

CHRIS 180, INC. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018
and
SUPPLEMENTARY INFORMATION

with
INDEPENDENT AUDITORS' REPORT

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying consolidated financial statements of CHRIS 180, Inc. and Subsidiaries (a nonprofit organization) (collectively the "Organization"), which comprise the consolidated statement of financial position as of December 31, 2019, and the related consolidated statement of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements. The consolidated financial statements of the Organization as of and for the year ended December 31, 2018 were audited by other auditors whose report dated March 28, 2019 expressed an unqualified opinion on those consolidated financial statements.

Management's Responsibility for the Consolidated 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization'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 consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of CHRIS 180, Inc. and Subsidiaries as of December 31, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements of CHRIS 180, Inc. and Subsidiaries as a whole. The supplementary information is presented for purposes of additional analysis and is 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. The information has been subjected to the auditing procedures applied in the audit 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 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 consolidated financial statements as a whole.

Smith + Howard

March 26, 2020

CHRIS 180, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2019 AND 2018

ASSETS

	<u>2019</u>	<u>2018</u>
Current Assets		
Cash and cash equivalents	\$ 2,604,914	\$ 1,578,598
Contracts receivable - federal, state, and local, net	2,007,056	2,084,638
Unconditional promises to give, net of current portion	1,315,199	675,825
Prepaid expenses and other assets	<u>205,178</u>	<u>104,815</u>
Total Current Assets	<u>6,132,347</u>	<u>4,443,876</u>
Cash restricted for capital improvements	1,680,931	7,047,874
Unconditional promises to give, net of current portion	564,135	610,644
Note receivable - NMTC	8,563,750	8,563,750
Property and equipment, net	20,627,986	16,598,116
Other assets	<u>227,393</u>	<u>175,001</u>
	<u><u>\$ 37,796,542</u></u>	<u><u>\$ 37,439,261</u></u>

(Continued)

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

CHRIS 180, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2019 AND 2018

(Continued)

LIABILITIES AND NET ASSETS

	<u>2019</u>	<u>2018</u>
Current Liabilities		
Accounts payable	\$ 759,203	\$ 331,518
Accounts payable - construction	19,873	562,958
Accrued expenses	842,885	807,565
Refundable advances	242,155	172,937
Notes payable, current portion	<u>2,166,734</u>	<u>77,624</u>
Total Current Liabilities	<u>4,030,850</u>	<u>1,952,602</u>
Line of Credit Payable	-	85,146
Notes Payable, Net of Current Portion and Unamortized Debt Issuance Costs	<u>16,236,904</u>	<u>18,395,345</u>
Total Liabilities	<u>20,267,754</u>	<u>20,433,093</u>
Net Assets		
Without donor restrictions:		
Available for operations	1,378,226	918,961
Board designated	1,422,372	1,006,868
Contractually restricted	569,273	5,444,522
Expended for property and equipment, net of debt	<u>10,768,225</u>	<u>6,125,939</u>
Total net assets without donor restrictions	14,138,096	13,496,290
With donor restrictions	<u>3,390,692</u>	<u>3,509,878</u>
Total net assets	<u>17,528,788</u>	<u>17,006,168</u>
	<u>\$ 37,796,542</u>	<u>\$ 37,439,261</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, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
Changes in net assets without donor restrictions		
Revenues, gains and support		
Government grants and contracts	\$ 14,548,614	\$ 12,183,022
Fee for service revenues	4,101,889	3,327,056
Contributions	1,717,444	1,135,072
In-kind contributions	343,645	113,210
Interest income	148,378	95,693
Special event revenue, net of \$378,742 and \$256,866 in direct expenses for 2019 and 2018, respectively	317,325	137,024
Rental income	86,084	90,100
Other income	164,444	106,122
Total revenues, gains and support	<u>21,427,823</u>	<u>17,187,299</u>
Net assets released from restrictions	<u>2,123,160</u>	<u>10,575,493</u>
Total revenues, gains and support without donor restrictions	<u>23,550,983</u>	<u>27,762,792</u>
Expenses:		
Program services		
Counseling Services	7,877,703	6,556,933
Community Services & Keeping Families Together	3,747,022	2,483,645
JourneyZ	4,441,307	4,084,536
TransitionZ	694,467	784,755
Clubhouse/Drop In Center	513,605	459,244
AdoptionZ	604,134	526,680
Youth Build	201,750	281,606
Training Institute	359,478	222,626
Housing and Property	1,492,400	993,492
Total program services	<u>19,931,866</u>	<u>16,393,517</u>
Supporting services		
Management and general	2,195,249	1,764,134
Fundraising	782,062	654,158
Total expenses	<u>22,909,177</u>	<u>18,811,809</u>
Increase in net assets without donor restrictions	<u>641,806</u>	<u>8,950,983</u>
Changes in net assets with donor restrictions:		
Contributions	1,994,029	4,275,997
Interest income	9,945	32,943
Net assets released from restrictions	<u>(2,123,160)</u>	<u>(10,575,493)</u>
Decrease in net assets with donor restrictions	<u>(119,186)</u>	<u>(6,266,553)</u>
Increase in net assets	522,620	2,684,430
Net assets, beginning of year	<u>17,006,168</u>	<u>14,321,738</u>
Net assets, end of year	<u>\$ 17,528,788</u>	<u>\$ 17,006,168</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, 2019

	Counseling Services	Community Services & Keeping Families Together	JourneyZ	TransitionZ	Clubhouse / Drop In Center	AdoptionZ	Youth Build	Training Institute	Housing and Property	Total Program	Management and General	Fundraising	Total Expenses
Salaries and wages	\$ 4,742,772	\$ 2,057,956	\$ 2,968,357	\$ 459,356	\$ 255,108	\$ 213,026	\$ 79,012	\$ 172,603	\$ -	\$ 10,948,190	\$ 1,398,667	\$ 475,204	\$ 12,822,061
Benefits and payroll taxes	1,574,405	406,424	553,158	118,552	90,400	51,486	96,237	51,015	-	2,941,677	-	95,205	3,036,882
Total payroll expense	6,317,177	2,464,380	3,521,515	577,908	345,508	264,512	175,249	223,618	-	13,889,867	1,398,667	570,409	15,858,943
Rent and building maintenance	29,097	6,834	55,443	-	5,485	10,131	161	5,889	90,028	203,068	41,707	2,207	246,982
Depreciation and amortization	-	-	-	-	-	-	-	-	833,938	833,938	-	-	833,938
Direct care	81,156	951,455	369,837	52,762	68,996	250,387	16,346	1,680	6,740	1,799,359	66,529	1,152	1,867,040
Legal and accounting	-	-	-	-	-	-	-	-	27,191	27,191	94,414	-	121,605
Property taxes	-	-	2,907	-	-	320	-	-	-	3,227	16,492	-	19,719
Equipment leases and repairs	78,328	14,718	23,746	2,493	19,882	6,023	-	2,311	14,364	161,865	39,741	2,560	204,166
Travel and Transportation	60,936	81,787	195,777	3,191	11,107	18,318	2,946	3,129	907	378,098	12,194	3,315	393,607
Supplies	48,926	12,066	3,834	953	3,063	739	1,773	1,108	280	72,742	8,895	2,769	84,406
Postage and printing	8,216	1,852	75	-	-	268	64	1,035	-	11,510	11,820	63,225	86,555
Telephone	86,154	42,138	44,027	6,713	4,930	8,842	301	3,991	1,256	198,352	32,047	5,326	235,725
Utilities	35,912	7,374	57,970	-	10,211	16,254	-	9,585	119,513	256,819	30,991	4,303	292,113
Promotions	23,356	6,624	305	-	2,582	363	393	300	-	33,923	38,935	17,463	90,321
Insurance	18,675	2,260	36,351	5,392	8,201	8,148	3,498	1,559	51,252	135,336	12,265	1,374	148,975
Interest	-	-	-	-	-	-	-	-	154,700	154,700	16,451	-	171,151
Training	64,606	22,860	7,395	2,687	6,143	8,800	-	52,630	-	165,121	13,970	4,932	184,023
Consulting and contract services	511,345	112,549	91,073	10,581	17,680	9,380	546	43,299	-	796,453	205,055	61,716	1,063,224
Dues and subscriptions	8,456	432	51	150	765	1,025	-	131	-	11,010	41,351	2,358	54,719
Professional medical fees	480,684	10,932	-	-	-	-	-	-	-	491,616	-	-	491,616
Management fees	-	-	-	-	-	-	-	-	138,124	138,124	-	-	138,124
Security	18,655	6,991	11,690	30,778	8,348	624	-	7,910	54,107	139,103	18,176	3,420	160,699
Bad debt expense	-	-	-	-	-	-	-	-	-	-	45,477	-	45,477
Other	6,024	1,770	19,311	859	704	-	473	1,303	-	30,444	50,072	35,533	116,049
Total expenses	\$ 7,877,703	\$ 3,747,022	\$ 4,441,307	\$ 694,467	\$ 513,605	\$ 604,134	\$ 201,750	\$ 359,478	\$ 1,492,400	\$ 19,931,866	\$ 2,195,249	\$ 782,062	\$ 22,909,177
	34%	16%	19%	3%	2%	3%	1%	2%	7%	87%	10%	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, 2018

	Counseling Services	Community Services & Keeping Families Together	JourneyZ	TransitionZ	Clubhouse / Drop In Center	AdoptionZ	Youth Build	Training Institute	Housing and Property	Total Program	Management and General	Fundraising	Total Expenses
Salaries and wages	\$ 3,507,515	\$ 1,387,272	\$ 2,794,040	\$ 436,685	\$ 262,531	\$ 201,846	\$ 224,170	\$ 124,558	\$ -	\$ 8,938,617	\$ 1,190,075	\$ 409,958	\$ 10,538,650
Benefits and payroll taxes	645,627	275,012	540,451	92,053	54,703	39,094	23,691	15,314	-	1,685,945	66,566	78,940	1,831,451
Total payroll expense	4,153,142	1,662,284	3,334,491	528,738	317,234	240,940	247,861	139,872	-	10,624,562	1,256,641	488,898	12,370,101
Rent and building maintenance	71,374	8,677	73,103	21,204	4,476	11,202	118	1,502	76,385	268,041	25,804	3,881	297,726
Depreciation and amortization	-	-	-	-	-	-	-	-	579,448	579,448	208	-	579,656
Direct care	23,969	653,743	275,759	56,206	43,284	212,845	19,713	25	-	1,285,544	22,877	26,665	1,335,086
Legal and accounting	-	-	-	3,648	-	-	-	-	-	3,648	84,450	-	88,098
Property taxes	-	2,414	-	115	-	-	-	-	364	2,893	13,028	-	15,921
Equipment leases and repairs	156,025	3,777	63,235	2,548	3,931	5,866	428	27,758	-	263,568	113,642	29,011	406,221
Vehicle maintenance, repair and parking	53,409	52,201	139,179	4,515	7,632	13,598	4,084	2,020	-	276,638	8,248	1,816	286,702
Supplies	25,899	7,005	8,974	2,952	6,704	628	890	1,183	2,329	56,564	1,565	16,987	75,116
Postage and printing	1,621	301	182	202	67	41	-	4,176	205	6,795	5,864	21,995	34,654
Telephone	54,655	21,826	36,183	14,519	7,583	9,295	1,097	1,974	7,244	154,376	14,156	3,411	171,943
Utilities	22,100	4,845	50,910	26,978	9,782	10,376	-	1,682	79,791	206,464	22,308	4,871	233,643
Promotions	5,083	1,315	1,385	146	1,705	106	-	710	-	10,450	-	22,027	32,477
Insurance	26,429	3,719	51,737	12,149	15,467	11,604	4,985	2,221	73,505	201,816	41,063	1,958	244,837
Interest	-	-	1,450	-	-	-	-	-	44,261	45,711	26,751	-	72,462
Training	86,935	1,911	50	60	5,135	3,827	250	30,746	-	128,914	17,138	684	146,736
Consulting and contract services	1,134,783	52,245	41,270	9,537	28,939	2,166	180	5,802	-	1,274,922	40,157	8,143	1,323,222
Dues and subscriptions	7,488	560	-	80	-	1,658	-	189	-	9,975	21,528	6,193	37,696
Professional medical fees	429,266	626	-	1,684	250	831	-	-	-	432,657	-	-	432,657
Management fees	-	-	-	18,700	-	-	-	-	66,055	84,755	23,958	-	108,713
Security	3,628	600	1,953	78,321	-	-	-	-	-	84,502	-	-	84,502
Bad debt expense	272,343	-	-	-	-	-	-	-	58,489	330,832	-	-	330,832
Other	28,784	5,596	4,675	2,453	7,055	1,697	2,000	2,766	5,416	60,442	24,748	17,618	102,808
Total expenses	\$ 6,556,933	\$ 2,483,645	\$ 4,084,536	\$ 784,755	\$ 459,244	\$ 526,680	\$ 281,606	\$ 222,626	\$ 993,492	\$ 16,393,517	\$ 1,764,134	\$ 654,158	\$ 18,811,809
	35%	13%	22%	4%	2%	3%	1%	1%	5%	87%	9%	4%	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, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
Cash Flows from Operating Activities:		
Increase in Net Assets	\$ 522,620	\$ 2,684,430
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation and amortization	833,938	579,656
Amortization of debt issuance costs	7,336	7,336
Contributions and pledges restricted for long-term purposes	-	(2,930,367)
Changes in assets and liabilities:		
(Increase) decrease:		
Contracts receivable - federal, state, and local	77,582	(612,393)
Accounts receivable	-	(10,120)
Unconditional promises to give	(959,706)	150,889
Prepaid expenses and other assets	(100,363)	44,548
Other assets	(52,392)	(44,781)
Increase (decrease):		
Accounts payable	427,685	5,212
Accrued expenses	35,320	187,777
Refundable advances	69,218	17,003
Total Adjustments	<u>338,618</u>	<u>(2,605,240)</u>
Net Cash Provided by Operating Activities	<u>861,238</u>	<u>79,190</u>
Cash Flows from Investing Activities:		
Issuance of notes receivable	-	(8,563,750)
Purchase of property and equipment	<u>(5,406,893)</u>	<u>(6,071,562)</u>
Net Cash Required by Investing Activities	<u>(5,406,893)</u>	<u>(14,635,312)</u>
Cash Flows from Financing Activities:		
Cash collected for long-term purposes	366,841	3,811,637
Borrowings on notes payable	-	12,610,000
Principal payments on debt	(76,667)	(78,823)
Net payments on line of credit	<u>(85,146)</u>	<u>(1,031,427)</u>
Net Cash Provided by Financing Activities	<u>205,028</u>	<u>15,311,387</u>
Increase (Decrease) in Cash and Cash Equivalents	(4,340,627)	755,265
Cash and Cash Equivalents, Beginning of Year	<u>8,626,472</u>	<u>7,871,207</u>
Cash and Cash Equivalents, End of Year	<u>\$ 4,285,845</u>	<u>\$ 8,626,472</u>
<u>Supplemental Cash Flow Information:</u>		
Cash Paid for Interest	<u>\$ 208,149</u>	<u>\$ 171,957</u>
Interest Capitalized	<u>\$ 36,998</u>	<u>\$ 108,281</u>

Non-Cash Operating and Investing Activities:

At December 31, 2019 and 2018, accounts payable - construction included construction in progress of approximately \$20,000 and \$563,000, respectively.

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

CHRIS 180, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 1 – NATURE OF ORGANIZATION

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 behavioral health counseling, training, safe housing and real-world skill building. During 2019, CHRIS 180 helped 9,603 people through its various programs and services and provided specialized training to an additional 2,971 community professionals, paraprofessionals and school personnel. 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.

CHRIS 180 is a multi-service behavioral health organization which exists to improve the lives of children, adults and families through innovative, trauma informed practices that inspire hope and help people throughout the community to be able to thrive. The organization accomplishes this purpose through a continuum of trauma informed services, partnerships and trainings designed to promote healing and 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 and in 2017 the charitable goal was increased 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 due to increased construction costs. Construction began in March 2018 and the New Market Tax Credit 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 titles to properties associated with the NMTC transaction were transferred from CHRIS 180 to the CHRIS 180 Support Organization, Inc., a related nonprofit 501(c)(3) organization. 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 New Markets Tax Credit program.

In May of 2019 CHRIS 180 relocated its administrative offices, the CHRIS Training Institute, CHRIS Adoption and CHRIS Community Programs to our new building, the Center of Excellence in Training, Education and Connections and celebrated with a Grand Opening in July 2019. The seven-acre site also includes two foster homes for sibling groups, a foster home for high acuity youth in foster care, and a duplex that will serve as an assessment home for youth in foster care and a home that supports a family at risk of their children entering foster care. This project was funded through the capital campaign.

CHRIS 180, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 1 – NATURE OF ORGANIZATION (Continued)

At December 31, 2019 and 2018, 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 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 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 Homes Properties, LLC owns residential properties, nine 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 who are homeless or aging out of foster care.

Life changing services were provided to 9,603 and 7,839 unduplicated individuals during 2019 and 2018, respectively. Specialized training through the CHRIS Training Institute was provided to 587 staff participants and an additional 2,971 unduplicated external participants in areas ranging from trauma informed practice, professional clinical services, working with transition age youth, working with LGBTQ+ youth, sexually exploited youth, and mental health first aid for the prevention of child sexual abuse, bullying and understanding diversity.

Trauma informed care is the centerpiece of CHRIS 180's work throughout all programs. 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. 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 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. One of our clinical supervisors serves on the Advisory Council for NCTSN.

CHRIS 180, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 1 – NATURE OF ORGANIZATION (Continued)

Service areas include: Behavioral Health, Community, Residential and Housing, and Training.

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 tough times so that they can feel better 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 in communities and through telehealth. CHRIS 180 was awarded an annually renewable five-year contract with Fulton County and began services in January 2018 to provide behavioral health services for uninsured children, adolescents and young adults up to age 25 who are residents of Fulton County. During 2019 CHRIS 180 opened a day treatment substance abuse program for teens and young adults in the North Fulton County location and opened the Westside Empowerment Center on the west side of Atlanta to provide behavioral health and community health worker services for adults.

CHRIS 180's special focus is on helping people recover from trauma. Therapists utilize 22 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. Partnerships with Emory University Medical School and the Morehouse School of Medicine enable psychiatric fellows to further their training and partnerships with several local colleges and provide supervised internship experiences for Masters level clinical interns.

During 2019, CHRIS 180 continued expansion of school-based counseling and completed year three of Project 180, a school based, trauma informed training and therapy initiative in four City of Atlanta Public Schools located in high poverty communities, which is funded through the Substance Abuse Mental Health Services Administration (SAMHSA).

Counseling locations include: the CHRIS Counseling Center-Atlanta; the Adamsville Health Center, Oakhill and the North Fulton Annex in Fulton County; the At Promise Youth Center and Westside Empowerment Center in Atlanta; the CHRIS Counseling Center-Gwinnett; 42 schools in the City of Atlanta (APS), Clayton County, DeKalb County and Fulton County Public School Systems; at partner locations; in the community; and, through TelePsychiatry.

CHRIS 180, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 1 – NATURE OF ORGANIZATION (Continued)

Behavioral Health Services (Continued)

During 2019, counseling was provided for 4,752 individuals across all locations. ACE scores for those served indicated a range from 38% to 89% had a score of four (4) or more across all client locations. Outcomes include:

- 100% received a trauma assessment
- 98% of families reported feeling less stress and improvement in family functioning
- 87% reported that they would recommend the CHRIS Counseling Center to others

Integrated Health Services

At the end of November 2019, CHRIS 180 opened our Integrated Health Clinic (IHC) in partnership with Mercy Care, a federally qualified health center. CHRIS 180 is providing behavioral health services and Mercy Care is providing physical health services. Renovation of an existing building adjacent to the Drop In Center for youth experiencing or at risk of homelessness, was completed utilizing capital campaign funding. The IHC is open two days a week to serve the community with the goal of being open four days per week. Its location next to the Drop In Center facilitates services to the homeless youth population. A Grand Opening was held in December.

Community Services

CHRIS 180 offers an expanding array of trauma informed community services designed to help children, adolescents and adults, strengthen families and build safe, resilient communities. Our unique approach combines a therapist with a caseworker who work in partnership with individuals and families to strengthen relationships within the family and help each family member build the skills necessary to thrive. Community services are often provided in partnership with other community providers and leverage each partner's strengths to accomplish goals. During 2019 2,485 individuals received help.

CHRIS 180, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 1 – NATURE OF ORGANIZATION (Continued)

Community Services (Continued)

Keeping Families Together (KFT)

CHRIS 180 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 2019, 33% - 52% of clients had an ACE of four (4) or more. Utilizing models that include High Fidelity WrapAround and Multi-Systemic Therapy, families were helped to navigate multiple systems and community resources while receiving prevention, reunification and support services that help them 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. 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. The success of these programs resulted in an amendment to CHRIS 180's contract with Fulton County Department of Behavioral Health to increase reentry services in Fulton County during the year. During 2019, 1,740 individuals received help.

- Safety was ensured for 100% of all children in all families
- 96% of families were strengthened, avoiding disruption through hospitalization, incarceration or the out-of-home placement of a child
- 98% of youth classified as designated juvenile felons graduated with no new juvenile charges and remained with their families, avoiding re-incarceration*
- 94% 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 180, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 1 – NATURE OF ORGANIZATION (Continued)

Community Services (Continued)

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 process by providing specialized foster homes for sibling groups in foster care who are often placed in hotels temporarily, are separated into different foster homes or for whom the separation of siblings can be avoided in the first place. During 2019, 91 individuals were served, 24 prospective parents completed training, six children were placed in their adoptive homes and 10 children were engaged in the matching process with prospective families.

There have been no adoption disruptions since the program's inception in 2013.

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), in mid 2017 the Clubhouse converted to a Drop In Center in order to focus on the crisis of youth homelessness by helping 16 – 26 year old young people make a safe transition to adulthood and assisting them in meeting their needs for safe housing, counseling, employment and support services. 51% of the youth served have an ACE score of four (4) or more. During 2019, the Drop In Center helped 221 youth.

Youth Build

The Youth Build program is funded through a three grant with the Department of Justice and was renewed for another three years in 2019. During 2019, 57 young adults, 67% of whom had an ACE score of four (4) or more, received help and 79% attained a GED and /or construction certification. A partnership with Atlanta Habitat and Quest Community Development provided opportunities for in the field construction experience.

CHRIS 180, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 1 – NATURE OF ORGANIZATION (Continued)

Community Services (Continued)

At Promise Youth Center

The At-Promise Youth Center 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 Raising Expectations. CHRIS 180 is the initial point of contact, is on call 24/7, 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 524 youth with therapy, case management services, life skills, GED, workforce development, tutoring, leadership development, substance abuse education and HIV testing. Of the youth between the ages of 15 and 18 served, 49% had an ACE score of four (4) or more and 73% of the young adults, ages 19 through 25, had an ACE score of four (4) or more. In addition, the At-Promise Center has helped 118 families and young adults who were or are homeless and 11 parents of participating youth received 40 hours of training to become certified peer specialists. Since the Center opened, over 700 unduplicated individuals in one of the most distressed and underserved communities in Atlanta have received help and assistance.

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 partners by creating partnerships designed to fulfill our missions in the most cost effective, efficient manner. To this end, during 2019, 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, 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, Purpose Built Schools, Kendezi Schools, YMCA, Sheltering Arms, United Way, and the Georgia Department of Family and Children Services. Other collaborative partnerships in 2019 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, and the juvenile courts of Fulton, DeKalb and Gwinnett Counties.

CHRIS 180, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 1 – NATURE OF ORGANIZATION (Continued)

Residential and Housing Services

JourneyZ Homes for Children in Foster Care

The JourneyZ 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, build resiliency and develop the skills they need to navigate life's challenges by giving them essential supports and a home in a neighborhood. 63% 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). During 2019, 126 foster children received a home, counseling and support. Outcomes include:

- 100% of children demonstrated improvement in life skills
- 100% participated in volunteer activities
- 87% completed a life skill goal
- 31% were successfully re-unified with relatives or adopted
- 88% of youth who aged out chose to move to Summit Trail Apartments which is owned and operated by CHRIS 180

TransitionZ for Homeless and Aging Out Youth and Young Adults

Service components include emergency assistance, emergency/transitional housing, permanent supportive housing at Summit Trail Apartments and street outreach. The goal of services is to help single and parenting homeless youth and those aging out of foster care become self-sufficient adults through a combination of housing, counseling 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 2019, the Emergency Shelter/Transitional Living Program provided emergency housing, support, individualized counseling, life coaching and parenting skills training for 19 youth, ages 17 – 21. While participating in the program:
 - 88% were working and/or in school
 - 93% transitioned to supportive housing at Summit Trail Apartments
 - 100% were safely housed upon leaving the program
 - 88% continued working with their Life Coach after discharge

CHRIS 180, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 1 – NATURE OF ORGANIZATION (Continued)

Residential and Housing Services (Continued)

TransitionZ for Homeless and Aging Out Youth and Young Adults (Continued)

During 2019, permanent supportive housing was provided at Summit Trail Apartments for 69 traumatized, homeless youth and youth aging out of foster care. Of these youth, 74% had an ACE score of 4 or more. Parenting young adults had a total of 10 children. The average length of stay in the program was 15.4 months.

While living in the apartments:

- 88% of young people were working and/or in school
- 92% completed a Life Skill goal
- 74% maintained employment for 90 days or longer
- 100% of high school seniors graduated
- 34% were enrolled in a certification program, technical school or college
- 64% 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:

- 79% demonstrated improved knowledge of community resources
- 84% demonstrated improved money management skills
- 91% demonstrated improved knowledge about managing their personal healthcare needs
- 100% demonstrated improvement in life skills

Two-year post discharge outcomes:

- 96% are safely housed
- 85% are employed and/or in school

Four-year + post discharge outcomes:

- 98% are safely housed
- 94% are employed and/or in school

CHRIS 180, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 1 – NATURE OF ORGANIZATION (Continued)

Residential and Housing Services (Continued)

Outreach and Community Housing

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. Since the end of 2017, CHRIS 180 increased efforts to prevent homelessness by expanding bridge housing options while working to help young adults secure more permanent housing and worked with more with partners in the Continuum of Care for street outreach. Partners include the Salvation Army, Partners for Home, Quest Community Development, Open Doors and the Westside Future Fund. During 2019, families with 237 children and 378 young adults were safely housed. Seven families received FLOW vouchers and moved into their first homes. 78% of young adults served had an ACE score of four (4) or more. Outcomes include:

- 99% became and remain housed
- 94% are working
- 27% of those working are also in school

During 2019, support, assistance, resource guides and referrals were provided to 347 homeless youth through face to face meetings and telephone follow up support. An additional 1,499 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.

CHRIS 180, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 1 – NATURE OF ORGANIZATION (Continued)

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. During 2019, 2,971 unduplicated external individuals attended trainings. Of these, 1,098 individuals participated in one to three days of training in Trauma STARs, CHRIS 180's signature trauma training program, in addition to 1,853 school personnel. In addition, 587 internal staff participants were trained in the prevention of child sexual abuse and understanding the impact of trauma. Training in Working with LGBT Youth and Bullying was provided to 383 individuals. During 2019, 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.

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").

New Accounting Policies

In May 2014, the FASB issued Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers*, which supersedes most of the current revenue recognition requirements. The underlying principle is that an entity will recognize revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. The Organization adopted ASU No. 2014-09 on January 1, 2019 on a modified retrospective basis. The Organization performed an analysis of revenue streams and transactions under ASU 2014-09 and determined the impact of adopting ASU 2014-09 did not have a significant impact on the consolidated financial position, change in net assets, cash flows, business processes or systems of the Organization.

CHRIS 180, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

New Accounting Policies (Continued)

In June 2018, the FASB issued ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The amendments in this update provide a framework for evaluating whether the transfer of assets constitutes a contribution or an exchange transaction. This amendment also provides additional clarification as to whether or not a contribution is conditional. The Organization adopted ASU 2018-08 on January 1, 2019. There was no significant impact to the consolidated financial position, statement of activities and changes in net assets, or net assets of the Organization as a result of implementation.

Reclassifications

Certain reclassifications have been made to the 2018 financial statements to conform with the 2019 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.

CHRIS 180, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

CHRIS 180, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue and Revenue Recognition (Continued)

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 2019 or 2018 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 \$242,155 and \$172,937, that have not been recognized at December 31, 2019 and 2018, 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.

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. All accounts receivable from tenants and unconditional promises to give were considered collectible at December 31, 2019 and 2018 and accordingly no allowance for doubtful accounts was recorded. At December 31, 2019 and 2018, allowances in the amount of \$426,926 and \$292,815, 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.

CHRIS 180, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 2 – 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 \$210,603 and at \$136,535, respectively, have been reflected in the consolidated statement of activities for the years ending December 31, 2019 and 2018. 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, 2019 and 2018.

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.

CHRIS 180, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2016.

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 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.

The Organization has experienced a disruption of normal business operations caused from COVID-19 since December 31, 2019. 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.

CHRIS 180, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 3 – CASH AND CASH EQUIVALENTS

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

	<u>2019</u>	<u>2018</u>
Without Donor Restrictions	\$ 2,519,683	\$ 1,493,410
HUD restricted operating deficit reserve	<u>85,231</u>	<u>85,188</u>
Cash and cash equivalents	2,604,914	1,578,598
Cash with contractual restrictions for capital improvements	569,273	5,444,522
Cash with donor restrictions for capital improvements	<u>1,111,658</u>	<u>1,603,352</u>
Total Cash and Cash Equivalents	<u><u>\$ 4,285,845</u></u>	<u><u>\$ 8,626,472</u></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, 2019 AND 2018

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, 2019 and 2018 are as follows:

	<u>2019</u>	<u>2018</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 4,285,845	\$ 8,626,472
Contracts receivable - federal, state and local, net	2,007,056	2,084,638
Unconditional promises to give, net	1,879,334	1,286,469
Notes receivable - NMTC	<u>8,563,750</u>	<u>8,563,750</u>
Total financial assets	16,735,985	20,561,329
Less amounts not available for general expenditures within one year:		
Cash restricted for capital campaign purposes	(1,111,658)	(1,603,351)
Cash with contractual restrictions	(569,273)	(5,444,522)
Internally designated cash	(1,422,372)	(1,006,868)
Capital campaign promises to give, net	(628,654)	(994,898)
Notes receivable - NMTC	<u>(8,563,750)</u>	<u>(8,563,750)</u>
Financial assets available to meet general expenditures within one year	<u>\$ 4,440,278</u>	<u>\$ 2,947,940</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.

CHRIS 180, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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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.

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

	<u>2019</u>	<u>2018</u>
State contract receivables:		
DHS contracts	\$ 430,170	\$ 427,660
Georgia Department of Juvenile Justice	227	6,588
Gwinnett County Juvenile Justice	37,880	49,149
Lookout Mountain Community Services	39,288	42,826
Georgia DBHDD Board	371,683	207,033
Various other DFCS county offices	21,110	-
Multi-Agency Alliance for Children	78,913	71,072
Georgia Department of Health and Human Services - SAMSA Grant	203,166	121,576
US Department of Housing and Urban Development	-	82,584
US Department of Justice	36,332	-
Amerigroup - WRAP	-	58,582
Fulton County	352,805	384,286
Other contracts and receivables	14,819	118,790
Total state contract receivables	<u>1,586,393</u>	<u>1,570,146</u>
Other contract receivables:		
Medicaid	31,918	100,050
Care management organizations	529,302	572,301
Other	286,369	134,956
Total other contract receivables	<u>847,589</u>	<u>807,307</u>
Less allowance for doubtful accounts	<u>(426,926)</u>	<u>(292,815)</u>
Total contracts receivable	<u>\$ 2,007,056</u>	<u>\$ 2,084,638</u>

CHRIS 180, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 6 – NOTE RECEIVABLE

During 2018, the Organization entered into a note receivable with an investment fund to facilitate the New Markets Tax Credit transaction as described in Note 17. The note receivable totaled \$8,563,750 with an interest rate of 1.42% as of December 31, 2019 and 2018. 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.

NOTE 7 – UNCONDITIONAL PROMISES TO GIVE, NET

During 2016, the Organization began a capital campaign to raise funds to create four new homes for foster children, relocate a group home, create an assessment/family preservation home, renovate seven existing homes for foster children, 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. As of December 31, 2019, and 2018, the receivable remaining was \$1,879,334 and \$1,286,469, respectively. 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 consist of the following at December 31:

	<u>2019</u>	<u>2018</u>
United Way of Metropolitan Atlanta	\$ 155,876	\$ 131,987
Foundations	1,005,000	25,186
Capital campaign pledges	635,184	994,898
Other	<u>83,274</u>	<u>134,398</u>
	<u><u>\$ 1,879,334</u></u>	<u><u>\$ 1,286,469</u></u>

CHRIS 180, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 7 – UNCONDITIONAL PROMISES TO GIVE, NET (Continued)

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

	<u>2019</u>	<u>2018</u>
Amounts due in:		
Less than one year	\$ 1,315,199	\$ 675,825
One to five years	632,376	655,192
Less:		
Discount on pledges	<u>(68,241)</u>	<u>(44,548)</u>
	<u>\$ 1,879,334</u>	<u>\$ 1,286,469</u>

NOTE 8 – PROPERTY AND EQUIPMENT, NET

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

	<u>2019</u>	<u>2018</u>
Land	\$ 1,228,646	\$ 1,228,646
Residential rental property and improvements	23,275,865	12,756,444
Furniture and equipment	2,975,760	1,952,144
Vehicles	442,456	329,303
Construction in process	<u>10,671</u>	<u>6,810,597</u>
	27,933,398	23,077,134
Less accumulated depreciation	<u>(7,305,412)</u>	<u>(6,479,018)</u>
	<u>\$ 20,627,986</u>	<u>\$ 16,598,116</u>

For the years ended December 31, 2019 and 2018, depreciation expense for all assets was \$833,938 and \$579,656, respectively.

CHRIS 180, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 9 – OPERATING LEASE COMMITMENTS

The Organization leases office equipment and a vehicle under arrangements that qualify as non-cancelable operating leases. The Organization also has a lease agreement for a CHRIS Counseling Center outreach office in Gwinnett County, Georgia. Subsequent to December 31, 2019, the Organization entered into a lease for additional space to be paid over 88 months. The annual minimum lease payments for all these leases are as follows at December 31:

2020	\$ 143,991
2021	170,611
2022	156,839
2023	147,948
2024	155,516
Thereafter	<u>325,448</u>
	<u>\$ 1,100,353</u>

Total rental and lease expense for all leases for the years ended December 31, 2019 and 2018, including several month-to-month leases, was \$199,058 and \$138,794, 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 4.75% for the year ended December 31, 2019. The line of credit had no outstanding balance as of December 31, 2019. At December 31, 2018 the balance was of \$85,146.

CHRIS 180, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 11 – NOTES PAYABLE

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

	<u>2019</u>	<u>2018</u>
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	\$ 718,189	\$ 747,702
3.25% fixed rate vehicle loan, due in monthly installments of \$431, including principal and interest through November 23, 2020; collateralized by a van held by CHRIS Homes Properties, LLC	<u>4,729</u>	<u>9,677</u>
	<u>722,918</u>	<u>757,379</u>
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	3,373,433	3,415,639
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	<u>315,000</u>	<u>315,000</u>
	18,421,351	18,498,018
Less unamortized debt issuance costs	<u>(17,713)</u>	<u>(25,049)</u>
	<u>\$ 18,403,638</u>	<u>\$ 18,472,969</u>

CHRIS 180, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 11 – NOTES PAYABLE (Continued)

Debt issuance costs are amortized over the duration of the related loans. The life of the loans currently range from 5 to 20 years. For both of the years ended December 31, 2019 and 2018, amortization charged to expense for the notes payable was \$7,336.

Aggregate principal maturities of debt subsequent to December 31, 2019 are as follows:

2020	\$ 2,166,734
2021	42,098
2022	40,268
2023	38,322
2024	36,254
Thereafter	16,097,675
	<u>\$ 18,421,351</u>

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, 2019 and 2018, \$3,373,433 and \$3,415,639, 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, 2019 and 2018 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.

CHRIS 180, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 11 – NOTES PAYABLE (Continued)

The Organization has a loan with the Federal Home Loan Bank of Atlanta. The principal sum at December 31, 2019 and 2018 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.

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 2019 and 2018 were \$88,771 and \$53,913, 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 \$46,000 and \$37,225 to this plan for the years ended December 31, 2019 and 2018, respectively.

CHRIS 180, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

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>2019</u>	<u>2018</u>
Subject to expenditure for specified purpose:		
United Way of Metropolitan Atlanta	\$ 106,987	\$ 83,654
Community Health Workers	-	320,000
Counseling Services	-	156,667
Community Housing	-	70,825
JourneyZ and TransitionZ	550,000	37,500
Trauma, Treatment, and Training Initiative	9,583	42,633
School Based Mental Health	220,000	100,000
Westside Legacy/At Promise	150,000	-
Cure the Violence	100,000	-
Capital Campaign Cash and Pledges	1,754,122	2,598,249
Capacity building	450,000	-
Other	-	100,350
	<u>3,340,692</u>	<u>3,509,878</u>
 Subject to the passage of time:		
Foundation Contributions	<u>50,000</u>	<u>-</u>
 Total net assets with donor restrictions	<u>\$ 3,390,692</u>	<u>\$ 3,509,878</u>

CHRIS 180, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

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>2019</u>	<u>2018</u>
United Way	\$ 190,641	\$ 296,042
Capital Improvements	844,127	7,693,267
Counseling Services	56,667	140,000
Community Housing	70,825	29,175
JourneyZ and TransitionZ	87,500	50,000
Trauma, Treatment, and Training Initiative	148,050	100,962
LGBT Youth	-	55,000
School Based Mental Health	130,000	157,793
Westside Legacy/At Promise	570,350	-
Capital Campaign Management	-	80,025
Debt reduction	-	839,041
Operating and maintenance reserve	-	1,000,000
Other	25,000	134,188
Total net assets with donor restrictions	<u>\$ 2,123,160</u>	<u>\$ 10,575,493</u>

NOTE 16 – BOARD DESIGNATED NET ASSETS

Board designated net assets consist of funds collected from the capital campaign 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>2019</u>	<u>2018</u>
Operating reserve	\$ 507,990	\$ 503,434
Sustainability reserve	406,392	-
Maintenance reserve	507,990	503,434
Total board restricted net assets	<u>\$ 1,422,372</u>	<u>\$ 1,006,868</u>

CHRIS 180, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 17 – 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 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, 2019 and 2018, was \$569,273 and \$5,444,522, respectively, and is shown as contractually restricted net assets on the consolidated statement of financial position.

SUPPLEMENTARY INFORMATION

CHRIS 180, INC. AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2019

	<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>
ASSETS							
Cash and cash equivalents	\$ 2,491,908	\$ 4,773	\$ 101,613	\$ 6,620	\$ -	\$ -	\$ 2,604,914
Cash restricted for capital improvements	1,111,658	-	-	-	569,273	-	1,680,931
Contracts receivable - federal, state, and local	1,981,723	-	-	-	25,333	-	2,007,056
Unconditional promises to give, net	1,879,334	-	-	-	-	-	1,879,334
Notes receivable - NMTC	8,563,750	-	-	-	-	-	8,563,750
Prepaid expenses and other assets	200,408	-	4,770	-	6,667	(6,667)	205,178
Property and equipment, net	-	737,443	4,914,525	2,968,604	12,007,414	-	20,627,986
Other assets	10,669	-	216,724	-	-	-	227,393
	<u>\$ 16,239,450</u>	<u>\$ 742,216</u>	<u>\$ 5,237,632</u>	<u>\$ 2,975,224</u>	<u>\$ 12,608,687</u>	<u>\$ (6,667)</u>	<u>\$ 37,796,542</u>
LIABILITIES AND NET ASSETS							
Liabilities							
Accounts payable	\$ 754,463	\$ 1,954	\$ 2,786	\$ -	\$ -	\$ -	\$ 759,203
Accounts payable - construction	-	-	-	-	19,873	-	19,873
Accrued expenses	797,696	3,085	32,874	3,085	12,812	(6,667)	842,885
Deferred revenue	242,155	-	-	-	-	-	242,155
Notes payable, net	-	718,108	5,075,530	-	12,610,000	-	18,403,638
Total Liabilities	<u>1,794,314</u>	<u>723,147</u>	<u>5,111,190</u>	<u>3,085</u>	<u>12,642,685</u>	<u>(6,667)</u>	<u>20,267,754</u>
Net Assets							
Without donor restrictions:							
Available for operations	1,068,322	(266)	287,447	3,535	19,188	-	1,378,226
Board designated	1,422,372	-	-	-	-	-	1,422,372
Contractually restricted	-	-	-	-	569,273	-	569,273
Expended for (invested in) property and equipment, net of debt	8,563,750	19,335	(161,005)	2,968,604	(622,459)	-	10,768,225
Total net assets without donor restrictions	11,054,444	19,069	126,442	2,972,139	(33,998)	-	14,138,096
With donor restrictions	3,390,692	-	-	-	-	-	3,390,692
Total Net Assets	<u>14,445,136</u>	<u>19,069</u>	<u>126,442</u>	<u>2,972,139</u>	<u>(33,998)</u>	<u>-</u>	<u>17,528,788</u>
Total Liabilities and Net Assets	<u>\$ 16,239,450</u>	<u>\$ 742,216</u>	<u>\$ 5,237,632</u>	<u>\$ 2,975,224</u>	<u>\$ 12,608,687</u>	<u>\$ (6,667)</u>	<u>\$ 37,796,542</u>

See Independent Auditors' Report on Supplementary Information

CHRIS 180, INC. AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2019

	CHRIS Operations, LLC	CHRIS Homes Properties, LLC	CHRIS Properties Graham Circle, LLC	CHRIS Properties, LLC	CHRIS 180 Support Organization, Inc.	Eliminations	Consolidated
Changes in net assets without donor restrictions							
Revenues, gains and support							
Government and other grants and contracts	\$ 14,239,695	\$ -	\$ 308,919	\$ -	\$ -	\$ -	\$ 14,548,614
Fee for service revenue	4,101,889	-	-	-	-	-	4,101,889
Contributions	1,717,444	-	-	-	-	-	1,717,444
In-kind donations	343,645	-	-	-	-	-	343,645
Interest income	148,373	2	-	3	-	-	148,378
Special event revenue, net of \$378,742 in direct expenses	317,325	-	-	-	-	-	317,325
Rental income	-	-	86,084	-	-	-	86,084
Rent and lease income from related party	-	384,000	-	303,708	105,333	(793,041)	-
Other income	359,976	-	3,668	-	-	(199,200)	164,444
Total revenues	21,228,347	384,002	398,671	303,711	105,333	(992,241)	21,427,823
Net assets released from restrictions	2,123,160	-	-	-	-	-	2,123,160
Total revenues, gains and support without donor restrictions	23,351,507	384,002	398,671	303,711	105,333	(992,241)	23,550,983
Expenses							
Program services							
Counseling Services	8,042,947	-	-	-	-	(165,244)	7,877,703
Community Services & Keeping							
Families Together	3,774,928	-	-	-	-	(27,906)	3,747,022
JourneyZ	4,705,307	-	-	-	-	(264,000)	4,441,307
TransitionZ	715,467	-	-	-	-	(21,000)	694,467
Clubhouse	543,605	-	-	-	-	(30,000)	513,605
AdoptionZ	676,134	-	-	-	-	(72,000)	604,134
Youth Build	201,750	-	-	-	-	-	201,750
Training Center	381,078	-	-	-	-	(21,600)	359,478
Housing and Property	-	248,555	704,018	213,586	525,441	(199,200)	1,492,400
Total program services	19,041,216	248,555	704,018	213,586	525,441	(800,950)	19,931,866
Supporting services							
Management and general	2,377,540	-	-	-	-	(182,291)	2,195,249
Fundraising	791,062	-	-	-	-	(9,000)	782,062
Total expenses	22,209,818	248,555	704,018	213,586	525,441	(992,241)	22,909,177
Increase (decrease) in net assets without donor restrictions before transfers							
	1,141,689	135,447	(305,347)	90,125	(420,108)	-	641,806
Transfer of net assets without donor restrictions to related parties	(341,165)	(85,429)	267,752	7,051	151,791	-	-
Increase (decrease) in net assets without donor restrictions	800,524	50,018	(37,595)	97,176	(268,317)	-	641,806
Changes in net assets with donor restrictions:							
Contributions	1,994,029	-	-	-	-	-	1,994,029
Interest income	9,945	-	-	-	-	-	9,945
Net assets released from restrictions	(2,123,160)	-	-	-	-	-	(2,123,160)
Decrease in net assets with donor restrictions	(119,186)	-	-	-	-	-	(119,186)
Increase (decrease) in net assets	681,338	50,018	(37,595)	97,176	(268,317)	-	522,620
Net assets, beginning of year	13,763,798	(30,949)	164,037	2,874,963	234,319	-	17,006,168
Net assets, end of year	\$ 14,445,136	\$ 19,069	\$ 126,442	\$ 2,972,139	\$ (33,998)	\$ -	\$ 17,528,788

See Independent Auditors' Report on Supplementary Information