 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. Donor-imposed restrictions are released when a restriction expires; that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Organization reports that support as an increase in net assets without donor restrictions. There were no donor restricted net assets of a perpetual nature at December 31, 2021 or 2020.

Fair Value of Financial Instruments

Cash and cash equivalents, accounts receivable, prepaid expenses, other current assets, accounts payable, and accrued expenses are carried at amounts which approximate their fair value due to the short-term nature of these instruments. Debt is carried at amounts which are expected to be paid which approximates fair value.

Concentration of Credit Risk

The Organization's financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents, contracts receivable and unconditional promises to give. All cash and highly liquid investments with maturities of three months or less are considered cash equivalents. At times, cash and cash equivalent balances may exceed federally insured amounts. Management believes that cash and other investments are maintained at financial institutions with high credit ratings that would, accordingly, carry a low risk of potential loss. Management continually monitors receivable balances and believes that its exposure to credit risk is limited. If liquidity issues arise in the global credit and capital markets, it is at least reasonably possible that these changes in risks could materially affect the amounts reported in the accompanying consolidated financial statements.

**CHRIS 180, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

Property and equipment are stated at cost or estimated fair value at time of donation. Depreciation is computed by the straight-line method over the estimated useful lives as follows:

Buildings and improvements	5 - 30 years
Furniture, fixtures and equipment	3 - 7 years
Vehicles	3 years

The Organization follows the practice of capitalizing all expenditures for property and equipment in excess of \$5,000.

Revenue and Revenue Recognition

The Organization recognizes contributions when cash, securities or other assets; or an unconditional promise to give is received. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met.

The Organization recognizes fee for service revenue from various medical services at the time the service is performed. The performance obligation is met a point in time, when services are rendered. All amounts are billed at the time of service and recognized based on the expected rate for the particular service provided. No amounts were received in advance in 2021 or 2020 for these services.

A portion of the Organization's revenue is derived from cost-reimbursable federal, state and other contracts and grants, which are conditioned upon certain performance requirements and/ or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the consolidated statement of financial position. The Organization received cost-reimbursable grants of approximately \$60,000, and \$44,000, that have not been recognized at December 31, 2021 and 2020, respectively, because qualifying expenditures have not yet been incurred, with an advance payment of the same amount recognized in the consolidated statement of financial position as a refundable advance.

In May 2020, the Organization obtained a Small Business Administration ("SBA") loan under the Paycheck Protection Program ("PPP") totaling \$2,600,149. The PPP loan bore interest at 1.00% and may have required repayment under certain circumstances. Under the terms of Coronavirus Aid, Relief, and Economic Securities Act (the "Cares Act"), the Organization applied its lending institution for PPP loan proceeds used within a specified time period to be forgiven, as the proceeds were used to cover certain payroll and other expenses as defined by the Cares Act.

**CHRIS 180, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue and Revenue Recognition (Continued)

The Organization has treated the loan as a conditional grant, recording revenue as qualifying expenses are incurred. As of December 31, 2020, the Organization has utilized all PPP funding on qualifying expenses and accordingly has recorded as a contribution within the consolidated statement of activities for the full amount. The Organization applied for and received full forgiveness from the SBA in 2021.

Allowance for Doubtful Accounts

The Organization uses an allowance method to determine uncollectible unconditional promises to give, fee for service billing, contracts and tenant rents receivable. The allowance is based on prior years' experience and management's analysis of specific promises, amounts billed and reimbursements. At December 31, 2021 and 2020, allowances in the amount of \$3,268, and 30,140, respectively, were recorded for accounts receivable for unconditional promises to give. At December 31, 2021 and 2020, allowances in the amount of \$139,175, and of \$445,803, respectively, were recorded for contracts receivable.

Donated Equipment, Material, Supplies and Services

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as support without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as support with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service.

All non-cash gifts (other than personal services) are recorded at their estimated fair value at date of receipt. Donated services are recognized at fair value if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

Long-Lived Assets and Impairment Analysis

The Organization evaluates its recoverability of its long-lived assets held for use in operations and not in service, including real estate, for indicators of impairment and if impaired, records such assets at the lower of cost or fair value as described in generally accepted accounting principles. GAAP requires recognition of impairment of long-lived assets in the event the net book value of such assets exceeds the future undiscounted cash flows attributable to such assets. If impairment is indicated, the carrying amount of the asset is written down to fair value. In the opinion of management, no long-lived assets were impaired as of December 31, 2021 and 2020.

**CHRIS 180, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Allocation of Expenses

The costs of providing the various programs and other activities are summarized on a functional basis in the consolidated statement of activities. The consolidated statement of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the various programs and supporting services benefited. The consolidated financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Examples of expenses that are allocated include utilities, equipment maintenance, and depreciation, which are allocated on a square footage basis as well as salaries and wages plus benefits, which are allocated on the basis of time and effort. Other costs, such as office expenses and insurance, are allocated on best estimates of actual usage.

Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and therefore, no provision for income taxes is required. In addition, the Organization has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Code. In 2007, the Organization received approval from the IRS that it was considered to be a public charity under Section 509(a)(1) and 170 (b)(1)(a)(vi) of the Internal Revenue Code, since it receives a substantial part of its support from governmental grants and the general public.

The Organization annually evaluates all federal and state income tax positions. This process includes an analysis of whether these income tax positions the Organization takes meet the definition of an uncertain tax position under the Income Taxes Topic of the Financial Accounting Standards Codification. In the normal course of business, the Organization is subject to examination by the federal and state taxing authorities. In general, the Organization is no longer subject to tax examinations for the tax years ending before December 31, 2018.

Use of Estimates

The preparation of consolidated 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 consolidated financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Subsequent Events

Management has evaluated subsequent events through the date of this report, which is the date the consolidated financial statements were available to be issued.

**CHRIS 180, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Risks and Uncertainties

The Organization has experienced a disruption of normal business operations caused from COVID-19. The overall financial impact cannot be determined through the date of this report; however, it is reasonably possible that changes in risks in the near term could occur which could result in a material change to the consolidated financial statements.

NOTE 3 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents consisted of the following at December 31:

	<u>2021</u>	<u>2020</u>
Without donor restrictions	\$ 5,772,266	\$ 6,453,862
HUD restricted operating deficit reserve	<u>85,278</u>	<u>85,266</u>
Cash and cash equivalents	5,857,544	6,539,128
Cash with contractual restrictions for for capital improvements	367,488	438,590
Cash with donor restrictions for capital improvements	<u>660,719</u>	<u>926,203</u>
	<u>1,028,207</u>	<u>1,364,793</u>
Total Cash and Cash Equivalents	<u>\$ 6,885,751</u>	<u>\$ 7,903,921</u>

NOTE 4 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization is substantially supported by grants and contracts and public donations. Additionally, a significant amount of contributions with donor restrictions are received each year for various programs as well as for long term capital projects. As a donor's restrictions require funds to be used in a particular manner or in a future period, the Organization maintains those restricted funds so that they are available to meet those responsibilities as they are required to be met. Accordingly, related financial assets are not available to the Organization for its general expenditures. The Organization considers contributions with donor restrictions for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. General expenditures may be incurred for program, administrative, or fundraising purposes.

**CHRIS 180, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

NOTE 4 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS (Continued)

The Organization’s financial assets (reduced by amounts not available for general use because of contractual, donor-imposed, or internal restrictions) available within one year after this date to satisfy liabilities at this date and for future general expenditures within one year as of December 31 are as follows:

	<u>2021</u>	<u>2020</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 6,885,751	\$ 7,903,921
Contracts receivable - federal, state and local, net	3,870,685	2,835,834
Unconditional promises to give, net	<u>895,451</u>	<u>845,004</u>
Total financial assets	11,651,887	11,584,759
Less amounts not available for general expenditures within one year:		
Cash with contractual restrictions	(367,488)	(438,590)
Board designations	(1,632,723)	(1,632,187)
Donor imposed restrictions	<u>(1,954,910)</u>	<u>(3,254,069)</u>
Financial assets available to meet general expenditures within one year	<u>\$ 7,696,766</u>	<u>\$ 6,259,913</u>

In addition to financial assets available to meet general expenditures over the next twelve months, the Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

The Organization’s governing body has designated a portion of its net assets without donor restrictions for an operating and maintenance reserve as described in Note 16. Those amounts are identified as internal designations in the table above. These funds are invested in a money market account to produce income but remain available and may be spent at the discretion of the Board.

As described in Note 10, the Organization also maintains a line of credit in the amount of \$1,300,000 which it could draw upon in the event of an unanticipated liquidity event.

NOTE 5 – CONTRACTS RECEIVABLE – FEDERAL, STATE AND LOCAL, NET

Contracts receivables arise from fees for services provided under and, to a lesser extent, reimbursements owed through government contracts. The Organization’s ability to collect amounts due is affected by the outside agencies’ acceptance of reimbursable expenses and performance-based outcomes, which meet contract requirements.



**CHRIS 180, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

NOTE 5 – CONTRACTS RECEIVABLE – FEDERAL, STATE AND LOCAL, NET (Continued)

Contract receivable owed to the Organization are as follows at December 31:

	<u>2021</u>	<u>2020</u>
State contract receivables:		
DHS contracts	\$ 168,353	\$ 330,862
Gwinnett County Juvenile Justice	22,750	30,550
Lookout Mountain Community Services	23,490	75,504
Georgia DBHDD Board	238,657	254,530
Various other DFCS county offices	2,534	4,315
Multi-Agency Alliance for Children	53,037	85,435
Georgia Department of Health and Human Services - SAMSA Grant	-	375,246
US Department of Housing and Urban Development	232,251	222,991
US Department of Justice	-	110,415
Fulton County	713,073	454,533
Lutheran Immigration and Refugee Service (LIRS)	896,917	-
Other contracts and receivables	94,396	337,045
Total state contract receivables	<u>2,445,458</u>	<u>2,281,426</u>
Other contract receivables:		
Medicaid	42,395	72,730
Care management organizations and commercial insurance companies	1,522,007	939,646
Total other contract receivables	<u>1,564,402</u>	<u>1,012,376</u>
Less: allowance for doubtful accounts	<u>(139,175)</u>	<u>(457,968)</u>
Total contracts receivable	<u>\$ 3,870,685</u>	<u>\$ 2,835,834</u>

NOTE 6 – NOTE RECEIVABLE

During 2018, the Organization entered into a note receivable with an investment fund to facilitate the NMTC transaction as described in Note 17. The note receivable totaled \$8,563,750 with an interest rate of 1.42% as of December 31, 2021 and 2020. The maturity date is June 1, 2046. Interest income will be received annually through December 5, 2025, at which time annual principal and interest payments will be received thereafter through the maturity date.

**CHRIS 180, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

**NOTE 7 – UNCONDITIONAL PROMISES TO GIVE, NET**

Unconditional promises to give are recorded at net realizable value upon receipt. Contributions to be received after one year are discounted at 4.75%, commensurate with the risks involved. Amortization of the discount is recorded as additional contribution revenue and utilized in accordance with donor-imposed restrictions on the contribution.

Sources of unconditional promises to give, net consist of the following at December 31:

	<u>2021</u>	<u>2020</u>
United Way of Metropolitan Atlanta	\$ 62,500	\$ 36,586
Foundations	446,591	452,500
Capital campaign pledges	238,954	335,634
Other	<u>147,406</u>	<u>20,284</u>
	<u>\$ 895,451</u>	<u>\$ 845,004</u>

Unconditional promises to give consist of the following at December 31:

	<u>2021</u>	<u>2020</u>
Amounts due in:		
Less than one year	\$ 898,719	\$ 740,771
One to five years	-	225,679
Less:		
Allowance for doubtful accounts	(3,268)	(30,140)
Present value discount	<u>-</u>	<u>(91,306)</u>
	<u>\$ 895,451</u>	<u>\$ 845,004</u>

**NOTE 8 – PROPERTY AND EQUIPMENT, NET**

Components of property and equipment in service consist of the following at December 31:

	<u>2021</u>	<u>2020</u>
Land	\$ 1,228,646	\$ 1,228,646
Residential rental property and improvements	23,496,865	23,203,530
Furniture and equipment	3,283,107	3,107,927
Vehicles	451,780	427,528
Construction in process	<u>9,754</u>	<u>9,754</u>
	28,470,152	27,977,385
Less: accumulated depreciation	<u>(9,360,210)</u>	<u>(8,283,361)</u>
	<u>\$ 19,109,942</u>	<u>\$ 19,694,024</u>

For the years ended December 31, 2021 and 2020, depreciation expense for all property and equipment was \$1,052,598 and \$1,104,259, respectively.

**CHRIS 180, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

**NOTE 9 – OPERATING LEASE COMMITMENTS**

The Organization leases office space, equipment and a vehicle under arrangements that qualify as non-cancelable operating leases through 2026. The annual minimum lease payments for all these leases are as follows at December 31:

2022	\$ 156,839
2023	147,948
2024	155,516
2025	160,492
2026	<u>164,966</u>
	<u>\$ 785,761</u>

Total rental and lease expense for all leases for the years ended December 31, 2021 and 2020, including several month-to-month leases, approximated \$343,000 and \$282,000, respectively.

**NOTE 10 – LINE OF CREDIT PAYABLE**

The Organization has a line of credit with maximum borrowings of up to \$1,300,000. The interest rate on the line of credit is equal to the prime rate, which was 3.25% for the year ended December 31, 2021. The line of credit had no outstanding balance as of December 31, 2021 and 2020.

**CHRIS 180, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

NOTE 11 – NOTES PAYABLE

A summary of notes payable is as follows at December 31:

	<u>2021</u>	<u>2020</u>
Bank Debt:		
CHRIS Homes Properties, LLC notes payable:		
3.75% fixed rate term note, due in monthly installments of \$4,241, including principal and interest through March 1, 2036; collateralized by five homes held by CHRIS Homes Properties, LLC.	\$ 561,067	\$ 583,120
New Markets Tax Credit Debt:		
Note payable with an entity; fixed interest rate of 1.185%; quarterly interest payments due; principal plus accrued interest due December 1, 2052; collateralized by all assets held by CHRIS 180 Support Organization, Inc.	5,335,000	5,335,000
Note payable with an entity; fixed interest rate of 1.185%; quarterly interest payments due; principal plus accrued interest due December 1, 2052; collateralized by all assets held by CHRIS 180 Support Organization, Inc.	<u>7,275,000</u>	<u>7,275,000</u>
	<u>12,610,000</u>	<u>12,610,000</u>
Other debt:		
CHRIS Properties Graham Circle, LLC notes payable:		
Due to Georgia Department of Community Affairs for Home Investment Partnership Program (a)	3,292,050	3,331,682
Due to City of Atlanta for Home Investment Partnership Program (b)	1,400,000	1,400,000
Due to Federal Home Loan Bank of Atlanta for Affordable Housing Program (c)	<u>315,000</u>	<u>315,000</u>
	<u>5,007,050</u>	<u>5,046,682</u>
	18,178,117	18,239,802
Less: unamortized debt issuance costs	<u>(19,276)</u>	<u>(21,921)</u>
	<u>\$ 18,158,841</u>	<u>\$ 18,217,881</u>

**CHRIS 180, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

NOTE 11 – NOTES PAYABLE (Continued)

Aggregate principal maturities of debt subsequent to December 31, 2021 are as follows:

2022	\$	70,633
2023		69,845
2024		70,228
2025		1,783,033
2026		67,004
Thereafter		<u>16,117,374</u>
	<u>\$</u>	<u>18,178,117</u>

Other Debt

(a) During 2009, the Organization entered into a loan agreement with the Georgia Department of Community Affairs, Georgia Housing and Finance Authority unit (“DCA”). The principal sum is \$3,800,000, with no interest charged on the outstanding principal balance from the date of each advance. This was converted to a permanent loan at substantial completion of construction in April 2010. The collateral on this loan is the real property, additions, fixtures, personal property and rental assets and the loan will mature on April 1, 2031.

After the conversion, 240 monthly payments of principal are required that will pay down approximately \$760,000 of the loan and the balloon amount of approximately \$3,040,000 will be forgiven as long as the project is in compliance with the home rental term compliance requirements. At December 31, 2021 and 2020, \$3,292,050 and \$3,331,682, respectively, was due to DCA on this loan.

(b) In addition, during 2010, the Organization received a loan (grant) from the City of Atlanta. The principal sum at December 31, 2021 and 2020 is \$1,400,000. The funds are dedicated to the project as a grant with no interest charged on the outstanding principal balance. Therefore, no payment will be made unless the project is not in compliance within a fifteen-year period with the compliance requirements for providing housing to young adults who are homeless or who have aged out of the foster care system but still do not possess the physical, developmental, educational, and emotional capabilities to thrive without the necessary supportive social services. The fifteen-year loan period will expire in 2025. The collateral on this loan is the real property associated with the project. The City of Atlanta’s security deed is subordinate to the DCA’s.

(c) The Organization has a loan with the Federal Home Loan Bank of Atlanta. The principal sum at December 31, 2021 and 2020 is \$315,000 under the Affordable Housing Program. The funds are dedicated to the project as a grant, with no interest charged on the outstanding principal balance. Therefore, no payment will be made as long as the project is in compliance with the requirements of the affordable housing program agreement and application through March 30, 2025.

**CHRIS 180, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

**NOTE 12 – COMMITMENTS AND CONTINGENCIES**

Certain grants and contracts often require the fulfillment of certain conditions as set forth in the instrument or agreement. Failure to fulfill the conditions could result in the return of funds to the grantors. Although the return of funds is a possibility, management of the Organization deems the contingency unlikely. The grants and contracts are subject to audit by the grantor, or in the case of federal funds, the federal government. They have the authority to determine liabilities or limit or suspend participation in the various sponsored programs.

**NOTE 13 – RETIREMENT PLAN**

The Organization has a tax-deferred annuity program for its employees. Under the plan, the Organization matches 50% of a qualifying employee's contribution to the plan up to 6% of employee's salary. The total employer contributions to the plan during 2021 and 2020 were \$208,328 and \$125,823, respectively.

Effective May 1, 2017, eligible employees can participate in a supplemental defined contribution retirement plan. Under the plan, the Organization contributes amounts based on the maximum yearly amount allowed per the plan requirements. The Organization contributed \$33,362 and \$60,348 to this plan for the years ended December 31, 2021 and 2020, respectively.

**NOTE 14 – NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are comprised of funds the Organization has received subject to donor-imposed restrictions consisting of the following at December 31:

	<u><b>2021</b></u>	<u><b>2020</b></u>
Capacity building	\$ -	\$ 910,000
Capital Campaign Cash and Pledges	899,673	1,311,462
Cure Violence	164,533	364,598
JourneyZ and TransitionZ	340,863	494,831
Other	40,000	-
School Based Mental Health	150,000	-
Trauma, Treatment, and Training Initiative	30,415	-
Westside Legacy/At Promise	194,358	173,178
Women's Health Group - Glover Project	135,068	-
Total net assets with donor restrictions	<u>\$ 1,954,910</u>	<u>\$ 3,254,069</u>

**CHRIS 180, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

**NOTE 15 – NET ASSETS RELEASED FROM RESTRICTIONS**

Net assets were released from donor restrictions by incurring expenditures satisfying the restricted purposes or by occurrence of other events specified by donors as follows during the years ended December 31:

	<u>2021</u>	<u>2020</u>
United Way	\$ -	\$ 106,987
Capital Improvements	411,789	442,660
Counseling Services	-	90,000
Capacity Building	850,000	-
JourneyZ and TransitionZ	153,968	105,169
Trauma, Treatment, and Training Initiative	69,584	9,583
School Based Mental Health	-	292,500
Westside Legacy/At Promise	498,820	452,292
Cure Violence	495,519	395,403
Other	169,368	50,000
Total net assets with donor restrictions	<u>\$ 2,649,048</u>	<u>\$ 1,944,594</u>

**NOTE 16 – BOARD DESIGNATED NET ASSETS**

Board designated net assets consist of funds for the purposes of setting up an operating reserve, maintenance reserve and sustainability reserve. Total board designated net assets consisted of the following at December 31:

	<u>2021</u>	<u>2020</u>
Operating reserve	\$ 511,063	\$ 511,063
Sustainability reserve	610,061	610,061
Maintenance reserve	511,599	511,063
Total board restricted net assets	<u>\$ 1,632,723</u>	<u>\$ 1,632,187</u>

**NOTE 17 – NEW MARKET TAX CREDIT TRANSACTION**

The New Markets Tax Credits Program (“NMTC Program”) was established by Congress in 2000 to attract investment capital to low-income communities by permitting investors to receive tax credit incentives in exchange for making equity investments in certified Community Development Entities (“CDE”). Under this program, certain commercial banks and other investors are able to subsidize eligible projects that meet the NMTC Program requirements.

**CHRIS 180, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

NOTE 17 – NEW MARKET TAX CREDIT TRANSACTION (Continued)

In January 2018, a new 501(c)(3), the CHRIS 180 Support Organization, Inc., was formed to facilitate the NMTC transaction by holding funds and certain properties transferred to it by CHRIS Properties, LLC and CHRIS Homes Properties, LLC during the seven-year term of the NMTC program. This transaction closed on April 11, 2018. Capital campaign funds and NMTC proceeds received under the NMTC Program will be disbursed to create four new homes for foster children, create an assessment/family preservation home, renovate seven existing homes for foster children, construct an assessment/family preservation duplex, construct a 20,000 square foot Earthcraft-certified Center of Excellence for Training, Education, and Connections, renovate existing office space to create an Integrated Health Clinic and expand counseling.

In April 2018, as a part of the NMTC agreement, three homes owned by CHRIS Homes Properties, LCC, vacant land upon which the Center of Excellence for Training, Education and Connections and a duplex was constructed, and other property owned by CHRIS Properties, LLC which was converted into an integrated healthcare clinic were transferred to the CHRIS 180 Supporting Organization, Inc. At the completion of the NMTC agreement in seven years, these properties will be transferred back to the LLCs operated by CHRIS 180, Inc.

On April 11, 2018, to benefit under the NMTC Program, the Organization entered into a series of agreements and transactions with two CDEs and an investment fund affiliated with a commercial bank (the Bank). The CDEs provided funds towards the construction of the new facility and other capital projects. Notes payable to the CDEs totaled \$5,335,000 and \$7,275,000. CHRIS Operations, LLC facilitated the transaction by issuing a note receivable agreement that transferred \$8,563,750 to the investment fund using proceeds from the capital campaign. Cash received from this transaction remaining at December 31, 2021 and 2020, was \$367,488, and \$438,590, respectively, and is shown as contractually restricted net assets on the consolidated statement of financial position.



## **SUPPLEMENTARY INFORMATION**

**REPORTS AND OTHER SCHEDULES AND INFORMATION  
AS REQUIRED BY THE UNIFORM GUIDANCE**

**YEAR ENDED DECEMBER 31, 2021**

**CHRIS 180, INC. AND SUBSIDIARIES**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED DECEMBER 31, 2021**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<b>U.S. Department of Health and Human Services</b>			
Passed through Georgia Department of Human Services			
Substance Abuse and Mental Health Services	93.243	5U79SM063162-05	\$ 368,867
Substance Abuse and Mental Health Services	93.243	6H79T1081230-01M003	340,990
Substance Abuse and Mental Health Services	93.243	6H79T1081230-01M004	116,110
Substance Abuse and Mental Health Services	93.243	1H79SM081767-03	346,466
Substance Abuse and Mental Health Services	94.243	H79SM081767-04	<u>105,514</u>
			<u>1,277,947</u>
Passed through Lutheran Immigration and Refugee Service			
Residential Therapeutic Services Unaccompanied Children	93.676	90ZU371-01-00	662,442
Residential Therapeutic Services Unaccompanied Children	93.676	90ZU0389-01-00	<u>91,487</u>
			<u>753,929</u>
Total U.S. Department of Health and Human Services			<u>2,031,876</u>
<b>U.S. Department of Justice - Office of Justice Programs</b>			
Crime Victim Assistance	16.575		282,626
Passed through Georgia Criminal Justice Coordinating Council			
Community Based Violence Prevention	16.123	D19-8-001	<u>81,958</u>
Total U.S. Department of Justice			<u>364,584</u>
<b>U.S. Department of Housing and Urban Development</b>			
Continuum of Care	14.267		64,194
Continuum of Care	14.267		117,635
Continuum of Care	14.267		52,181
Continuum of Care	14.267		151,096
Continuum of Care	14.267		<u>165,176</u>
			<u>550,282</u>
<b>U.S. Department of Labor</b>			
Youth Build	17.274		<u>255,153</u>
Total Federal Expenditures			<u>\$ 3,201,895</u>

The accompanying notes are an integral part of this schedule.

**CHRIS 180, INC. AND SUBSIDIARIES**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED DECEMBER 31, 2021**

**NOTE 1 – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards summarizes the expenditures of the Organization under programs of the federal government for the year ended December 31, 2021 and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the provisions of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic consolidated financial statements. The schedule of expenditures of federal awards does not include the federal awards of CHRIS Properties Graham Circle, LLC., as those funds are included in the Uniform Guidance audit within CHRIS Properties Graham Circle, LLC.

**NOTE 2 – ACCOUNTING PRINCIPLES**

Expenditures for direct costs are recognized as incurred using the accrual method of accounting and the cost accounting principles contained in the Uniform Guidance. Under these cost principles, certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE 3 – INDIRECT COST RATE**

The Organization has elected not to use the 10-percent de minimis indirect cost rate under *Title 2 U.S. CFR Part 200*, Subpart E, Cost Principles.



## **INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

**To the Board of Directors  
CHRIS 180, Inc. and Subsidiaries**

### **Report on Compliance for Each Major Federal Program**

#### ***Opinion***

We have audited CHRIS 180, Inc. and Subsidiaries' (the "Organization") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended December 31, 2021. The Organization's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

#### ***Basis for Opinion***

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; 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 Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit does not provide a legal determination of the Organization's compliance with the types of 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 the Organization's federal programs

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Organization's consolidated 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 consolidated 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.

## **Entity's Response to Finding**

The Organization's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## **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 Organization'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 Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Smith and Howard

March 31, 2022



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

**To the Board of Directors  
CHRIS 180, Inc. and Subsidiaries**

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 consolidated financial statements of CHRIS 180, Inc. and Subsidiaries ("the "Organization"), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated the date of this report.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the consolidated financial statements, we considered the Organization's 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 consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's 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 consolidated 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 may exist that have not been identified. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as finding 2021-001 that we consider to be a significant deficiency.

## ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the types of compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's 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 types of 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 the Organization's compliance with the requirements of the 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 the Organization's compliance with the types of compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's 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 the Organization's 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.



## **Report on Internal Control Over Compliance (Continued)**

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' 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 have not been identified.

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.

*Smith and Howard*

March 31, 2022

**CHRIS 180, INC. AND SUBSIDIARIES  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2021**

**Section I - Summary of Auditors' Results**

*Consolidated Financial Statements*

Type of auditors report issued Unmodified

Internal control over financial reporting:

Material weakness(es) identified? \_\_\_ yes X no

Significant deficiencies identified that are not considered to be material weakness(es)? X yes \_\_\_ none reported

Noncompliance material to consolidated 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 weakness(es)? \_\_\_ yes X none reported

Type of auditors' report issued on compliance of major programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? \_\_\_ yes X no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
93.676	Residential Therapeutic Services Unaccompanied Children

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

Auditee qualified as low-risk auditee? X yes \_\_\_ no

**CHRIS 180, INC. AND SUBSIDIARIES  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2021**

**Section II – Financial Statement Findings**

**2021-001 Internal Controls over Financial Reporting**

Criteria: In accordance with generally accepted government auditing standards, controls should be designed and implemented in the financial close and reporting process to provide reasonable assurance that material misstatements would be prevented or detected.

Condition and Context: The Organization did not maintain effective controls, including monitoring, over the financial statement closing and reporting process. In connection with our audit procedures, we noted the reconciliation of certain accounts were either not performed or were not performed properly. Further, certain adjustments were required to be made to properly state various balances, including receivables, accruals, net asset balances and revenue.

Effect: The internal control deficiency resulted in adjustments to the consolidated financial statements.

Cause: Adequate and timely procedures relating to the reconciliation of the general ledger and review of those reconciliations were not in place.

Recommendation: We recommend the Organization review its monthly financial statement close process to ensure individuals are preparing and reviewing the financial statements and related account reconciliations properly. The process is critical to ensure the financial information is in accordance with GAAP.

Grantee Comment: A risk assessment will be performed on all accounts to determine which accounts need to be reconciled on monthly, quarterly, and annual basis. Identified accounts will also be reviewed via a variance analysis. Management will meet monthly to confirm reconciliations have been completed and reviewed.

**Section III – Federal Award Findings and Questioned Costs**

None noted

**Section IV – Summary Schedule of Prior Audit Findings and Questioned Costs**

None noted

**CHRIS 180, INC. AND SUBSIDIARIES**  
**SCHEDULE OF STATE AWARDS EXPENDED**  
**YEAR ENDED DECEMBER 31, 2021**

State Contract Number	Earned Revenues	Receipts	Due From (To) State Agency
42700-040C-RBWO-21-023 Georgia Department of Human Services	\$ 1,610,284	\$ 1,610,284	\$ -
42700-040-RB2022-0054 Georgia Department of Human Services	1,317,476	1,186,293	131,183
5U79SM063162-05 Georgia Department of Human Services	368,867	368,867	-
6H79T1081230-01M003 Georgia Department of Human Services	340,990	340,990	-
6H79T1081230-01M004 Georgia Department of Human Services	116,110	-	116,110
1H79SM081767-03 Georgia Department of Human Services	346,466	346,466	-
H79SM081767-04 Georgia Department of Human Services	105,514	-	105,514
42700-040-0000096883 Georgia Department of Human Services	31,171	31,171	-
44100-026-0000168014 Georgia Department of Human Services	154,284	110,586	43,698
44100-026-0000154199 Georgia Department of Behavioral Health	195,837	116,950	78,887
44100-026-0000159359 Georgia Department of Behavioral Health	235,648	187,211	48,437
44100-026-0000133236 Georgia Department of Behavioral Health	190,580	190,580	-
44100-026-0000128276 Georgia Department of Behavioral Health	253,948	233,408	20,540
44100-026-000151312 Georgia Department of Behavioral Health	181,922	156,520	25,402
44100-026-000137189 Georgia Department of Behavioral Health	170,726	170,726	-
44100-026-0000148725 Georgia Department of Behavioral Health	154,771	145,702	9,069
44100-026-0000156681 Georgia Department of Behavioral Health	69,159	69,159	-
40500-032-19192890 Georgia Department of Public Health	25,000	25,000	-
130518 Hamilton County, Ohio Department of Jobs & Family Services	322,150	298,660	23,490
D19-8-001 Criminal Justice Coordinating Council	38,654	38,654	-

(Continued)

**CHRIS 180, INC. AND SUBSIDIARIES**  
**SCHEDULE OF STATE AWARDS EXPENDED**  
**YEAR ENDED DECEMBER 31, 2021**

(Continued)

State Contract Number	Earned Revenues	Receipts	Due From (To) State Agency
SP00014072 Georgia Board of Regents	72,840	72,840	-
SP00015010 Georgia Board of Regents	<u>50,000</u>	<u>50,000</u>	<u>-</u>
	<u>\$ 6,352,397</u>	<u>\$ 5,750,067</u>	<u>\$ 602,330</u>

**CHRIS 180, INC. AND SUBSIDIARIES**  
**CONSOLIDATING STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2021**

	<b>CHRIS Operations, LLC</b>	<b>CHRIS Homes Properties, LLC</b>	<b>CHRIS Properties Graham Circle, LLC</b>	<b>CHRIS Properties, LLC</b>	<b>CHRIS 180 Support Organization, Inc.</b>	<b>Eliminations</b>	<b>Consolidated</b>
<b>ASSETS</b>							
Cash and cash equivalents	\$ 5,752,005	\$ 7,672	\$ 91,070	\$ 6,797	\$ -	\$ -	\$ 5,857,544
Cash restricted for capital improvements	660,719	-	-	-	367,488	-	1,028,207
Contracts receivable - federal, state, and local	3,837,128	-	724	-	32,833	-	3,870,685
Unconditional promises to give, net	895,451	-	-	-	-	-	895,451
Notes receivable - NMTC	8,563,750	-	-	-	-	-	8,563,750
Prepaid expenses and other assets	176,384	-	56	-	-	-	176,440
Property and equipment, net	-	845,878	4,535,152	2,580,006	11,148,906	-	19,109,942
Other assets	319,111	-	311,119	-	-	-	630,230
	<u>\$ 20,204,548</u>	<u>\$ 853,550</u>	<u>\$ 4,938,121</u>	<u>\$ 2,586,803</u>	<u>\$ 11,549,227</u>	<u>\$ -</u>	<u>\$ 40,132,249</u>
<b>LIABILITIES AND NET ASSETS</b>							
Liabilities							
Accounts payable	\$ 484,833	\$ -	\$ 8,992	\$ -	\$ 2	\$ -	\$ 493,827
Accrued expenses	1,342,698	2,738	21,950	2,738	14,812	-	1,384,936
Refundable advances	60,000	-	-	-	-	-	60,000
Notes payable, net	-	551,566	4,997,275	-	12,610,000	-	18,158,841
	<u>1,887,531</u>	<u>554,304</u>	<u>5,028,217</u>	<u>2,738</u>	<u>12,624,814</u>	<u>-</u>	<u>20,097,604</u>
Net Assets							
Without donor restrictions:							
Available for operations	6,165,634	4,934	372,027	4,059	18,019	-	6,564,673
Board designated	1,632,723	-	-	-	-	-	1,632,723
Contractually restricted	-	-	-	-	367,488	-	367,488
Expended for (invested in) property and equipment, net of debt	8,563,750	294,312	(462,123)	2,580,006	(1,461,094)	-	9,514,851
Total net assets without donor restrictions	16,362,107	299,246	(90,096)	2,584,065	(1,075,587)	-	18,079,735
With donor restrictions	1,954,910	-	-	-	-	-	1,954,910
Total Net Assets	<u>18,317,017</u>	<u>299,246</u>	<u>(90,096)</u>	<u>2,584,065</u>	<u>(1,075,587)</u>	<u>-</u>	<u>20,034,645</u>
Total Liabilities and Net Assets	<u>\$ 20,204,548</u>	<u>\$ 853,550</u>	<u>\$ 4,938,121</u>	<u>\$ 2,586,803</u>	<u>\$ 11,549,227</u>	<u>\$ -</u>	<u>\$ 40,132,249</u>

See Independent Auditors' Report on Supplementary Information

**CHRIS 180 INC. AND SUBSIDIARIES**  
**CONSOLIDATING STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2021**

	<u>CHRIS Operations, LLC</u>	<u>CHRIS Homes Properties, LLC</u>	<u>CHRIS Properties Graham Circle, LLC</u>	<u>CHRIS Properties, LLC</u>	<u>CHRIS 180 Support Organization, Inc.</u>	<u>Eliminations</u>	<u>Consolidated</u>
Changes in net assets without donor restrictions							
Revenues, gains and support							
Government and other grants and contracts	\$ 19,131,174	\$ -	\$ 226,148	\$ -	\$ -	\$ -	\$ 19,357,322
Fee for service revenue	5,525,054	-	-	-	-	-	5,525,054
Contributions	2,373,731	-	-	-	-	-	2,373,731
In-kind donations	953,548	-	-	-	-	-	953,548
Interest income	124,176	1	-	1	-	-	124,178
Special event revenue, net of \$221,893 in direct expenses	582,183	-	-	-	-	-	582,183
Rental income	-	-	156,989	-	-	-	156,989
Rent and lease income from related party	-	495,000	-	244,908	126,869	(866,777)	-
Other income	568,431	2,895	698	-	-	(256,800)	315,224
Total revenues	29,258,297	497,896	383,835	244,909	126,869	(1,123,577)	29,388,229
Net assets released from restrictions	2,649,048	-	-	-	-	-	2,649,048
Total revenues, gains and support without donor restrictions:	<u>31,907,345</u>	<u>497,896</u>	<u>383,835</u>	<u>244,909</u>	<u>126,869</u>	<u>(1,123,577)</u>	<u>32,037,277</u>
Expenses							
Program services							
Counseling Services	10,270,248	-	-	-	-	(166,030)	10,104,218
Community Services & Keeping							
Families Together	4,780,362	-	-	-	-	(31,806)	4,748,556
JourneyZ	4,334,046	-	-	-	-	(273,601)	4,060,445
TransitionZ	712,861	-	-	-	-	(21,000)	691,861
Clubhouse	433,780	-	-	-	-	(5,784)	427,996
AdoptionZ	753,128	-	-	-	-	(156,661)	596,467
Migrant Wellness	657,089	-	-	-	-	(124,432)	532,657
Training Center	1,510,022	-	-	-	-	(21,458)	1,488,564
Housing and Property Zones 1 & 3	1,792,858	334,826	752,550	255,146	690,971	(256,800)	1,776,693
Total program services	25,244,394	334,826	752,550	255,146	690,971	(1,060,117)	26,217,770
Supporting services							
Management and general	3,787,507	-	16,885	-	-	(55,207)	3,749,185
Fundraising	1,338,589	-	-	-	-	(8,253)	1,330,336
Total expenses	<u>30,370,490</u>	<u>334,826</u>	<u>769,435</u>	<u>255,146</u>	<u>690,971</u>	<u>(1,123,577)</u>	<u>31,297,291</u>
Increase (decrease) in net assets without donor restrictions before transfers	1,536,855	163,070	(385,600)	(10,237)	(564,102)	-	739,986
Transfer of net assets without donor restrictions to related parties	(268,802)	719	330,685	(144,139)	81,537	-	-
Increase (decrease) in net assets without donor restrictions	<u>1,268,053</u>	<u>163,789</u>	<u>(54,915)</u>	<u>(154,376)</u>	<u>(482,565)</u>	<u>-</u>	<u>739,986</u>
Changes in net assets with donor restrictions:							
Contributions	1,345,454	-	-	-	-	-	1,345,454
Interest income	4,435	-	-	-	-	-	4,435
Net assets released from restrictions	(2,649,048)	-	-	-	-	-	(2,649,048)
Decrease in net assets with donor restrictions	<u>(1,299,159)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,299,159)</u>
Increase (decrease) in net assets	(31,106)	163,789	(54,915)	(154,376)	(482,565)	-	(559,173)
Net assets, beginning of year	18,348,123	135,457	(35,181)	2,738,441	(593,022)	-	20,593,818
Net assets, end of year	<u>\$ 18,317,017</u>	<u>\$ 299,246</u>	<u>\$ (90,096)</u>	<u>\$ 2,584,065</u>	<u>\$ (1,075,587)</u>	<u>\$ -</u>	<u>\$ 20,034,645</u>

See Independent Auditors' Report on Supplementary Information