

CHRIS 180, INC.

CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES
WITH
INDEPENDENT AUDITOR'S REPORT
DECEMBER 31, 2017 AND 2016

CHRIS 180, INC.

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INDEPENDENT AUDITOR'S REPORT

To the Boards of Directors of
CHRIS 180, Inc. and Related Entities:

Report on the Financial Statements

We have audited the consolidated accompanying financial statements of CHRIS 180, Inc. (a nonprofit organization) (the Organization), which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of CHRIS 180, Inc. as of December 31, 2017 and 2016, 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.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements of CHRIS 180, Inc. as a whole. The accompanying schedules of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* 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 ended December 31, 2017 as listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the 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 March 29, 2018, 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 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 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 CHRIS 180, Inc.'s internal control over financial reporting and compliance.

Brooks, McInnis & Company, LLC

Atlanta, Georgia
March 29, 2018

CHRIS 180, INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2017 AND 2016

	2017	2016
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 500,102	\$ 594,745
Contracts receivable - federal, state, and local	1,472,245	1,385,632
Accounts receivable	5,216	5,176
Unconditional promises to give, net - current portion	2,196,649	2,019,327
Prepaid expenses and other assets	134,027	138,926
Total current assets	4,308,239	4,143,806
Cash restricted for capital improvements	7,371,105	1,142,937
Unconditional promises to give, net - long term	121,979	1,390,482
Property and equipment, net	10,427,296	10,109,892
Deferred line of credit costs, net of \$8,978 and \$5,144 of accumulated amortization	8,311	12,314
Other assets	237,865	80,263
Total assets	\$ 22,474,795	\$ 16,879,694
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 326,306	\$ 262,767
Accrued expenses	619,788	487,741
Deferred revenue	155,934	-
Notes payable - current portion	77,741	77,642
Total current liabilities	1,179,769	828,150
Lines of credit payable	1,116,573	928,655
Notes payable - long term		
Notes payable - principal	5,889,100	5,966,878
Less unamortized debt issuance costs	(32,385)	(39,721)
Notes payable, net	5,856,715	5,927,157
Total liabilities	8,153,057	7,683,962
Commitments and contingencies		
Net Assets:		
Unrestricted:		
Available for operations	887,763	1,005,081
Expended for property and equipment, net of debt	3,657,544	3,712,057
Total unrestricted net assets	4,545,307	4,717,138
Temporarily restricted	9,776,431	4,478,594
Total net assets	14,321,738	9,195,732
Total liabilities and net assets	\$ 22,474,795	\$ 16,879,694

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

CHRIS 180, INC.
CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017	2016
Changes in unrestricted net assets:		
Revenues, gains and support:		
Grants and contracts	\$ 11,806,348	\$ 10,359,908
Contributions	1,069,067	821,870
In-kind contributions	121,301	247,465
Interest income	909	1,825
Special event revenue, net of \$206,394 and \$202,571 in direct expenses for 2017 and 2016, respectively	159,339	126,744
Rental income	408,563	361,993
Other income	24,467	66,053
Total revenues, gains and support	13,589,994	11,985,858
Net assets released from restrictions	1,466,603	1,412,776
Total unrestricted revenues, gains and support	15,056,597	13,398,634
Expenses:		
Program services:		
Counseling Services	4,667,604	3,909,909
Community Services & Keeping Families Together JourneyZ	1,342,025	1,013,217
TransitionZ	3,902,813	3,736,375
Clubhouse	1,095,695	1,091,119
AdoptionZ	544,999	638,877
Youth Build	345,942	285,832
Training Institute	185,275	12,293
Housing and Property	117,564	162,436
Total program services	970,881	1,046,605
Supporting services:		
Management and general	13,172,798	11,896,663
Fundraising	1,411,331	1,280,517
Total expenses	644,299	642,183
Decrease in unrestricted net assets	(171,831)	(420,729)
Changes in temporarily restricted net assets:		
Contributions	6,748,014	5,246,177
Interest income	16,426	334
Net assets released from restrictions	(1,466,603)	(1,412,776)
Increase in temporarily restricted net assets	5,297,837	3,833,735
Increase in net assets	5,126,006	3,413,006
Net assets, beginning of year	9,195,732	5,782,726
Net assets, end of year	\$ 14,321,738	\$ 9,195,732

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

CHRIS 180, INC.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2017

	Counseling Services	Community Services & Keeping Families Together	JourneyZ	TransitionZ	Clubhouse	AdoptionZ	Youth Build	Training Institute	Housing and Property	Total Program	Management and General	Fundraising	Total Expenses
Salaries and wages	\$ 2,874,930	\$ 950,111	\$ 2,717,736	\$ 599,071	\$ 336,076	\$ 223,193	\$ 133,347	\$ 60,920	\$ -	\$ 7,895,384	\$ 834,959	\$ 427,599	\$ 9,157,942
Benefits and payroll taxes	525,945	167,928	511,917	107,045	75,187	41,341	12,573	7,526	-	1,449,462	204,021	65,702	1,719,185
Total payroll expense	3,400,875	1,118,039	3,229,653	706,116	411,263	264,534	145,920	68,446	-	9,344,846	1,038,980	493,301	10,877,127
Rent and building maintenance	61,622	3,008	83,413	28,662	9,681	6,880	3,229	1,600	62,258	260,353	3,238	1,738	265,329
Depreciation and amortization	-	-	-	-	-	-	-	-	645,714	645,714	2,560	-	648,274
Direct care	28,870	62,575	251,382	159,147	37,967	25,301	30,137	6	-	595,385	13,761	16,718	625,864
Legal and accounting	2,277	-	-	-	-	-	-	-	-	2,277	94,917	-	97,194
Property taxes	-	22,472	-	115	-	-	-	-	425	23,012	-	-	23,012
Equipment leases and repairs	187,855	12,557	34,976	6,866	6,370	1,450	508	19,502	-	270,084	7,688	50,490	328,262
Vehicle maintenance, repair and parking	51,071	56,769	117,846	12,266	13,623	11,524	1,401	809	-	265,309	5,932	1,599	272,840
Supplies	15,749	3,951	10,153	3,863	8,465	634	768	1,517	174	45,274	9,689	5,762	60,725
Postage and printing	2,400	810	542	45	26	23	-	847	-	4,693	3,408	19,540	27,641
Telephone	43,523	14,799	36,965	15,135	9,065	8,835	1,163	1,435	5,893	136,813	9,709	1,723	148,245
Utilities	23,864	6,165	52,020	27,836	10,726	11,206	-	2,307	84,829	218,953	17,784	1,538	238,275
Promotions	25,434	68	545	68	2,332	-	-	-	-	28,447	34	8,358	36,839
Insurance	20,942	3,081	40,621	10,571	12,069	6,088	1,831	1,773	50,048	147,024	13,137	1,611	161,772
Interest	-	-	2,000	-	-	-	-	-	45,840	47,840	45,858	-	93,698
Training	49,981	21,455	-	4,179	14,765	3,178	-	15,814	-	109,372	28,572	1,573	139,517
Consulting	262,784	13,397	39,767	8,131	6,140	2,169	-	1,809	-	334,197	74,681	27,826	436,704
Dues and subscriptions	7,683	70	2,342	293	70	1,027	70	380	-	11,935	25,035	2,724	39,694
Professional medical fees	429,168	-	-	2,918	-	298	-	-	-	432,384	-	-	432,384
Management fees	-	-	-	12,435	-	-	-	-	40,877	53,312	-	-	53,312
Security	-	-	109	94,579	-	27	-	-	-	94,715	-	-	94,715
Bad debt expense	37,545	-	-	-	-	-	-	-	33,901	71,446	-	-	71,446
Other	15,961	2,809	479	2,470	2,437	2,768	248	1,319	922	29,413	16,348	9,798	55,559
Total expenses	\$ 4,667,604	\$ 1,342,025	\$ 3,902,813	\$ 1,095,695	\$ 544,999	\$ 345,942	\$ 185,275	\$ 117,564	\$ 970,881	\$ 13,172,798	\$ 1,411,331	\$ 644,299	\$ 15,228,428
	30%	9%	26%	7%	4%	2%	1%	1%	6%	87%	9%	4%	100%

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

CHRIS 180, INC.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2016

	Counseling Services	Community Services & Keeping Families Together	JourneyZ	TransitionZ	Clubhouse	AdoptionZ	Youth Build	Training Institute	Housing and Property	Total Program	Management and General	Fundraising	Total Expenses
Salaries and wages	\$ 2,529,469	\$ 745,825	\$ 2,547,732	\$ 587,866	\$ 345,696	\$ 174,824	\$ 5,192	\$ 82,608	\$ -	\$ 7,019,212	\$ 790,161	\$ 359,710	\$ 8,169,083
Benefits and payroll taxes	445,648	135,470	485,387	123,894	62,965	26,412	943	7,786	-	1,288,505	148,015	38,474	1,474,994
Total payroll expense	2,975,117	881,295	3,033,119	711,760	408,661	201,236	6,135	90,394	-	8,307,717	938,176	398,184	9,644,077
Rent and building maintenance	59,076	1,472	47,406	29,915	1,994	21,760	-	2,628	78,333	242,584	15,204	1,324	259,112
Depreciation and amortization	-	-	-	-	-	-	-	-	700,207	700,207	2,145	-	702,352
Direct care	14,186	28,447	340,674	160,996	138,174	18,242	-	9,852	-	710,571	1,693	-	712,264
Legal and accounting	4,860	-	-	-	-	-	-	-	-	4,860	153,895	-	158,755
Property taxes	-	4,010	-	-	-	-	-	-	1,350	5,360	-	-	5,360
Equipment leases and repairs	152,636	5,256	27,036	6,000	7,766	731	1,964	13,063	-	214,452	18,293	48,225	280,970
Vehicle maintenance, repair and parking	22,383	52,565	114,003	8,622	19,337	10,116	-	706	-	227,732	6,576	1,236	235,544
Supplies	9,841	903	9,342	5,019	3,090	436	-	1,741	143	30,515	9,845	2,104	42,464
Postage and printing	731	589	835	203	60	588	-	2,115	8	5,129	1,861	25,320	32,310
Telephone	33,675	13,563	31,276	11,199	7,596	5,679	96	1,318	3,784	108,186	10,505	1,705	120,396
Utilities	22,141	7,418	50,830	35,123	10,853	10,078	-	2,259	83,308	222,010	17,392	1,539	240,941
Promotions	14,516	55	436	65	3,140	-	-	176	-	18,388	18,960	21,281	58,629
Insurance	16,664	2,026	32,616	9,869	9,655	4,413	-	1,397	44,355	120,995	10,995	1,232	133,222
Interest	-	-	705	6	-	-	-	-	49,682	50,393	8,510	-	58,903
Training	46,869	4,315	1,163	4,610	21,486	5,217	4,098	30,451	-	118,209	8,620	914	127,743
Consulting	51,996	9,682	40,279	8,997	6,342	2,064	-	1,885	-	121,245	12,911	125,138	259,294
Dues and subscriptions	8,209	1	3,705	611	45	838	-	1,356	-	14,765	31,763	5,010	51,538
Professional medical fees	401,079	-	-	-	-	-	-	-	-	401,079	-	-	401,079
Management fees	-	-	-	-	-	-	-	-	50,784	50,784	-	-	50,784
Security	-	-	-	96,613	-	-	-	-	-	96,613	-	-	96,613
Bad debt expense	65,572	-	-	-	-	-	-	-	33,942	99,514	-	-	99,514
Other	10,358	1,620	2,950	1,511	678	4,434	-	3,095	709	25,355	13,173	8,971	47,499
Total expenses	\$ 3,909,909	\$ 1,013,217	\$ 3,736,375	\$ 1,091,119	\$ 638,877	\$ 285,832	\$ 12,293	\$ 162,436	\$ 1,046,605	\$ 11,896,663	\$ 1,280,517	\$ 642,183	\$ 13,819,363
	28%	7%	27%	8%	5%	2%	Less than 1%	1%	8%	86%	9%	5%	100%

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

CHRIS 180, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017	2016
Cash flows from operating activities:		
Increase in net assets	\$ 5,126,006	\$ 3,413,006
Adjustments to reconcile increase in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	648,274	702,352
Amortization of debt issuance costs	7,336	7,336
Contributions and pledges restricted for long-term purposes	(5,930,570)	(3,975,777)
Changes in assets and liabilities:		
(Increase) decrease:		
Contracts receivable - federal, state, and local	(86,613)	(203,637)
Grants receivable	-	100,000
Accounts receivable	(40)	(2,836)
Unconditional promises to give	203,952	(241,256)
Prepaid expenses	4,899	(70,742)
Other assets	(157,602)	(6,590)
Increase (decrease):		
Accounts payable	63,539	63,089
Accrued expenses	132,047	151,900
Deferred revenue	155,934	(10,000)
Total adjustments	(4,958,844)	(3,486,161)
Net cash provided by (used in) operating activities	167,162	(73,155)
Cash flows from investing activities:		
Cash restricted for capital improvements	(6,228,168)	(973,425)
Payments received on note receivable	-	5,775
Purchase of property and equipment	(956,695)	(519,438)
Net cash used in investing activities	(7,184,863)	(1,487,088)
Cash flows from financing activities:		
Cash collected for long-term purposes	6,817,799	1,212,380
Line of credit closing costs capitalized	(4,980)	(12,309)
Principal payments on debt	(77,679)	(77,857)
Net draws on line of credit	187,918	619,683
Net cash provided by financing activities	6,923,058	1,741,897
Increase (decrease) in cash and cash equivalents	(94,643)	181,654
Cash and cash equivalents, beginning of year	594,745	413,091
Cash and cash equivalents, end of year	\$ 500,102	\$ 594,745
Supplemental cash flow information:		
Cash paid for interest	\$ 84,062	\$ 50,855

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

CHRIS 180, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

1. Nature of Organization and Significant Accounting Policies

CHRIS 180, Inc. 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 mental health counseling, training, providing safe housing and real-world skill building. During 2017, CHRIS 180 helped 6,795 people through its various programs and services and provided specialized training to an additional 1,701 community professionals, paraprofessionals and school personnel. CHRIS 180's ultimate goal is to empower people to develop the skills and independence they need to navigate life's challenges and become contributing citizens. CHRIS 180 is a multi service behavioral health organization which exists to improve the lives of children and young adults and strengthen families through innovative, trauma informed practices that inspire hope and reduce future dependency on government. The organization accomplishes this purpose through a continuum of trauma informed services, partnerships and trainings designed to promote recovery, foster individual accountability and unlock the potential in every man, woman and child.

In March 2016, the Board of Directors voted to proceed with a capital campaign to raise \$12,000,000 to expand the Organization's impact, support innovation, and ensure an even stronger sustainable future. An initial pledge of \$3,000,000 toward this goal was received in 2016 with subsequent other foundation gifts, including board gifts and pledges representing 100% board participation. Due to increases in construction costs, in 2017 the charitable goal was increased to \$13,000,000 and the decision was made to pursue an allocation through the New Market Tax Credit (NMTC) program for the eligible portion of CHRIS 180's expansion plans in order to secure additional funds to generate \$15,000,000. The NMTC program incentivizes community development and economic growth through the use of tax credits that attract private investment in distressed communities where the individual poverty rate is from 20-30% or higher. CHRIS 180 is using a portion of the funds raised from the capital campaign to leverage NMTC funding of \$2,600,000. At the end of 2017, CHRIS 180 had secured \$11,466,086 in cash and pledges and reservation letters from two Community Development Entities for NMTC funding. Fundraising efforts continue. See note 13 for further discussion regarding the New Markets Tax Credit program.

At December 31, 2017 and 2016, 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 and CHRIS Properties, LLC. 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 combining entities were all 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 180, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

1. Nature of Organization and Significant Accounting Policies – Continued

CHRIS Homes Properties, LLC owns residential properties, nine of which are EarthCraft Certified, and vehicles that are leased to CHRIS 180 Operations, LLC. CHRIS Properties, LLC owns the real estate that provides the LEED Platinum Certified office space 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 who are aging out of foster care or who are homeless.

Life changing services were provided to 6,745 and 5,530 unduplicated individuals during 2017 and 2016, respectively. Specialized training through the CHRIS Training Institute was also provided to 745 staff participants and for an additional 1,701 unduplicated external participants in areas ranging from trauma informed practice, professional clinical services, working with transition age youth, LGBT youth, sexually exploited youth and mental health first aid to the prevention of child sexual abuse, bullying and understanding diversity.

Trauma informed care is the centerpiece of CHRIS 180's work throughout all programs and the Adverse Childhood Experiences (ACE) questionnaire is utilized to help assess levels of trauma. Research by the Centers of Disease Control over two decades has shown that without intervention an ACE score of four or more is predictive of poor long-term outcomes in the areas of physical health, mental health and social functioning. CHRIS 180 identifies, understands and treats the impact of chronic stress and adverse childhood experiences so that children, young adults and families can recover, avoid negative long term physical and mental health consequences and live full lives. CHRIS 180 is also an active member of the National Child Traumatic Stress Network (NCTSN) and is providing leadership to help NCTSN develop a series on Supporting Trauma-Informed Schools to Keep Students in Classrooms. Service areas include: Counseling, Community Services, Residential and Housing Services, Community Housing, the CHRIS Training Institute and Internship Programs. A summary of major programs and outcomes follows:

CHRIS Counseling Services :

CHRIS 180 offers trauma informed counseling for children, adults and families throughout the greater metro Atlanta area. CHRIS 180 focuses on decreasing stigma and eliminating barriers to increase access. Our reach is expanding through partnerships, place based counseling in communities and telehealth.

CHRIS 180, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

1. Nature of Organization and Significant Accounting Policies – Continued

CHRIS Counseling Center:

The CHRIS Counseling Center (CCC) helps people through tough times so that they can feel better and function better. The CCC has a special focus on helping people recover from trauma. During 2017, 35% of CCC clients had an ACE score of four or more. Therapists utilize 20 different evidenced based treatment modalities to ensure people receive the individually tailored assistance needed to help them develop the skills required to build personal resiliency and sustain recovery. Over 34% of the certified trauma therapists in the State of Georgia work at CHRIS 180 and use their skills to help people confront, recover and heal from past sexual abuse, physical abuse and/or other adverse childhood/life experiences. A partnership with Emory University Medical School enables psychiatric fellows to further their training at the CCC and partnerships with several local colleges provide supervised internship experiences for Masters level clinical interns. Counseling is provided at the CHRIS Counseling Center in Atlanta, GA, at the Gwinnett County Counseling Center satellite location in Lawrenceville, GA, in numerous City of Atlanta (APS), DeKalb County and Fulton County Public Schools, at partner locations, in the community and through TelePsychiatry.

During 2017, CHRIS 180 expanded its school based counseling services and completed year one of Project 180, a school based, trauma informed training and therapy initiative funded through the Substance Abuse Mental Health Services Administration (SAMHSA), in four APS schools. Results are measured utilizing the Strength and Difficulties Questionnaire. Pre and post tests indicate that the number of students with highest risk decreased by 16% and that risk dropped to negligible levels in 6.1% of students. Students served in school based counseling demonstrated a 31% increase in school attendance and a 43% decrease in disciplinary referrals.

In late 2017 CHRIS 180 was awarded a contract to provide counseling for uninsured children, adolescents and young adults through age 24 who reside in Fulton County at four additional locations with services expected to begin on January 1, 2018. During 2017, counseling was provided to 2,505 individuals:

- o 100% received a trauma assessment
- o 68% revealed contributing traumatic events(s) during initial treatment sessions
- o 89% attained a treatment goal
- o 96% of families reported feeling less stress and improvement in family functioning
- o 88% reported that they would recommend the CHRIS Counseling Center to others

Community Programs and Services:

CHRIS 180 offers an expanding array of community services designed to help children, adolescents and adults, strengthen families and build safe, resilient communities. Community services are often provided in partnerships that build on partner strengths to accomplish goals.

CHRIS 180, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

1. Nature of Organization and Significant Accounting Policies – Continued

Keeping Families Together (KFT):

KFT assists Georgia’s most vulnerable children and their families in building a plan of support and services to help them establish safety and stability in their homes and strengthen the family unit, enabling them to become stronger and stay together. During 2017, 38% of clients had an ACE of four or more. Utilizing a High Fidelity WrapAround model, families are helped to navigate multiple systems and community services while receiving prevention, reunification and support services that help them achieve their goals so that, in the future, families and each individual within the family has built a natural support system in the community and has the skills to help themselves. At the end of 2017, CHRIS 180 expanded KFT community services to work with incarcerated young adults, including young parents through re-entry programs in DeKalb and Fulton Counties. During 2017, 1,518 individuals received assistance:

- o Safety was ensured for 100% of all children in all families
- o 91% of families were strengthened, avoiding disruption through hospitalization, incarceration or the out-of-home placement of a child
- o 93% of youth classified as designated juvenile felons graduated with no new juvenile charges and remained with their families, avoiding re-incarceration*
- o 98% of families reported that they would recommend CHRIS 180 services to others

*Research conducted by the Florida Department of Juvenile Justice determined that with each additional ACE, a delinquent youth’s risk of becoming a serious, violent and chronic offender increases 35 times.

CHRIS Adoptions:

CHRIS Adoptions provides a unique set of trauma informed services and supports to ensure that children in foster care truly have a forever family; because no child should ever have to age out of foster care. 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 model and process by providing specialized foster homes for sibling groups who are in foster care, but who are often placed in hotels temporarily, are separated into different foster homes or for whom the separation of sibling can be avoided in the first place. CHRIS 180 currently operates two Gateway Foster Homes and has successfully facilitated the adoption of two sibling groups as a result of re-unifying siblings in these homes. Three additional Gateway Foster Homes for siblings will be opened as a result of the current capital campaign and will help address placement challenges for siblings. During 2017, 57 individuals were served, 24 prospective parents completed training, 5 children were placed in their adoptive homes and 9 children were engaged in the matching process with prospective families.

There have been no adoption disruptions since the program’s inception.

CHRIS 180, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

1. Nature of Organization and Significant Accounting Policies – Continued

CHRIS Clubhouse/Drop In Center:

As a result of a service needs assessment and discussion with the State of Georgia’s Department of Behavioral Health and Developmental Disabilities (DBHDD), it was jointly decided to respond to the crisis of youth homelessness by converting the Clubhouse which helped 15 – 21 year olds to a Drop In Center serving 16 – 24 year olds during July and August of 2017 to focus on helping more homeless youth and young adults make a safe transition to adulthood by assisting them in meeting their needs for safe housing, counseling, employment and support services. 48% of the youth served have an ACE score of four or more. During 2017, the CHRIS Clubhouse and the Drop In Center helped 84 youth.

- o 85% of youth helped in the Clubhouse demonstrated improvement in functioning on the CANS, a national measure of improvement
- o 21% of youth were referred for housing assessments
- o 16% of youth were successfully linked to stable housing, employment or secured vital records

Youth Build:

The Youth Build program is funded through a grant with the Department of Justice. During 2017, 24 young adults, 62% of whom had an ACE score of four or more, received help and 81% attained a GED and /or construction certification. A partnership with Atlanta Habitat and Quest Community Development provided opportunities for in the field construction experience.

At Promise Youth Center:

The At-Promise Youth Center was opened in August 2017 in partnership with the Atlanta Police Foundation with CHRIS 180 serving as the lead organization coordinating services with three partners – the Boys and Girls Club, the Urban League of Atlanta and Street Smart Youth Project. CHRIS 180 is the initial point of contact and all services are guided by a CHRIS 180 assessment. While the goal of the Center is to serve as a detention/jail diversion and intervention center to help youth and young adults, it has been accessed by a wide range of individuals seeking assistance. At Promise has helped 151 youth with therapy, case management services, life skills, GED, workforce development, tutoring, leadership development, substance abuse education and HIV testing. Of the youth served 59% of youth between the ages of 15 and 18 had an ACE score of four or more and 67% of the young adults, ages 19 through 25 had an ACE score of four or more. In addition, the At-Promise Center has helped 51 families and young adults who were or are homeless. Since the Center opened, over 270 individuals in one of the most distressed and underserved communities in Atlanta have received some form of help and assistance.

CHRIS 180, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

1. Nature of Organization and Significant Accounting Policies – Continued

Community Partnerships:

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 our partners by supporting the creation of partnerships designed to fulfill our missions in the most cost effective, efficient manner. To this end, during 2017 CHRIS 180 maintained MOUs with almost 50 non-profit and for-profit partners including the Atlanta Police Foundation, the Urban League of Atlanta, the Boys and Girls Club and four different public school systems in metro Atlanta and two federally qualified health centers, Mercy Care and HEALing Community. 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, Court Appointed Special Advocates (CASA), United Way, New American Pathways, and the Georgia Department of Family and Children Services. Other collaborative partnerships in 2017 included the New Hope Enterprises, Year Up, the Grady Trauma Project, Our House, Open Doors, the Criminal Justice Coordinating Council, Georgia State University, and Gwinnett Kids Net.

Residential and Housing Programs and Services:

JourneyZ Group Homes:

The JourneyZ Group Home Program is the organization’s founding program and consists of eight, six bed homes in the community designed to help traumatized and exploited children in foster care who have severe emotional and behavior problems heal and develop the skills they need to navigate life’s challenges by giving them essential supports and a home in a neighborhood. 56% of youth have an ACE score of four or more and 26% had experienced at least one failed adoption prior to placement. During 2017, 156 foster children received a home, counseling and support. This included 3 transgender youth who were placed in the group home of their gender identification. Outcomes include:

- o 100% of children demonstrated improvement in life skills
- o 100% participated in volunteer activities
- o 89% completed a life skill goal
- o 27% were successfully re-unified with relatives or adopted
- o 87% of youth who aged out chose to move to Summit Trail Apartments

CHRIS 180, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

1. Nature of Organization and Significant Accounting Policies – Continued

TransitionZ Youth/Young Adult Services:

The TransitionZ Program at Summit Trail Apartments helps traumatized homeless youth and youth aging out of foster care become self-sufficient adults through a combination of housing, counseling and support services that include case management, life skills, educational support, financial management, job coaching, and parenting skills. 61% of youth have an ACE score of four or more. Service components include emergency assistance, emergency/transitional apartments, permanent supportive housing and street outreach:

- During 2017, the Emergency Shelter/Transitional Living Program provided emergency housing, support, individualized counseling, life coaching and parenting skills training for 17 youth, ages 17 – 21. While participating in the program,
 - § 93% became employed
 - § 71% transitioned to supportive housing at Summit Trail Apartments
 - § 100% were safely housed upon leaving the program
 - § 86% continued working with their Life Coach after discharge
- During 2017, permanent supportive housing at Summit Trail Apartments was provided for 69 single and parenting young adults with a total of 11 children. The average length of stay in the program was 16.3 months.

While living in the apartments:

- § 89% of young people were working and/or in school
- § 78% maintained employment for 90 days or longer
- § 100% of high school seniors graduated
- § 46% were enrolled in a certification program, technical school or college
- § 52% of youth who entered the program without a high school education, GED or vocational certificate, attained one of these educational goals prior to discharge

Upon discharge:

- § 70% demonstrated improved knowledge of community resources
- § 80% demonstrated improved money management skills
- § 90% demonstrated improved knowledge regarding managing their personal healthcare needs
- § 100% demonstrated improvement in life skills

Two-year post discharge outcomes:

- § 97% are safely housed
- § 85% are employed and/or in school

Four-year + post discharge outcomes:

- § 98% are safely housed
- § 93% are employed and/or in school

CHRIS 180, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

1. Nature of Organization and Significant Accounting Policies – Continued

Outreach and Community Housing:

The Emergency Assistance program prevents young adults with mental health issues who are up to age 35 (and their families) from becoming homeless 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. During September 2017, modifications were made in the program to reduce street outreach, to increase efforts to prevent homelessness and to expand bridge housing while working to help young adults secure more permanent housing. Partners include the Salvation Army, Quest Community Development and Open Doors. During 2017, 88 young adults, 77% of whom had an ACE score of four or more, with 17 children received help:

- 100% became and remain housed
- 97% are working
- 21% of those working are also in school

Street Outreach services assisted 1,911 youth. During 2017, support, assistance, resource guides and referrals were provided to 224 homeless youth through face to face meetings and telephone follow up support. An additional 1,687 youth who contacted the program via, email, Facebook or telephone seeking housing and assistance were provided assistance, support and guidance as well as resource guides and referrals for help available through CHRIS 180 and other providers. Telephone follow up calls, emails and Facebook messages were made to offer additional services and provide on-going support.

The CHRIS Training Institute:

The CHRIS Training Institute provides high quality training with a focus on trauma informed care, child abuse prevention, diversity 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. Training was provided for 754 internal staff participants in addition to individuals in the broader community. During 2017, 1,704 unduplicated external individuals attended trainings. Of these, 924 individuals participated in one to three days of training in Trauma STARS, CHRIS 180's signature trauma training program, including 449 school personnel. Trauma Assessment training was provided for 39 participants and 142 participants were trained in the prevention of child sexual abuse. Training in Working with LGBT youth and Bullying was provided to 253 individuals. During 2017, Youth/Adult Mental Health First Aid and many other clinical professional courses such as Motivational Interviewing, Ethics Training, Dialectical Behavioral Therapy, Play Therapy and Comprehensive Child and Family Assessment Trainings were provided as well.

CHRIS 180, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

1. Nature of Organization and Significant Accounting Policies – Continued

Basis of Presentation

The Organization presents its consolidated financial statements in accordance with generally accepted accounting principles (GAAP). Under GAAP, the Organization is required to report information regarding its financial position and activities according to three classes of net assets (unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets) based upon the existence or absence of donor-imposed restrictions. The Organization had no permanently restricted net assets at December 31, 2017 or 2016.

Basis of Accounting

The accounts are maintained on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. This basis of accounting requires recording revenues and gains when earned and expenses and losses when incurred.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Contributions

In accordance with GAAP, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Time and capital donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Other restricted contributions received and spent within the year are presented as unrestricted contributions.

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 unrestricted support 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 restricted support. 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 as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.

CHRIS 180, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

1. Nature of Organization and Significant Accounting Policies – Continued

Donated Equipment, Material, Supplies and Services – Continued

All non-cash gifts (other than personal services) are recorded at their estimated fair value at date of receipt. Contributions of food, clothing, medical items, personal care supplies, event auction items and other special needs items valued at \$134,234 and at \$204,602, respectively, have been reflected in the statements of activities for the years ending December 31, 2017 and 2016. 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.

The Organization recorded \$34,779 and \$89,471 in donated legal services in 2017 and 2016, respectively. No amounts have been recognized in the financial statements for general volunteer services, since these services received do not meet the GAAP criteria noted above.

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.

Income Taxes

CHRIS 180, Inc. is exempt from income taxes under Section 501(c) (3) of the Internal Revenue Code, as amended, and classified by the Internal Revenue Service as other than a private foundation. The Organization is subject to income taxes on income from unrelated business activities. At both December 31, 2017 and 2016, the Organization had federal and state income tax net operating loss (NOL) carryforwards of \$51,390. Management believes more likely than not that the benefit from the NOL carryforwards will not be realized; therefore, a deferred tax asset has not been recorded on the accompanying statements of financial position. No provision for income taxes has been provided for the years ended December 31, 2017 and 2016. In addition, the Organization believes that it has appropriate support for any tax positions taken, and as such does not have any uncertain tax positions that are material to the financial statements. The Organization's income tax returns are subject to examination by the appropriate regulatory authorities, and as of December 31, 2017, the Organization's federal tax returns typically remain open to examination for the last three years.

CHRIS 180, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

1. Nature of Organization and Significant Accounting Policies – Continued

Income Taxes – Continued

The NOL amounts can be carried forward for 20 years. The NOL carryforwards will expire as follows:

<u>Year ended December 31,</u>	
2032	\$ 6,827
2033	12,749
2034	15,930
2035	12,655
2036	<u>3,229</u>
	<u>\$ 51,390</u>

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents and Concentration of Credit Risk

The Organization considers all cash investments and highly liquid investments with maturities of three months or less to be cash equivalents. Cash and cash equivalents consist primarily of demand deposits with a single financial institution. The balances in the Organization's bank accounts, as reflected in the bank's records, are insured by the Federal Deposit Insurance Corporation (FDIC) at December 31, 2017 and 2016 up to \$250,000. At December 31, 2017 and 2016, the Organization's accounts exceeded the limit by \$7,345,619 and \$1,415,204, respectively.

CHRIS 180, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

1. Nature of Organization and Significant Accounting Policies – Continued

Cash and Cash Equivalents and Concentration of Credit Risk – Continued

Cash consisted of the following at December 31:

	2017	2016
Unrestricted	\$ 414,956	\$ 509,642
HUD restricted operating deficit reserve	85,146	85,103
Cash and cash equivalents	500,102	594,745
Cash restricted for capital improvements	7,371,105	1,142,937
Total cash	\$ 7,871,207	\$ 1,737,682

Allowance for Doubtful Accounts

The Organization uses an allowance method to determine uncollectible unconditional promises to give as well as fee for service billing, contracts receivable, as well as tenant rents receivable. The allowance is based on prior years' experience and management's analysis of specific promises made and amounts billed and to be reimbursed. All accounts receivable from tenants and unconditional promises to give were considered collectible at December 31, 2017 and 2016 and accordingly no allowance for doubtful accounts was recorded. At December 31, 2017 and 2016, allowances in the amount of \$98,898 and \$97,140, respectively were recorded for contracts receivable.

Advertising

Advertising costs are expensed as incurred.

Deferred Line of Credit Costs

Deferred line of credit costs are amortized over the duration of the related line of credit. The life of the lines of credit currently range from 3 to 5 years. For the years ended December 31, 2017 and 2016, amortization charged to expense was \$8,983 and \$4,286, respectively.

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.

CHRIS 180, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

1. Nature of Organization and Significant Accounting Policies – Continued

Long-Lived Assets and Impairment Analysis – Continued

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, 2017 and 2016.

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.

Subsequent Events

Management has evaluated events and transactions which occurred through March 29, 2018, which was the date the financial statements were available to be issued. There were no significant subsequent events requiring recognition or disclosure in the financial statements, other than the formation of a new supporting organization and entering into the New Market Tax Credit transaction as further discussed in Note 13.

2. Contracts Receivable

Contracts receivables arise from fees for services provided under and, to a lesser extent, reimbursements owed through government contracts. CHRIS 180, Inc.'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.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

2. Contracts Receivable – Continued

Contracts receivable owed to CHRIS 180, Inc. are as follows at December 31:

	2017	2016
State contract receivables:		
DHS contracts	\$ 511,277	\$ 469,972
Georgia Department of Juvenile Justice	17,953	93,150
Gwinnett County Juvenile Justice	98,894	52,977
Lookout Mountain Community Services	45,836	119,100
Georgia DBHDD Board	27,207	146,780
Various other DFCS county offices	10,465	4,503
Multi-Agency Alliance for Children	87,642	50,773
Georgia Department of Health and Human Services - SAMSA Grant	24,128	-
ESGP Transitional Living	-	35,211
Amerigroup - Pathways to Permanency	-	66,700
Amerigroup - WRAP	72,955	-
Fulton County Board of Commissioners	105,499	-
Other contracts and receivables	76,101	55,127
Total state contract receivables	1,077,957	1,094,293
Other contract receivables:		
Medicaid	43,914	39,344
Care management organizations	331,553	294,519
Mississippi Department of Child Protection Services	3,720	23,048
Other	113,999	31,568
Total other contract receivables	493,186	388,479
Less allowance for doubtful accounts	(98,898)	(97,140)
Total contracts receivable	\$ 1,472,245	\$ 1,385,632

3. Accounts Receivable

Accounts receivable at December 31, 2017 and 2016 includes tenant rents receivable of \$4,770 and \$5,176, respectively. Other receivables at December 31, 2017 totaled \$446. The Organization has determined that all amounts recorded as accounts receivable are collectible; accordingly, no allowance for doubtful accounts has been established.

CHRIS 180, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

4. Unconditional Promises to Give, Net

The amounts due from United Way of Metropolitan Atlanta at December 31, 2017 and 2016 represent the balance of the Organization's allocated funding for the periods ending June 30, 2017 and June 30, 2016. Donor designations to United Way may vary; however, differences between the amounts collected and allocated from United Way have historically been insignificant. Accordingly, no provision is made for uncollectible amounts regarding amounts due from United Way of Metropolitan of Atlanta.

During 2016, the Organization began a \$13,000,000 capital campaign to raise funds to create four new Gateway foster homes, relocate a group home, create an assessment/family preservation home, renovate seven existing group homes, construct an Earthcraft-certified Center of Excellence for Training, Education, and Connections, complete renovations to create an Integrated Health Clinic and expand counseling, purchase vehicles, renovate and update Summit Trail Apartments, and create operating reserve, maintenance reserve and sustainability reserve funds. Pledges received through December 31, 2017 totaled approximately \$10,055,086, of which the Organization believes approximately \$10,020,586 will be realized. As of December 31, 2017 and 2016, net pledges receivable remaining was \$2,318,628 and \$3,409,809, respectively. Pledges are recorded at net realizable value upon receipt. Contributions to be received after one year are discounted at 3.75%, 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 consist of the following at December 31:

	<u>2017</u>	<u>2016</u>
United Way of Metropolitan Atlanta Foundations	\$ 165,722	\$ 192,700
Capital campaign pledges receivable	134,487	305,000
Other	1,876,169	2,763,397
	<u>142,250</u>	<u>148,712</u>
Total unconditional promises to give, net	<u>\$ 2,318,628</u>	<u>\$ 3,409,809</u>

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

	<u>2017</u>	<u>2016</u>
Amounts due in:		
Less than one year	\$ 2,196,649	\$ 2,019,327
One to five years	126,553	1,445,511
Less:		
Discount on capital campaign pledges receivable	<u>(4,574)</u>	<u>(55,029)</u>
Total unconditional promises to give, net	<u>\$ 2,318,628</u>	<u>\$ 3,409,809</u>

CHRIS 180, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

4. Unconditional Promises to Give, Net – Continued

Pledges receivable, net does not include certain conditional pledges of \$1,500,000 received in fiscal 2017 that are conditioned upon the Organization meeting certain donor criteria including raising \$14,000,000 in cash gifts, written pledges, and tax credits for capital purposes.

5. Property and Equipment, Net

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

	2017	2016
Land	\$ 1,228,646	\$ 1,116,450
Residential rental property and improvements	12,578,035	12,170,109
Furniture and equipment	1,733,880	1,694,281
Vehicles	296,343	272,661
Construction in process	520,961	147,670
Total property and equipment at cost	16,357,865	15,401,171
Less accumulated depreciation	(5,930,569)	(5,291,279)
Total property and equipment, net	\$ 10,427,296	\$ 10,109,892

For the years ended December 31, 2017 and 2016, depreciation expense for all assets was \$639,291 and \$698,066, respectively.

6. Operating Lease Commitments

CHRIS 180, Inc. leases office equipment and a vehicle under arrangements that qualify as non-cancelable operating leases. CHRIS 180, Inc. also has a lease agreement for a CHRIS Counseling Center outreach office in Gwinnett County, Georgia. The annual minimum lease payments for all these leases are as follows:

Year ended December 31,	
2018	\$ 115,182
2019	59,367
2020	59,367
2021	59,367
	\$ 293,283

Total rental and lease expense for all leases for the years ended December 31, 2017 and 2016, including several month-to-month leases, was \$124,623 and \$109,951, respectively.

CHRIS 180, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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7. Lines of Credit Payable

Previously, the Organization obtained an operating line of credit with maximum borrowings of \$1,000,000 and a maturity date of October 30, 2017. This line of credit was modified in November 2017, which included an extension of the maturity date to November 15, 2019. The interest rate on the line of credit is equal to the prime rate, which was 4.50% and 3.75% for the years ended December 31, 2017 and 2016, respectively. The outstanding balance on this line of credit at December 31, 2017 and 2016 was \$277,531 and \$525,450, respectively.

In August 2016, the Organization entered into a line of credit agreement with maximum borrowings of \$1,000,000 for the purpose of purchasing up to five single family homes. This line of credit is collateralized by a second mortgage on the property located at 1017 Fayetteville Road in Atlanta, Georgia as well as the homes purchased under this line of credit. Interest only payments are due through the maturity date of June 30, 2018. The interest rate on the line of credit is equal to the prime rate, which was 4.50% and 3.75% for the years ended December 31, 2017 and 2016, respectively. The outstanding balance on this line of credit at December 31, 2017 and 2016 was \$839,042 and \$403,205, respectively.

8. Notes Payable, Net

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

	2017	2016
Bank debt:		
CHRIS Homes Properties, LLC notes payable:		
4.77% fixed rate term note, due in monthly installments of \$5,373, including principal and interest through November 1, 2020; collateralized by all assets held by CHRIS Homes Properties, LLC	\$ 775,808	\$ 802,500
3.25% fixed rate vehicle loan, due in monthly installments of \$431, including principal and interest through November 23, 2020; collateralized by van held by CHRIS Homes Properties, LLC	14,444	18,989
Total bank debt	790,252	821,489
Other debt:		
CHRIS Properties Graham Circle, LLC notes payable:		
Due to Georgia Department of Community Affairs for Home Investment Partnership Program	3,461,589	3,508,031
Due to City of Atlanta for Home Investment Partnership Program	1,400,000	1,400,000
Due to Federal Home Loan Bank of Atlanta for Affordable Housing Program	315,000	315,000
Total notes payable	\$ 5,966,841	\$ 6,044,520

CHRIS 180, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

8. Notes Payable, Net – Continued

Other Debt

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, 2017 and 2016, \$3,461,589 and \$3,508,031, respectively, was due to DCA on this loan.

Previously the Organization received a loan (grant) from the City of Atlanta. The principal sum at December 31, 2017 and 2016 is \$1,400,000. The funds are dedicated to the project as a grant with no interest paid on the outstanding principal balance. Therefore, no payment will be made unless the project is not in compliance for a 10-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 10-year loan period will expire in 2020. 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.

The Organization has a loan with the Federal Home Loan Bank of Atlanta. The principal sum at December 31, 2017 and 2016 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.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

8. Notes Payable, Net – Continued

Components of notes payable, net include the following at December 31, 2017:

	Principal	Unamortized Debt Issuance Costs
Mortgage loan	\$ 775,808	\$ 16,354
Vehicle loan	14,444	-
Georgia Department of Community Affairs	3,461,589	16,031
City of Atlanta	1,400,000	-
Federal Home Loan Bank of Atlanta	315,000	-
Total	\$ 5,966,841	\$ 32,385

Debt issuance costs are amortized over the duration of the related loan. The life of the loans currently ranges from 5 to 20 years. For both of the years ended December 31, 2017 and 2016, amortization charged to expense for the notes payable was \$7,336.

Aggregate principal maturities of debt subsequent to December 31, 2017 are as follows:

Year ended December 31,	
2018	\$ 77,741
2019	77,624
2020	2,164,545
2021	39,633
2022	37,646
Thereafter	3,569,652
	\$ 5,966,841

9. 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 CHRIS 180, Inc. 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.

CHRIS 180, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

9. Commitments and Contingencies – Continued

In 2016, the Organization signed a contract for architect services totaling \$320,000, of which \$220,780 was still outstanding at December 31, 2017. In addition, in June 2017, a contract in the amount of \$142,000 was signed to renovate the HVAC at Summit Trail. An initial deposit of \$112,000 was paid during 2017 and is included in other assets on the statement of financial position. As of December 31, 2017, \$30,000 is outstanding on this contract.

In July 2017, the Organization signed a contract for construction management services related to the project to construct an Earthcraft-certified Center of Excellence for Training, Education, and Connections. The maximum amount on this contract is \$6,244,000. No payments have been made on this contract as of December 31, 2017.

10. 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 2017 and 2016 were \$46,018 and \$32,814, 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 \$36,000 to this plan for the year ended December 31, 2017.

11. Temporarily Restricted Net Assets

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

	2017	2016
United Way of Metropolitan Atlanta	\$ 165,722	\$ 192,700
Capital Improvements	-	120,933
Counseling Services	25,000	-
JourneyZ and TransitionZ	37,500	55,000
Trauma, Treatment, and Training Initiative	32,142	45,000
LGBT Youth	55,000	20,242
School Based Mental Health	107,793	214,518
Capital Campaign Cash and Pledges	9,247,274	3,810,201
Other	106,000	20,000
	\$ 9,776,431	\$ 4,478,594

CHRIS 180, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

12. Net Assets Released from Restrictions

Temporarily restricted 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:

	2017	2016
United Way	\$ 358,422	\$ 392,070
Capital Improvements	537,344	85,080
Counseling Services	-	40,977
JourneyZ and TransitionZ	97,500	100,000
Trauma, Treatment and Training Initiative	87,857	165,000
LGBT Youth	20,242	229,758
School Based Mental Health	206,725	135,482
Capital Campaign Management	93,513	129,409
Other	65,000	135,000
Total net assets released from restrictions	\$ 1,466,603	\$ 1,412,776

13. New Market Tax Credit Transaction

The New Markets Tax Credit 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.

In January 2018, a new 501(c)(3), the CHRIS 180 Support Organization, Inc., was formed to facilitate the New Market Tax Credit 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 New Market Tax Credit program. This transaction closed on April 11, 2018. Capital campaign funds and NMTC proceeds received under the NMTC Program will be disbursed to create three new Gateway foster homes, renovate a home for relocation of a group home, 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 a Center of Excellence for Training, Education and Connections and a duplex which will be constructed, and other property owned by CHRIS Properties, LLC to be converted into an integrated healthcare clinic will be 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.

CHRIS 180, INC.

REPORTS AND OTHER SCHEDULES AND INFORMATION
AS REQUIRED BY THE UNIFORM GUIDANCE
FOR THE YEAR ENDED
DECEMBER 31, 2017

CHRIS 180, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2017

Federal Grantor/Pass-through Grantor Agency	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
<u>U.S. Department of Health and Human Services</u>			
Pass Through from Georgia Department of Behavioral Health and Developmental Disabilities:			
Co-occurring Clubhouse	93.243	* HTI-44100-026-85502	\$ 107,291
Mental Health Resiliency	93.958	HTI-44100-026-84571	214,978
Mental Health Resiliency	93.958	HTI-44100-026-97357	158,020
Pass Through from Georgia Department of Human Services - Family and Children Services			
Dekalb PUP, CCFA, & Wrap	93.558	42700-040C-SOC-17-022	5,121
Youth Matters - Care Coordination Services	93.558	42700-040C-NS18-044	38,615
Youth Matters - Care Coordination Services	93.558	42700-040C-NS17-044	28,621
Pass Through from Georgia Department of Human Services - Substance Abuse and Mental Health Services			
Substance Abuse and Mental Health Services	93.243	* 1U79SM063162-01	311,891
Substance Abuse and Mental Health Services	93.243	* 5U79SM063162-02	67,050
<u>U.S. Department of Justice- Office of Justice Programs</u>			
Second Chance / Re-entry Grant	16.831	2016-IG-BX-0005	100,042
<u>U.S. Department of Labor- Employment and Training Administration</u>			
Youth Build Grant	17.274	YB-29940-17-60-A-13	270,765
<u>U.S. Department of Housing and Urban Development</u>			
Pass Through DeKalb County - Emergency Solutions Grants Program			
Transitional Living	93.550	90CX6887-05-00	111,199
Pass Through Georgia Department of Community Affairs			
ESG Project Homeless Contract	14.231	16C033	9,296
ESG Emergency Shelter	14.231	17C096	3,081
ESG Emergency Assistance	14.231	17C097	4,695
ESG Hotel/Motel Voucher	14.231	17C098	5,000
			<u>\$ 1,435,665</u>

* Audited as major program

CHRIS 180, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2017

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, 2017 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 financial statements. The schedule of expenditures of federal awards is not prepared on a consolidated basis and does not include the federal awards of CHRIS Properties Graham Circle, LLC.

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. The Organization has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.



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

To the Board of Directors
of CHRIS 180, Inc.:

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. (a nonprofit organization) (the Organization), which comprise the statements of financial position as of December 31, 2017, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 29, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

Brooks, McInnis & Company, LLC

Atlanta, Georgia
March 29, 2018



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

To the Board of Directors
of CHRIS 180, Inc.:

Report on compliance for Each Major Federal Program

We have audited CHRIS 180, Inc.'s (the Organization) (a nonprofit 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, 2017. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Organization's compliance.

Opinion on Each Major Federal Program

In our opinion, Chris 180, Inc. 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, 2017.

Report on Internal Control Over Compliance

Management of CHRIS 180, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's 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 combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.

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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Brooks, McInnis & Company, LLC

Atlanta, Georgia
March 29, 2018

CHRIS 180, INC.
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED DECEMBER 31, 2017

Section I – Summary of Auditor’s Results

Financial Statements

The type of auditor’s report issued	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency (ies) identified that are not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	None reported
Type of auditor’s report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?	No

Identification of major programs:

<u>Name</u>	<u>CFDA Number</u>
Substance Abuse and Mental Health Services	93.243
Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as a low-risk auditee?	Yes

Section II – Financial Statement Findings None

Section III – Federal Award Findings and Questioned Costs None

CHRIS 180, INC.
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2017

The audit for the year ended December 31, 2016 disclosed no findings that were required to be reported under the Uniform Guidance.

CHRIS 180, INC.

OTHER SCHEDULES AS REQUIRED BY
THE STATE OF GEORGIA

CHRIS 180, INC.
SCHEDULE OF STATE AWARDS EXPENDED
FOR THE YEAR ENDED DECEMBER 31, 2017

<u>State Contract Number</u>	<u>Earned</u>		<u>Due From (To)</u>
	<u>Revenues</u>	<u>Receipts</u>	<u>State Agency</u>
Contract #42700-040C-20180 Georgia Dept. of Human Services - Adoption Services	\$ 171,882	\$ 171,882	\$ -
Contract #42700-040C-RBWO-17-028 Georgia Dept. of Human Services - Adoption Services	161,808	161,808	-
Contract #42700-040C-20180 Georgia Dept. of Human Services - TransitionZ	150,175	150,175	-
Contract #42700-040C-RBWO-17-028 Georgia Dept. of Human Services - TransitionZ	187,140	187,140	-
Contract #42700-040C-00000020180 Georgia Dept. of Human Services - JourneyZ RBWO	1,248,626	934,495	314,131
Contract #42700-040C-RBWO-17-028 Georgia Dept. of Human Services - JourneyZ RBWO	1,254,572	1,078,800	175,772
Contract # 44100-026-0000073702 Georgia DBHDD -Emerging Adults	86,932	76,414	10,518
Contract #461-93-RBWO130021 Georgia Dept. of Juvenile Justice	352,765	352,765	-
Contract #46100-324-J2N1600017 Georgia Dept. of Juvenile Justice	163,903	145,950	17,953
Contract #44100-026-0000097357 Georgia DBHDD - Mental Health Resiliency	158,020	158,020	-
Contract #44100-026-0000084571 Georgia DBHDD - Mental Health Resiliency	214,978	214,978	-
Contract # 44100-026-0000085502 State of GA DBHDD - Co-occurring Clubhouse	107,291	90,602	16,689
Fulton County Behavioral Health-Transition-Start-up Cost	149,850	149,850	-
Amerigroup - Pathways to Permanency Agreement	291,638	291,638	-
Contract # 42700-040C-NS18004 DHS Youth matters - Care Coordination	38,615	17,241	21,374
Contract # 42700-040C-NS17044 DHS Youth matters - Care Coordination	28,621	28,621	-
Lookout Mountain - Wrap	696,915	651,079	45,836

(Continued on next page.)

CHRIS 180, INC.
SCHEDULE OF STATE AWARDS EXPENDED – CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2017

State Contract Number	Earned Revenues	Receipts	Due From (To) State Agency
Contract # 1U79SM063162-01 Dept. of Health and Human Services - SAMSA Grant	311,891	311,891	-
Contract # 1U79SM063162-02 Dept. of Health and Human Services - SAMSA Grant	67,050	42,922	24,128
Gwinnett County Juvenile Justice - Incentive Grant	414,849	315,955	98,894
Contract # 44100-026-0000074599 DBHDD SOC Community Enhancement & Expansion	108,118	108,118	-
ESGP Transitional Living Program - 90CX6887-05-00	111,199	111,199	-
Contract # 44100-026-0000069854 DBHDD Georgia Apex	472,223	472,223	-
Contract # 42700-040C-PSSF-17100 Georgia Dept. of Human Services - DFCS-PSSF, WRAP	73,629	68,669	4,960
Contract # 42700-040C-PSSF-18138 Georgia Dept. of Human Services - DFCS-PSSF, WRAP	17,480	15,831	1,649
Contract # 42700-040C-PSSF-17031 Georgia Dept. of Human Services - DFCS-PSSF, Counseling Center	32,932	32,932	-
Contract # 42700-040C-PSSF-18149 Georgia Dept. of Human Services - DFCS-PSSF, Counseling Center	11,756	7,900	3,856
Contract # YB-29940-17-60-A-13 Youth Build - 3 year	270,765	244,591	26,174
Contract # 2016-IG-BX-0005 Dept of Justice Second Chance/Re-entry	100,042	100,042	-
Multi-Agency Alliance for Children (MAAC)	680,396	592,754	87,642
Amerigroup - WRAP	249,586	176,631	72,955
Fulton County Sheriff's Office	25,037	-	25,037
Fulton County Board of Commissioners	349,349	243,850	105,499
Miscellaneous contracts	87,036	62,146	24,890
	<u>\$ 8,847,069</u>	<u>\$ 7,769,112</u>	<u>\$ 1,077,957</u>

CHRIS 180, INC.



SUPPLEMENTAL CONSOLIDATING
FINANCIAL STATEMENTS

CHRIS 180, INC.
CONSOLIDATING STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2017

	CHRIS Operations, LLC	CHRIS Homes Properties, LLC	CHRIS Properties Graham Circle, LLC	CHRIS Properties, LLC	Consolidated
	ASSETS				
Cash and cash equivalents	\$ 345,126	\$ 3,123	\$ 140,829	\$ 11,024	\$ 500,102
Cash restricted for capital improvements	7,371,105	-	-	-	7,371,105
Contracts receivable - federal, state, and local	1,472,245	-	-	-	1,472,245
Accounts receivable, net	446	-	4,770	-	5,216
Unconditional promises to give, net	2,318,628	-	-	-	2,318,628
Prepaid expenses and other assets	133,947	80	-	-	134,027
Property and equipment, net	-	1,712,182	5,124,105	3,591,009	10,427,296
Deferred line of credit costs, net of \$8,978 and \$5,144 in accumulated amortization	4,565	3,746	-	-	8,311
Other assets	4,863	-	233,002	-	237,865
Total assets	\$ 11,650,925	\$ 1,719,131	\$ 5,502,706	\$ 3,602,033	\$ 22,474,795
	LIABILITIES AND NET ASSETS				
Liabilities:					
Accounts payable	\$ 299,334	\$ 1,954	\$ 24,707	\$ 311	\$ 326,306
Accrued expenses	600,138	1,000	17,650	1,000	619,788
Deferred revenue	130,000	-	25,934	-	155,934
Lines of credit payable	277,531	839,042	-	-	1,116,573
Notes payable					
Notes payable - principal	-	790,252	5,176,589	-	5,966,841
Less unamortized debt issuance costs	-	(16,354)	(16,031)	-	(32,385)
Notes payable, net	-	773,898	5,160,558	-	5,934,456
Total liabilities	1,307,003	1,615,894	5,228,849	1,311	8,153,057
Commitments and contingencies					
Net Assets:					
Unrestricted:					
Available for operations	567,491	249	310,310	9,713	887,763
Expended for (invested in) property and equipment, net of debt	-	102,988	(36,453)	3,591,009	3,657,544
Total unrestricted net assets	567,491	103,237	273,857	3,600,722	4,545,307
Temporarily restricted	9,776,431	-	-	-	9,776,431
Total net assets	10,343,922	103,237	273,857	3,600,722	14,321,738
Total liabilities and net assets	\$ 11,650,925	\$ 1,719,131	\$ 5,502,706	\$ 3,602,033	\$ 22,474,795

See Independent Auditor's Report.

CHRIS 180, INC.
CONSOLIDATING STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

	CHRIS Operations, LLC	CHRIS Homes Properties, LLC	Graham Circle, LLC	CHRIS Properties, LLC	Eliminations	Consolidated
Changes in unrestricted net assets:						
Revenues, gains and support:						
Grants and contracts	\$ 11,794,137	\$ -	\$ 12,211	\$ -	\$ -	\$ 11,806,348
Contributions	1,069,067	-	-	-	-	1,069,067
In-kind donations	121,301	-	-	-	-	121,301
Interest income	899	4	-	6	-	909
Special event revenue, net of \$206,394 and \$202,571 in direct expenses	159,339	-	-	-	-	159,339
Rental income	-	15,600	392,963	-	-	408,563
Rent and lease income from related party	-	384,000	-	303,708	(687,708)	-
Other income	223,238	-	429	-	(199,200)	24,467
Total revenues	13,367,981	399,604	405,603	303,714	(886,908)	13,589,994
Net assets released from restrictions	1,466,603	-	-	-	-	1,466,603
Total unrestricted revenues, gains and support	14,834,584	399,604	405,603	303,714	(886,908)	15,056,597
Expenses:						
Program services:						
Counseling Services	4,803,132	-	-	-	(135,528)	4,667,604
Community Services & Keeping Families Together	1,342,353	-	-	22,472	(22,800)	1,342,025
JourneyZ	4,214,813	-	-	-	(312,000)	3,902,813
TransitionZ	1,057,906	-	58,789	-	(21,000)	1,095,695
Clubhouse	574,999	-	-	-	(30,000)	544,999
AdoptionZ	423,942	-	-	-	(78,000)	345,942
Youth Build	185,275	-	-	-	-	185,275
Training Center	139,164	-	-	-	(21,600)	117,564
Housing and Property	-	184,920	554,489	274,672	(43,200)	970,881
Total program services	12,741,584	184,920	613,278	297,144	(664,128)	13,172,798
Supporting services:						
Management and general	1,440,295	152,865	17,283	14,668	(213,780)	1,411,331
Fundraising	653,299	-	-	-	(9,000)	644,299
Total expenses	14,835,178	337,785	630,561	311,812	(886,908)	15,228,428
Increase (decrease) in unrestricted net assets before transfers	(594)	61,819	(224,958)	(8,098)	-	(171,831)
Transfers to related parties	(306,329)	(5,129)	168,242	143,216	-	-
Increase (decrease) in unrestricted net assets	(306,923)	56,690	(56,716)	135,118	-	(171,831)
Changes in temporarily restricted net assets:						
Contributions	6,748,014	-	-	-	-	6,748,014
Interest income	16,426	-	-	-	-	16,426
Net assets released from restrictions	(1,466,603)	-	-	-	-	(1,466,603)
Increase in temporarily restricted net assets	5,297,837	-	-	-	-	5,297,837
Increase (decrease) in net assets	4,990,914	56,690	(56,716)	135,118	-	5,126,006
Net assets, beginning of year	5,353,008	46,547	330,573	3,465,604	-	9,195,732
Net assets, end of year	\$ 10,343,922	\$ 103,237	\$ 273,857	\$ 3,600,722	\$ -	\$ 14,321,738

See Independent Auditor's Report.