

CHRIS 180, INC. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021
and
SUPPLEMENTARY INFORMATION

with
INDEPENDENT AUDITORS' REPORT

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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of CHRIS 180, Inc. and Subsidiaries (the "Organization"), which comprise the consolidated statements of financial position as of December 31, 2022 and 2021, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Other Matters

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying Consolidating Statements of Financial Position and Activities as of and for the year ending December 31, 2022 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Smith and Howard

May 8, 2023

CHRIS 180, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2022 AND 2021

ASSETS

	<u>2022</u>	<u>2021</u>
Current Assets		
Cash and cash equivalents	\$ 7,697,459	\$ 5,857,544
Contracts receivable - federal, state, and local, net	3,970,160	3,870,685
Unconditional promises to give, current portion	416,934	895,451
Prepaid expenses and other assets	247,033	176,440
Total Current Assets	12,331,586	10,800,120
Cash restricted for capital improvements	533,592	1,028,207
Unconditional promises to give, net of current portion and present value discount	73,067	-
Note receivable - NMTC	8,563,750	8,563,750
Property and equipment, net	19,134,560	19,109,942
Right-of-use assets	700,034	-
Other assets	377,276	630,230
	29,382,279	29,332,129
	\$ 41,713,865	\$ 40,132,249

LIABILITIES AND NET ASSETS

	<u>2022</u>	<u>2021</u>
Current Liabilities		
Accounts payable	\$ 698,608	\$ 493,827
Accrued expenses	1,669,603	1,384,936
Refundable advances	8,000	60,000
Operating lease liabilities, current portion	171,018	-
Notes payable, current portion	67,060	70,633
Total Current Liabilities	2,614,289	2,009,396
Long-Term Liabilities		
Operating lease liabilities, net of current portion	583,714	-
Notes payable, net of current portion and unamortized debt issuance costs	18,028,012	18,088,208
Total Liabilities	21,226,015	20,097,604
Net Assets		
Without donor restrictions:		
Available for operations	6,080,694	6,564,673
Board designated	2,039,529	1,632,723
Contractually restricted	240,078	367,488
Expended for property and equipment, net of debt	9,603,238	9,514,851
Total net assets without donor restrictions	17,963,539	18,079,735
With donor restrictions	2,524,311	1,954,910
Total net assets	20,487,850	20,034,645
	\$ 41,713,865	\$ 40,132,249

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, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
Changes in net assets without donor restrictions		
Revenues, gains and support		
Government grants and contracts	\$ 23,559,868	\$ 19,357,322
Fee for service revenues	5,197,217	5,525,054
Contributions	2,205,226	2,373,731
In-kind contributions	355,806	953,548
Interest income	127,272	124,178
Special event revenue, net of \$276,259 and \$221,893 in direct expenses for 2022 and 2021, respectively	446,167	582,183
Rental income	231,907	156,989
Other income	367,676	315,224
Total revenues, gains and support	<u>32,491,139</u>	<u>29,388,229</u>
Net assets released from restrictions	<u>1,901,089</u>	<u>2,649,048</u>
Total revenues, gains and support without donor restrictions	<u>34,392,228</u>	<u>32,037,277</u>
Expenses:		
Program services		
Counseling Services	11,616,226	10,104,218
Community Services & Keeping Families Together	4,429,058	4,748,556
JourneyZ	1,982,279	4,060,445
TransitionZ	610,972	691,861
Clubhouse/Drop In Center	499,511	427,996
AdoptionZ	576,577	596,467
Migrant Wellness	2,960,754	532,657
Training Institute	1,336,037	1,488,564
Housing and Property	2,015,502	1,776,693
Zones 1 & 3	2,466,710	1,790,313
Total program services	<u>28,493,626</u>	<u>26,217,770</u>
Supporting services		
Management and general	4,870,121	3,749,185
Fundraising	1,145,993	1,330,336
Total expenses	<u>34,509,740</u>	<u>31,297,291</u>
Change in net assets without donor restrictions	<u>(117,512)</u>	<u>739,986</u>
Changes in net assets with donor restrictions:		
Contributions	2,470,500	1,345,454
Interest income	1,306	4,435
Net assets released from restrictions	<u>(1,901,089)</u>	<u>(2,649,048)</u>
Change in net assets with donor restrictions	<u>570,717</u>	<u>(1,299,159)</u>
Change in net assets	453,205	(559,173)
Net assets, beginning of year	<u>20,034,645</u>	<u>20,593,818</u>
Net assets, end of year	<u>\$ 20,487,850</u>	<u>\$ 20,034,645</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, 2022

	Counseling Services	Community Services & Keeping Families Together	JourneyZ	TransitionZ	Clubhouse / Drop In Center	AdoptionZ	Migrant Wellness	Training Institute	Housing and Property	Zones 1 & 3	Total Program	Management and General	Fundraising	Total Expenses
Salaries and wages	\$ 7,576,230	\$ 2,434,272	\$ 1,324,345	\$ 412,442	\$ 320,827	\$ 275,548	\$ 1,805,923	\$ 937,987	\$ -	\$ 1,705,019	\$ 16,792,593	\$ 2,274,495	\$ 509,925	\$ 19,577,013
Benefits and payroll taxes	1,687,862	542,317	295,043	91,886	71,475	61,388	402,331	208,968	-	379,851	3,741,121	506,719	113,603	4,361,443
Total payroll expense	9,264,092	2,976,589	1,619,388	504,328	392,302	336,936	2,208,254	1,146,955	-	2,084,870	20,533,714	2,781,214	623,528	23,938,456
Bad debt expense	-	-	-	-	-	-	-	-	-	-	-	41,547	-	41,547
Consulting and contract services	1,088,726	130,410	25,739	6,137	6,826	4,123	73,158	66,915	-	55,137	1,457,171	732,983	85,728	2,275,882
Depreciation and amortization	-	-	-	-	-	-	-	-	1,227,843	-	1,227,843	-	-	1,227,843
Direct care	149,135	1,177,308	121,092	81,644	55,797	109,154	160,930	2,177	-	190,747	2,047,984	24,088	75,666	2,147,738
Dues and subscriptions	4,910	1,379	3,890	410	891	1,251	4,203	26,960	-	-	43,894	71,557	5,407	120,858
Equipment leases and repairs	14,232	125	7,842	-	3,177	2,377	14,998	571	-	3,421	46,743	55,169	1,045	102,957
Insurance	40,189	9,758	22,135	6,188	6,027	12,612	35,524	6,228	57,397	17,839	213,897	148,747	1,664	364,308
Interest	-	-	-	-	-	-	-	-	161,530	-	161,530	102	-	161,632
Legal and accounting	-	-	-	-	-	-	-	-	-	203	203	209,017	-	209,220
Management fees	-	-	-	-	-	-	-	-	104,817	-	104,817	96,783	-	201,600
Other	38,630	10,885	1,779	1,360	2,984	1,215	7,875	5,793	73,571	10,552	154,644	15,245	17,165	187,054
Postage and printing	3,468	-	-	125	325	29	-	-	-	718	4,665	7,020	39,320	51,005
Professional medical fees	499,473	-	-	-	1,200	-	-	-	-	7,650	508,323	-	-	508,323
Promotions	28,157	686	-	-	661	26,532	-	116	-	9,108	65,260	49,681	36,875	151,816
Rent and building maintenance	183,817	27,790	28,701	1,742	10,519	7,719	173,263	-	192,147	38,622	664,320	142,233	9,167	815,720
Security	29,684	10,885	48,714	-	8,401	7,180	114,297	1,379	52,096	4,819	277,455	61,581	530	339,566
Special events	41,584	324	-	-	198	100	645	898	-	1,171	44,920	-	241,867	286,787
Supplies	-	-	-	-	-	-	-	-	14,115	-	14,115	-	-	14,115
Telephone	56,381	33,966	51,075	5,988	3,640	6,006	72,805	1,378	-	939	232,178	229,804	-	461,982
Training	103,728	14,127	1,995	2,545	4,237	45,350	936	75,038	-	24,076	272,032	22,504	3,190	297,726
Travel and Transportation	62,981	33,225	25,235	505	1,961	5,251	57,700	857	-	16,643	204,358	68,830	3,884	277,072
Utilities	7,039	1,601	24,694	-	365	10,742	36,166	772	131,986	195	213,560	112,016	957	326,533
Total expenses	\$ 11,616,226	\$ 4,429,058	\$ 1,982,279	\$ 610,972	\$ 499,511	\$ 576,577	\$ 2,960,754	\$ 1,336,037	\$ 2,015,502	\$ 2,466,710	\$ 28,493,626	\$ 4,870,121	\$ 1,145,993	\$ 34,509,740
	34%	13%	6%	2%	1%	2%	9%	4%	6%	6%	83%	14%	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, 2021

	Counseling Services	Community Services & Keeping Families Together	JourneyZ	TransitionZ	Clubhouse / Drop In Center	AdoptionZ	Migrant Wellness	Training Institute	Housing and Property	Zones 1 &3	Total Program	Management and General	Fundraising	Total Expenses
Salaries and wages	\$ 6,405,915	\$ 2,522,773	\$ 2,861,049	\$ 459,211	\$ 275,396	\$ 285,295	\$ 329,769	\$ 1,038,602	\$ -	\$ 1,183,258	\$ 15,361,268	\$ 1,856,761	\$ 462,335	\$ 17,680,364
Benefits and payroll taxes	1,182,623	660,465	454,150	152,142	58,136	53,396	24,133	225,657	-	192,218	3,002,920	687,054	68,933	3,758,907
Total payroll expense	7,588,538	3,183,238	3,315,199	611,353	333,532	338,691	353,902	1,264,259	-	1,375,476	18,364,188	2,543,815	531,268	21,439,271
Bad debt expense	-	-	-	-	-	-	-	-	-	-	-	431,571	-	431,571
Consulting and contract services	1,077,483	141,408	43,997	14,180	12,214	24,161	4,757	60,992	-	139,447	1,518,639	151,650	66,231	1,736,520
Depreciation and amortization	-	-	-	-	-	-	-	-	1,052,598	-	1,052,598	-	-	1,052,598
Direct care	110,766	1,306,240	355,003	45,329	40,749	130,160	33,593	5,921	-	131,954	2,159,715	20,567	656,455	2,836,737
Dues and subscriptions	13,104	1,098	8,428	882	407	1,369	440	20,686	-	192	46,606	34,906	1,824	83,336
Equipment leases and repairs	72,706	6,778	19,282	473	6,646	4,766	25,249	6,320	-	9,529	151,749	21,758	2,590	176,097
Insurance	52,515	16,391	39,921	9,854	11,969	21,178	17,302	7,752	30,246	19,612	226,740	83,750	2,211	312,701
Interest	-	-	-	-	-	-	-	-	204,018	-	204,018	-	-	204,018
Legal and accounting	-	-	-	-	-	-	-	-	5,066	-	5,066	144,003	-	149,069
Management fees	-	-	-	-	-	-	-	-	213,600	-	213,600	-	-	213,600
Other	61,522	-	7,280	1,567	2,024	1,078	2,189	2,849	31,711	7,802	118,022	12,143	24,708	154,873
Postage and printing	2,671	136	-	-	-	223	-	648	-	1,108	4,786	3,902	19,266	27,954
Professional medical fees	527,830	-	-	-	-	-	-	-	-	12,900	540,730	-	-	540,730
Promotions	14,086	1,067	971	431	907	50	264	138	-	4,837	22,751	47,433	6,998	77,182
Rent and building maintenance	203,114	9,370	52,892	96	2,536	9,601	31,603	3,561	51,982	43,049	407,804	10,082	1,468	419,354
Security	49,360	9,112	42,476	2,275	4,296	29,005	19,047	22,302	-	3,158	181,031	37,859	8,446	227,336
Supplies	-	-	-	-	-	-	-	-	13,796	-	13,796	-	-	13,796
Telephone	170,341	16,118	72,975	4,471	150	6,894	3,063	780	-	4,344	279,136	157,477	-	436,613
Training	106,299	8,825	863	72	3,986	963	2,019	61,242	-	26,957	211,226	11,842	4,221	227,289
Travel and Transportation	18,135	41,548	53,917	878	3,811	8,476	23,849	19,932	-	9,842	180,388	12,020	423	192,831
Utilities	35,748	7,227	47,241	-	4,769	19,852	15,380	11,182	173,676	106	315,181	24,407	4,227	343,815
Total expenses	\$ 10,104,218	\$ 4,748,556	\$ 4,060,445	\$ 691,861	\$ 427,996	\$ 596,467	\$ 532,657	\$ 1,488,564	\$ 1,776,693	\$ 1,790,313	\$ 26,217,770	\$ 3,749,185	\$ 1,330,336	\$ 31,297,291
	32%	15%	13%	2%	1%	2%	2%	5%	6%	6%	84%	12%	4%	100%

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

CHRIS 180, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
Cash Flows from Operating Activities:		
Change in Net Assets	\$ 453,205	\$ (559,173)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Required) by Operating Activities:		
Provisions for uncollectible receivables	71,733	431,571
Change in present value discount on unconditional promises to give	26,933	(91,306)
Depreciation and amortization	1,227,843	1,052,598
Amortization of debt issuance costs	3,891	2,645
Lease expense	175,600	-
Payments on operating leases	(175,332)	-
Gain on disposal of fixed assets	(260,293)	(395)
Changes in assets and liabilities:		
(Increase) decrease:		
Contracts receivable - federal, state, and local	(141,022)	(1,438,174)
Unconditional promises to give	206,109	12,611
Prepaid expenses and other assets	(70,593)	133,123
Other assets	252,954	(341,415)
Increase (decrease):		
Accounts payable	204,781	126,689
Accrued expenses	339,097	166,604
Refundable advances	(52,000)	16,258
Total Adjustments	<u>1,809,701</u>	<u>70,809</u>
Net Cash Provided (Required) by Operating Activities	<u>2,262,906</u>	<u>(488,364)</u>
 Cash Flows from Investing Activities:		
Proceeds from sale of property and equipment	248,101	-
Purchase of property and equipment	(1,240,269)	(468,121)
Net Cash Required by Investing Activities	<u>(992,168)</u>	<u>(468,121)</u>
 Cash Flows from Financing Activities:		
Cash collected for long-term purposes	142,222	-
Principal payments on notes payable	(67,660)	(61,685)
Net Cash Provided (Required) by Financing Activities	<u>74,562</u>	<u>(61,685)</u>
 Increase (Decrease) in Cash and Cash Equivalents	1,345,300	(1,018,170)
 Cash and Cash Equivalents, Beginning of Year	<u>6,885,751</u>	<u>7,903,921</u>
 Cash and Cash Equivalents, End of Year	<u>\$ 8,231,051</u>	<u>\$ 6,885,751</u>
 <u>Supplemental Cash Flow Information:</u>		
 Cash paid for interest	<u>\$ 504,432</u>	<u>\$ 201,373</u>

Non-Cash Operating Activities:

On January 1, 2022, the Organization adopted Accounting Standards Update ("ASU") 2016-02, *Leases (Topic 842)*. The adoption of this ASU resulted in the recognition of operating lease liabilities of \$918,811 and right-of-use assets of \$864,381, based on the present value of future minimum rental payments on the Organization's operating leases and the elimination of deferred rent of \$54,430 at the date of adoption.

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

CHRIS 180, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

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. CHRIS is an acronym for our values: Creativity, Honor, Respect, Integrity, Safety. CHRIS 180's goal is to empower people to heal, build resiliency and develop the skills they need to navigate life's challenges so that they can live fuller, richer lives as contributing members of the community. During 2022, life changing services were provided by CHRIS 180 to 13,632 people through its various programs and services and specialized training was provided to an additional 4,775 community professionals, paraprofessionals, school personnel and individuals. And, many more individuals, not counted in these totals received help and support through Healing Circles, community events and food distribution.

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

At December 31, 2022 and 2021, the consolidated financial statements of CHRIS 180, Inc. (the Organization) include the accounts of CHRIS Operations, LLC, CHRIS Homes Properties, LLC, CHRIS Properties Graham Circle, LLC, CHRIS Properties, LLC, and the CHRIS 180 Support Organization, Inc. On January 1, 2012, the legal structure of the combining entities designated CHRIS 180, Inc. as the umbrella company managing its operations and delivering its services through each LLC listed above. CHRIS 180, Inc. is the sole member entity of each LLC that it manages on behalf of its mission. Prior to 2012, the combined entities were separate stand-alone corporations or LLC's as in the case of CHRIS Properties, LLC. All significant inter-company accounts and transactions have been eliminated.

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

CHRIS 180, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 1 – NATURE OF ORGANIZATION (Continued)

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

CHRIS 180

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

In early 2021 the Board of Directors adopted a revised strategic plan, the Roadmap to Resiliency 2021-2022, which endorsed the goals of the pre-pandemic strategic plan to become an Employer of Choice, Provider of Choice and Financially Sustainable. Revised tactics were developed as a result of numerous focus groups, work groups and discussion with the Board Governance Committee and the full Board of Directors. These included a decision to re-organize the leadership structure of the organization, pursue re-alignment of services and includes an intensive focus on supporting and developing CHRIS 180's workforce. The re-organization of the leadership structure and re-alignment of programming began in the second half of 2021 and continued throughout 2022. An African American owned diversity firm, Yardstick Management, was engaged to work with CHRIS 180 during 2022 to provide Diversity, Equity, Inclusion and Belonging (DEIB) training and consultation. A new Strategic Planning process began in 2022 which re-affirmed continuing the goals of Employer of Choice, Provider of Choice and Financial Sustainability. New strategies and tactics were developed through an extensive process to guide CHRIS 180 into 2026. Approval of the new Strategic Plan is expected at the March 21, 2023 board meeting.

CHRIS 180, INC. AND SUBSIDIARIES
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DECEMBER 31, 2022 AND 2021

NOTE 1 – NATURE OF ORGANIZATION (Continued)

Throughout 2022, CHRIS 180 programs operated for the benefit of children, families, and the community. Families received wraparound services, homeless youth and families with children received services and housing, struggling families received rent and utility assistance, and individuals of all ages and families received counseling. Work in the community continued at three At Promise Centers and four Boys and Girls Clubs. In addition, CHRIS 180 won a 10-year renewable contract with Fulton County to provide behavioral health services for children and emerging adults, a City of Atlanta contract to expand Cure Violence in local neighborhoods, a Teen Violence Reduction grant. CHRIS 180 also expanded services to help unaccompanied minors in federal foster care and entered into a pilot program to help youth in state foster care transition from hotels and/or hospitals to community placement, consistent with the Family First Act. Emphasis was placed on expanding CHRIS 180's foster home and adoption program and an agreement was signed with Raise a Child to help with adoption recruitment. Also, significant was the receipt of a charitable donation to provide a wraparound pilot focused on strengthening families through early intervention.

Importantly, CHRIS 180 won an award from SAMHSA to begin the process of becoming a Certified Community Behavioral Health Center (CCBHC). CHRIS 180 is the only private provider in Georgia to win this award. The CCBHC model is a transformative and innovative model of mental health services. The award is strategically important as CHRIS 180 expands mental health services in a sustainable way to better help children and adults heal from trauma and change the direction of their lives. This designation provides tools and a new funding model to better address the impact of the social determinants of health. The funding associated with this designation will eventually enable CHRIS 180 to reposition our organization in the mental health sector and deepen our services.

Services provided by CHRIS 180 are integrated, collaborative and coordinated across service areas, police zones and communities. Numbers served are unduplicated across program areas. Primary service areas include: Behavioral Health, Community, Foster Care & Residential, Housing and Training. During 2022, an increasing number of services and training were provided in-person, although virtual services and training continued throughout the year.

Behavioral Health Services

CHRIS 180 offers trauma informed behavioral health services for children, adults and families throughout the greater metro Atlanta area to help them through difficult times so that they feel and function better. CHRIS 180 focuses on decreasing stigma, eliminating barriers to increase access, and expanding our impact through partnerships, place-based counseling, and substance abuse services both in communities and through telehealth. CHRIS 180 completed year five of a five-year contract with Fulton County to provide behavioral health services for uninsured children, adolescents, and young adults up to age 25 who are residents of Fulton County as well as a Substance Abuse Clubhouse, helping 1,331 children and young adults during 2022. CHRIS 180 also operated an intensive out-patient day treatment substance abuse program for teens and young adults, serving 37 youth, at the CHRIS Counseling Center in DeKalb County.

CHRIS 180, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 1 – NATURE OF ORGANIZATION (Continued)

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

During 2022, CHRIS 180 continued expansion of school-based counseling helping 1,639 students through services in 76 public Title 1 schools in Atlanta, Fulton, DeKalb and Clayton Counties and an afterschool partnership was established with the Boys and Girls Club of Atlanta. In addition, school-based therapists provided services in three summer camps this year impacting a total of 2,359 campers. These camps included the YMCA, In The City Camps and the LEAD Center for Youth Baseball Camp. (These numbers are not counted in the total served.)

Across all locations counseling was provided for 8,331 individuals in 2021 and 9,417 individuals in 2022. Counseling locations include: the CHRIS Counseling Center - Atlanta; the CHRIS Counseling Center - DeKalb; the CHRIS Counseling Center - Gwinnett; the Adamsville Health Center, the Oakhill Service Center and the North Fulton Annex in Fulton County; the Integrated Health Clinic, three At Promise Centers and the Westside Empowerment Center in Atlanta; 76 schools in the City of Atlanta, Fulton County, Clayton County and DeKalb County Public School Systems; at partner locations; in the community and through telehealth.

Wraparound and Community Services

CHRIS 180 offers an expanding array of trauma informed community services designed to help children, adolescents and adults heal, strengthen families and build safe, resilient communities. Utilizing evidence-based models that include High Fidelity WrapAround and Multi-Systemic Therapy, families are helped to navigate multiple systems and community resources while receiving prevention, reunification and support services that help them build resiliency and achieve their goals so that families and each individual within the family can build a natural support system in the community and learn the skills to help themselves. CHRIS 180's Jail Re-entry and Youth Build Programs focus on helping young adults heal from past trauma, obtain a GED, become career ready and develop the skills and resiliency needed for self-sufficiency. During 2022, 2,684 individuals received services.

CHRIS 180, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 1 – NATURE OF ORGANIZATION (Continued)

Community initiatives and services include focused programming in five City of Atlanta Police Zones through the Drop In Center, three At Promise Centers, the Westside Empowerment Center, the Cure Violence program which was launched in 2020 in the midst of Atlanta’s social and racial unrest and the Teen Violence Reduction program which launched in 2022. Interfacing with school based mental health services provided in Title 1 schools in these Zones and with CHRIS 180’s programs for people experiencing homelessness, these programs work in partnership with community residents and neighborhoods to intervene in the lives of children, teens and young adults to help them change the direction of their lives to productivity and success. CHRIS 180 operates Cure Violence Atlanta in NPU-V of Zone 3 to help build strong, resilient communities through intervention and interruption of community and gun violence with the goal of re-directing and supporting individuals in developing the skills and resiliency needed for self-sufficiency and productivity. Healing Circles help residents of communities receive empowering support to address community violence and re-claim spaces where violence occurred. Training for residents in Healing Circles and building Trauma Response Networks continued to expand in 2022. During the year 1,995 individuals received services and/or support. All community services work together and in partnership with other community providers, leveraging each partner’s strengths to accomplish goals.

In order to enhance services to populations with need while avoiding duplication of services, CHRIS 180 seeks to leverage our strengths and the strengths of partners by creating partnerships designed to fulfill our missions in the most cost effective, efficient manner. To this end, during 2022, CHRIS 180 maintained MOUs with over 50 non-profit and for-profit partners including the Atlanta Police Foundation, Lutheran Services, Atlanta Volunteer Lawyers, the Urban League of Atlanta, the Boys and Girls Club, Endeavors, four different public-school systems in metro Atlanta and three federally qualified health centers, Mercy Care, Whitefoord and Good Samaritan. As a result, barriers to services were reduced and access to essential trauma informed counseling and other services were increased for children, adults and families as well as for clients of other nonprofits. A partnership with the Georgia Partnership for TeleHealth continues to expand services on behalf of our clients. Training partners include the Atlanta Public Schools, DeKalb County Public Schools, Purpose Built Schools, YMCA, Sheltering Arms, United Way, and the Georgia Department of Family and Children Services. Other collaborative partnerships in 2022 included the, the Grady Trauma Project, Our House, Open Doors, the Criminal Justice Coordinating Council, Georgia State University, Fulton County Sheriff’s Office, the Fulton County DA’s office and the juvenile courts of Fulton, DeKalb and Gwinnett Counties.

Foster Care, Adoption and Migrant Wellness

In 2022 CHRIS 180 operated traditional foster homes, two Gateway homes for siblings in foster care, and foster to adopt homes for 32 youth. Our legacy group home program was reduced due to the anticipated impact of the federal Family First Prevention Services Act. CHRIS 180 made the decision to begin the process of transitioning from a group home model of care to a therapeutic foster care model of care and a pilot six bed program in two homes serving 18 youth was developed in collaboration with DFCS and Amerigroup in line with requirements of the Family First Act to help children in foster care with very high acuity transition to placement in homes in the community.

CHRIS 180, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 1 – NATURE OF ORGANIZATION (Continued)

Because CHRIS 180 believes that every child deserves a safe, loving home and that no child should age out of foster care, a trauma informed adoption program has the goal of no failed adoptions. During 2022 twelve new adoption homes were opened and one adoption was finalized. There have been no adoption failures since the program's inception. CHRIS Adoptions provides a unique set of trauma informed services and supports to ensure that children in foster care truly have a forever family. In 2013, CHRIS 180 developed a Trauma Informed Foster Care Adoption Model (TIFCAM) with the goal of reducing – and eliminating – failed adoptions for children in foster care. Gateway Foster Homes were envisioned and created by CHRIS 180 to support the adoption or reunification process by providing specialized homes for sibling groups in foster care who were separated into different foster homes but can be reunited or for whom the separation of siblings can be avoided in the first place.

During 2021, CHRIS 180 entered into a contract to provide therapeutic transitional foster care services for unaccompanied minors. During 2022 this contract was expanded, and a second contract was completed to provide transitional foster care for additional children. A total of seven homes and the duplex are utilized for these contracts. The Migrant Wellness program is helping children and teen parents and their children who are primarily from South American countries and Afghanistan by providing trauma counseling and other support services as the children prepare to be united with relatives. During 2022 147 children received help. The average length of stay before re-unification was less than 40 days, although the average for children from Afghanistan approached seven months.

Outreach and Community Housing Services

Service components include CHRIS 180's Drop-In-Center, emergency assistance, emergency/transitional housing, permanent supportive housing at Summit Trail Apartments which is owned and operated by CHRIS 180, and housing in the community. During 2022, CHRIS 180 added another initiative through the creation of a multi-generational pilot program, the Glover Project, with a senior woman and two young mothers with babies/toddlers living in separate units in a home in a neighborhood. The senior functions as a maternal resource while the young mothers prepare to move toward greater independence. At the Drop-In-Center, teens and young adults who are experiencing homelessness are connected with support, counseling, emergency assistance and housing. Counseling and support services are available to every person touched by these service components and 90% use at least one service. During the year 532 individuals received housing and supports.

The Drop In Center helped 189 youth experiencing homelessness or at risk of homelessness with therapy, life and job skill coaching and facilitated the transition to becoming housed either through community housing or housing at CHRIS 180's permanent supportive housing apartment complex, Summit Trail Apartments. In the TransitionZ program at Summit Trail Apartments the goal of services is to help single and parenting homeless youth and those aging out of foster care, ages 18 – 24 (upon entry), become self-sufficient adults through a combination of housing, counseling, employment services and support services. Support services include case management, life skills, educational support, financial management, job coaching and parenting skills. 74% of youth served have an ACE score of four (4) or more. During 2022 79 young adults, including young parents with a total of 12 children, received housing and comprehensive services for an average length of stay of 15 months.

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

Partners include the Fulton and DeKalb Continuums of Care, Salvation Army, Our House, Partners for Home, Quest Community Development, Open Doors and the Westside Future Fund. Support, assistance, resource guides and referrals were provided to additional homeless youth, adults and families through face-to-face meetings and telephone follow up support.

The CHRIS Training Institute

The CHRIS Training Institute provides high quality training with a focus on trauma informed care, child abuse prevention, evidence based clinical treatment approaches and modalities, cultural humility and diversity, equity and inclusion. Training is provided with the intent of exponentially expanding impact in the areas of clinical professional services, human services, child welfare, juvenile justice, and family welfare, while promoting prevention and increasing awareness of the importance of mental health and addiction treatment as wise investments in the future. During 2021 and 2022, respectively, 6,831 and 2,431 individuals attended trainings provided by the Institute. (Note that training numbers were elevated in 2021 due to onetime trauma and child welfare training provided over a period of several months to staff of newly opened emergency shelters for migrant children in Texas.)

Trauma STARs is CHRIS 180's signature trauma training program utilizing the evidence-based Attachment, Regulation and Competency framework. In 2022, CHRIS 180 provided trauma training provided for 2,086 school personnel and 258 summer camp staffers. Youth/Adult Mental Health First Aid and clinical professional courses such as Motivational Interviewing, Ethics, EMDR (a trauma therapy), Play Therapy, Trauma Assessments, and Comprehensive Child and Family Assessment Trainings were provided over the course of 2022 to internal and external participants. Specialized training was provided to staff and external participants in areas ranging from trauma informed clinical; practice, providing trauma informed supervision, secondary trauma, self-care, grief and loss, cultural diversity, working with transition age youth, working with LGBTQ+ youth, and sexually exploited youth, the prevention of child sexual abuse, bullying and understanding diversity. A six-month Diversity, Equity, Inclusion and Belonging (DEIB) training series was provided for the executive and program leadership team as well as two all staff virtual training sessions. In addition, five sessions of training in Clifton Strengths was also provided to 50 senior and middle managers at CHRIS 180. Training was provided to 2,431 attendees during the year.

The Institute for Spiritual Health and Wellness began operating as a part of the CHRIS Training Institute on January 1, 2020 adding a spiritual care component to our training and to our work in the community. Through a contract with Northside Hospital CHRIS 180 recruits, supervises, and trains Chaplaincy Residents who serve their residencies at Northside Hospital in Atlanta and Northside-Gwinnett Hospital. The Institute for Spiritual Health and Wellness prepares individuals for certification as chaplains who provide spiritual care in medical settings and in community settings. The Institute was re-accredited by the ACPE, the national accrediting body for Spiritual Care. During 2022, 29 residents and 20 interns provided invaluable services for patients in Northside Hospital and Northside-Gwinnett Hospital.

CHRIS 180, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

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”).

Net Assets

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

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

Net Assets With Donor Restrictions – Net assets subject to donor, or certain grantor, imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires; that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Organization reports that support as an increase in net assets without donor restrictions. There were no donor restricted net assets of a perpetual nature at December 31, 2022 or 2021.

Fair Value of Financial Instruments

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

Concentration of Credit Risk

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

CHRIS 180, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

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

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

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

Revenue and Revenue Recognition

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

The Organization recognizes fee for service revenue from various medical services at the time the service is performed. The performance obligation is met a point in time, when services are rendered. All amounts are billed at the time of service and recognized based on the expected rate for the particular service provided. No amounts were received in advance in 2022 or 2021 for these services.

A portion of the Organization's revenue is derived from cost-reimbursable federal, state and other contracts and grants, which are conditioned upon certain performance requirements and/ or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the consolidated statement of financial position. The Organization received cost-reimbursable grants of approximately \$8,000 and \$60,000 that have not been recognized at December 31, 2022 and 2021, 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. At December 31, 2022 and 2021, allowances in the amount of \$33,637, and \$3,268, respectively, were recorded for accounts receivable for unconditional promises to give. At December 31, 2022 and 2021, allowances in the amount of \$180,722 and of \$139,175, respectively, were recorded for contracts receivable.

CHRIS 180, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Adoption of New Accounting Policies

Effective January 1, 2022, the Organization adopted Accounting Standards Update (“ASU”) 2016-02, *Leases* (Topic 842). The objective of this ASU is to increase transparency and comparability in financial reporting by requiring statement of financial position recognition of leases and note disclosure of certain information about lease arrangements. The Organization adopted ASU 2016-02 using the modified retrospective method. This method allows the standard to be applied retrospectively through a cumulative catch-up adjustment to net assets recognized upon adoption, if necessary. Adoption of ASU 2016-02 did not result in changes to the Organization’s beginning net assets balance. Additionally, upon adoption, the Organization elected to use risk-free discount rate, an option only available to private entities, when calculating the present value of future lease payments and has made an accounting policy election to not recognize lease assets and lease liabilities for leases with terms of 12 months or less.

Adoption of this ASU resulted in the Organization recording right-of-use (“ROU”) assets of \$864,381 and operating lease liabilities of \$918,811 on January 1, 2022 which represents the present value of future lease payments on the Organization’s office leases further detailed in Note 9 at the date of adoption. The difference in ROU assets and operating lease liabilities at inception was due to a deferred rent liability of \$54,430 at January 1, 2022 which has been netted against the ROU assets. Operating lease expense continues to be recorded on a straight-line basis throughout the lease term and the ROU assets and corresponding operating lease liabilities are reduced as lease payments are made.

In addition, effective January 1, 2022, the Organization adopted ASU 2020-07, *Not-for-Profit Entities* (Topic 958): *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The ASU improves the transparency in the reporting of contributed nonfinancial assets, also known as gifts-in-kind, for not-for-profit organizations through enhancements to presentation and disclosure. ASU 2020-07 was issued to address certain stakeholders’ concerns about the lack of transparency about the measurement of contributed nonfinancial assets recognized by not-for-profits, as well as the amount of those contributions used in an entity’s programs and other activities. The Organization applied ASU 2020-07 on a retrospective basis.

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, 2022 AND 2021

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. 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.

Donated services and in-kind support for the years ended December 31, 2022 and 2021 were approximately \$356,000 and \$954,000, respectively, and are recorded in the accompanying statement of activities. During 2022, the majority of in-kind support related to legal services received at no cost for various matters. These services were valued based on current market rates for legal services. During 2021, the majority of in-kind support related to miscellaneous consumable goods received at no cost. These goods were valued based on their current market rates.

All donated services were utilized by the Organization's programs and supporting services. There were no donor-imposed restrictions associated with the donated services or assets.

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, 2022 and 2021.

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, 2019.

CHRIS 180, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Allocation of Expenses

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

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Subsequent Events

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

NOTE 3 – CASH AND CASH EQUIVALENTS

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

	<u>2022</u>	<u>2021</u>
Without donor restrictions	\$ 7,612,164	\$ 5,772,266
HUD restricted operating deficit reserve	<u>85,295</u>	<u>85,278</u>
Cash and cash equivalents	7,697,459	5,857,544
Cash with contractual restrictions		
for capital improvements	240,078	367,488
Cash with donor restrictions for capital improvements	<u>293,514</u>	<u>660,719</u>
	<u>533,592</u>	<u>1,028,207</u>
Total Cash and Cash Equivalents	<u>\$ 8,231,051</u>	<u>\$ 6,885,751</u>

CHRIS 180, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

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.

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

	<u>2022</u>	<u>2021</u>
Financial assets at year end:		
Cash and cash equivalents and restricted cash	\$ 8,231,051	\$ 6,885,751
Contracts receivable - federal, state and local, net	3,970,160	3,870,685
Unconditional promises to give, net	<u>490,001</u>	<u>895,451</u>
Total financial assets	12,691,212	11,651,887
Less amounts not available for general expenditures within one year:		
Cash with contractual restrictions	(240,078)	(367,488)
Board designations	(2,039,529)	(1,632,723)
Donor imposed restrictions	<u>(2,524,311)</u>	<u>(1,954,910)</u>
Financial assets available to meet general expenditures within one year	<u>\$ 7,887,294</u>	<u>\$ 7,696,766</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 \$1,800,000 which it could draw upon in the event of an unanticipated liquidity event.

CHRIS 180, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

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. All amounts included in contracts receivable are expected to be collected within one year of December 31, 2022.

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

	<u>2022</u>	<u>2021</u>
State contract receivables:		
DHS contracts	\$ 122,490	\$ 168,353
Gwinnett County Juvenile Justice	60,479	22,750
Lookout Mountain Community Services	18,690	23,490
Georgia DBHDD Board	446,052	238,657
Various other DFCS county offices	1,970	2,534
Multi-Agency Alliance for Children	1,790	53,037
US Department of Housing and Urban Development	150,848	232,251
Fulton County	518,976	713,073
Lutheran Immigration and Refugee Service (LIRS)	646,659	896,917
Other contracts and receivables	<u>160,069</u>	<u>94,396</u>
Total state contract receivables	<u>2,128,023</u>	<u>2,445,458</u>
Other contract receivables:		
Atlanta Police Foundation	129,667	-
Northside Hospital	95,165	-
Medicaid	41,009	42,395
Care management organizations and commercial insurance companies	<u>1,757,018</u>	<u>1,522,007</u>
Total other contract receivables	<u>2,022,859</u>	<u>1,564,402</u>
Less: allowance for doubtful accounts	<u>(180,722)</u>	<u>(139,175)</u>
Total contracts receivable	<u>\$ 3,970,160</u>	<u>\$ 3,870,685</u>

NOTE 6 – NOTE RECEIVABLE

During 2018, the Organization entered into a note receivable with an investment fund to facilitate the NMTTC transaction as described in Note 17. The note receivable totaled \$8,563,750 with an interest rate of 1.42% as of December 31, 2022 and 2021. The maturity date is June 1, 2046. Interest income will be received annually through December 5, 2025, at which time annual principal and interest payments will be received thereafter through the maturity date.

CHRIS 180, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 7 – UNCONDITIONAL PROMISES TO GIVE, NET

Unconditional promises to give are recorded at net realizable value upon receipt. Contributions to be received after one year are discounted at 7.50%, commensurate with the risks involved. Amortization of the discount is recorded as additional contribution revenue and utilized in accordance with donor-imposed restrictions on the contribution.

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

	<u>2022</u>	<u>2021</u>
Foundations	\$ 380,794	\$ 446,591
United Way of Metropolitan Atlanta	-	62,500
Capital campaign pledges	-	238,954
Other	109,207	147,406
	<u>\$ 490,001</u>	<u>\$ 895,451</u>

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

	<u>2022</u>	<u>2021</u>
Amounts due in:		
Less than one year	\$ 450,571	\$ 898,719
One to five years	100,000	-
Less:		
Allowance for doubtful accounts	(33,637)	(3,268)
Present value discount	(26,933)	-
	<u>\$ 490,001</u>	<u>\$ 895,451</u>

NOTE 8 – PROPERTY AND EQUIPMENT, NET

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

	<u>2022</u>	<u>2021</u>
Land	\$ 1,228,646	\$ 1,228,646
Buildings and improvements	23,490,502	23,496,865
Furniture and equipment	4,391,289	3,283,107
Vehicles	451,780	451,780
Construction in process	9,754	9,754
	<u>29,571,971</u>	<u>28,470,152</u>
Less: accumulated depreciation	<u>(10,437,411)</u>	<u>(9,360,210)</u>
	<u>\$ 19,134,560</u>	<u>\$ 19,109,942</u>

For the years ended December 31, 2022 and 2021, depreciation expense for all property and equipment was \$1,227,843 and \$1,052,598 respectively.

CHRIS 180, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 9 – OPERATING LEASE COMMITMENTS

The Organization leases office space under arrangements that qualify as non-cancelable operating leases through 2026. As detailed in Note 2, the Organization adopted ASU 2016-02, *Leases*, on January 1, 2022 and has recorded a ROU asset and operating lease liability which represents the present value of future lease payments. The weighted average remaining lease term is four years and the weighted average discount rate is 1.34%, based on treasury rates effective January 2022 applied to each lease in accordance with their remaining lease terms.

At December 31, 2022, the Organization’s operating lease liabilities were comprised of the following:

Gross operating lease liabilities	\$ 777,663
Less: imputed interest	<u>(22,931)</u>
Present value of operating lease liabilities	754,732
Less: current portion of operating lease liabilities	<u>(171,018)</u>
Long-term operating lease liabilities	<u><u>\$ 583,714</u></u>

The schedule below summarizes the future minimum annual lease obligations for the years ending December 31:

2023	\$ 180,081
2024	184,948
2025	170,057
2026	160,492
2027	<u>82,085</u>
	777,663
Less: imputed interest	<u>(22,931)</u>
	<u><u>\$ 754,732</u></u>

Lease expense on the above leases was \$175,600 for the years ending December 31, 2022 and 2021 and operating cash flows were \$175,332 and \$170,611 for the years ending December 31, 2022 and December 31, 2021, respectively.

Rent expense on the Organization’s leases with terms of 12 months or less was approximately \$338,430 and \$167,869 for the years ending December 31, 2022 and 2021, respectively.

NOTE 10 – LINE OF CREDIT PAYABLE

The Organization has a line of credit which provides for maximum borrowings of \$1,800,000 through October 5, 2023, the maturity date. The interest rate on the line of credit is equal to the prime rate (7.50% and 3.25% at December 31, 2022 and 2021, respectively). The line of credit had no outstanding balance at December 31, 2022 and 2021.

CHRIS 180, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 11 – NOTES PAYABLE

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

	<u>2022</u>	<u>2021</u>
Bank Debt:		
CHRIS Homes Properties, LLC notes payable:		
3.75% fixed rate term note, due in monthly installments of \$4,241, including principal and interest through March 1, 2036; collateralized by five homes held by CHRIS Homes Properties, LLC.	\$ 531,053	\$ 561,067
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.	7,275,000	7,275,000
	12,610,000	12,610,000
Other debt:		
CHRIS Properties Graham Circle, LLC notes payable:		
Due to Georgia Department of Community Affairs for Home Investment Partnership Program (a)	3,254,404	3,292,050
Due to City of Atlanta for Home Investment Partnership Program (b)	1,400,000	1,400,000
Due to Federal Home Loan Bank of Atlanta for Affordable Housing Program (c)	315,000	315,000
	4,969,404	5,007,050
	18,110,457	18,178,117
Less: unamortized debt issuance costs	(15,385)	(19,276)
	\$ 18,095,072	\$ 18,158,841

CHRIS 180, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 11 – NOTES PAYABLE (Continued)

Aggregate principal maturities of debt subsequent to December 31, 2022 are as follows:

2023	\$ 67,060
2024	67,273
2025	1,779,902
2026	63,689
2027	62,381
Thereafter	<u>16,070,152</u>
	<u>\$ 18,110,457</u>

Other Debt

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

After the conversion, 240 monthly payments of principal are required that will pay down approximately \$760,000 of the loan and the balloon amount of approximately \$3,040,000 will be forgiven as long as the project is in compliance with the home rental term compliance requirements. At December 31, 2022 and 2021, \$3,254,404 and \$3,292,050, respectively, was due to DCA on this loan.

(b) In addition, during 2010, the Organization received a loan (grant) from the City of Atlanta. The principal sum at December 31, 2022 and 2021 is \$1,400,000. The funds are dedicated to the project as a grant with no interest charged on the outstanding principal balance. Therefore, no payment will be made unless the project is not in compliance within a fifteen-year period with the compliance requirements for providing housing to young adults who are homeless or who have aged out of the foster care system but still do not possess the physical, developmental, educational, and emotional capabilities to thrive without the necessary supportive social services. The fifteen-year loan period will expire in 2025. The collateral on this loan is the real property associated with the project. The City of Atlanta’s security deed is subordinate to the DCA’s.

(c) The Organization has a loan with the Federal Home Loan Bank of Atlanta. The principal sum at December 31, 2022 and 2021 is \$315,000 under the Affordable Housing Program. The funds are dedicated to the project as a grant, with no interest charged on the outstanding principal balance. Therefore, no payment will be made as long as the project is in compliance with the requirements of the affordable housing program agreement and application through March 30, 2025.

CHRIS 180, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

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 2022 and 2021 were \$270,320 and \$208,328, 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 \$29,110 and \$33,362 to this plan for the years ended December 31, 2022 and 2021, respectively.

NOTE 14 – NET ASSETS WITH DONOR RESTRICTIONS

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

	<u>2022</u>	<u>2021</u>
Capital Campaign Cash and Pledges	\$ 293,514	\$ 899,673
Cure Violence	329,540	164,533
JourneyZ and TransitionZ	340,863	340,863
School Based Mental Health	80,571	150,000
Trauma, Treatment, and Training Initiative	100,000	30,415
Westside Legacy/At Promise	525,000	194,358
Women's Health Group - Glover Project	-	135,068
Keeping Families Together	754,823	-
Other	100,000	40,000
Total net assets with donor restrictions	<u>\$ 2,524,311</u>	<u>\$ 1,954,910</u>

CHRIS 180, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

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>2022</u>	<u>2021</u>
Capital Improvements	\$ 606,159	\$ 411,789
Capacity Building	-	850,000
JourneyZ and TransitionZ	200,000	153,968
Trauma, Treatment, and Training Initiative	30,416	69,584
School Based Mental Health	254,429	-
Westside Legacy/At Promise	194,358	498,820
Cure Violence	295,493	495,519
Women's Health Group - Glover Project	135,068	-
Keeping Families Together	45,166	-
Holiday Meals and Gifts	50,000	-
Other	90,000	169,368
Total net assets with donor restrictions	<u>\$ 1,901,089</u>	<u>\$ 2,649,048</u>

NOTE 16 – BOARD DESIGNATED NET ASSETS

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

	<u>2022</u>	<u>2021</u>
Operating reserve	\$ 512,774	\$ 511,063
Sustainability reserve	1,013,443	610,061
Maintenance reserve	513,312	511,599
Total board restricted net assets	<u>\$ 2,039,529</u>	<u>\$ 1,632,723</u>

NOTE 17 – NEW MARKETS TAX CREDIT TRANSACTION

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

CHRIS 180, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 17 – NEW MARKETS TAX CREDIT TRANSACTION (Continued)

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

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

On April 11, 2018, to benefit under the NMTC Program, the Organization entered into a series of agreements and transactions with two CDEs and an investment fund affiliated with a commercial bank (the Bank). The CDEs provided funds towards the construction of the new facility and other capital projects. Notes payable to the CDEs totaled \$5,335,000 and \$7,275,000. CHRIS Operations, LLC facilitated the transaction by issuing a note receivable agreement that transferred \$8,563,750 to the investment fund using proceeds from the capital campaign. Cash received from this transaction remaining at December 31, 2022 and 2021, was \$240,078, and \$367,488, 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, 2022

	<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	\$ 7,583,559	\$ 13,901	\$ 93,201	\$ 6,798	\$ -	\$ -	\$ 7,697,459
Cash restricted for capital improvements	293,514	-	-	-	240,078	-	533,592
Contracts receivable - federal, state, and local	3,929,383	-	7,944	-	32,833	-	3,970,160
Unconditional promises to give, net	490,001	-	-	-	-	-	490,001
Notes receivable - NMTC	8,563,750	-	-	-	-	-	8,563,750
Prepaid expenses and other assets	247,033	-	-	-	-	-	247,033
Property and equipment, net	-	1,019,346	4,706,815	2,755,040	10,653,359	-	19,134,560
Right-of-use asset	700,034	-	-	-	-	-	700,034
Other assets	16,130	-	361,146	-	-	-	377,276
	<u>\$ 21,823,404</u>	<u>\$ 1,033,247</u>	<u>\$ 5,169,106</u>	<u>\$ 2,761,838</u>	<u>\$ 10,926,270</u>	<u>\$ -</u>	<u>\$ 41,713,865</u>
LIABILITIES AND NET ASSETS							
Liabilities							
Accounts payable	\$ 668,071	\$ -	\$ 30,536	\$ -	\$ 1	\$ -	\$ 698,608
Accrued expenses	1,623,398	3,168	25,597	3,168	14,272	-	1,669,603
Refundable advances	8,000	-	-	-	-	-	8,000
Operating lease liabilities	754,732	-	-	-	-	-	754,732
Notes payable, net	-	523,879	4,961,193	-	12,610,000	-	18,095,072
	<u>3,054,201</u>	<u>527,047</u>	<u>5,017,326</u>	<u>3,168</u>	<u>12,624,273</u>	<u>-</u>	<u>21,226,015</u>
Net Assets							
Without donor restrictions:							
Available for operations	5,641,613	10,733	406,158	3,630	18,560	-	6,080,694
Board designated	2,039,529	-	-	-	-	-	2,039,529
Contractually restricted	-	-	-	-	240,078	-	240,078
Expended for (invested in) property and equipment, net of debt	8,563,750	495,467	(254,378)	2,755,040	(1,956,641)	-	9,603,238
Total net assets without donor restrictions	16,244,892	506,200	151,780	2,758,670	(1,698,003)	-	17,963,539
With donor restrictions	2,524,311	-	-	-	-	-	2,524,311
Total Net Assets	<u>18,769,203</u>	<u>506,200</u>	<u>151,780</u>	<u>2,758,670</u>	<u>(1,698,003)</u>	<u>-</u>	<u>20,487,850</u>
Total Liabilities and Net Assets	<u>\$ 21,823,404</u>	<u>\$ 1,033,247</u>	<u>\$ 5,169,106</u>	<u>\$ 2,761,838</u>	<u>\$ 10,926,270</u>	<u>\$ -</u>	<u>\$ 41,713,865</u>

See Independent Auditors' Report on Supplementary Information

CHRIS 180 INC. AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022

	<u>CHRIS Operations, LLC</u>	<u>CHRIS Homes Properties, LLC</u>	<u>CHRIS Properties Graham Circle, LLC</u>	<u>CHRIS Properties, LLC</u>	<u>CHRIS 180 Support Organization, Inc.</u>	<u>Eliminations</u>	<u>Consolidated</u>
Changes in net assets without donor restrictions							
Revenues, gains and support							
Government and other grants and contracts	\$ 23,376,962	\$ -	\$ 182,906	\$ -	\$ -	\$ -	\$ 23,559,868
Fee for service revenue	5,197,217	-	-	-	-	-	5,197,217
Contributions	2,205,226	-	-	-	-	-	2,205,226
In-kind donations	355,806	-	-	-	-	-	355,806
Interest income	127,269	2	-	1	-	-	127,272
Special event revenue, net of \$276,259 in direct expenses	446,167	-	-	-	-	-	446,167
Rental income	74,918	-	156,989	-	-	-	231,907
Rent and lease income from related party	-	442,137	-	244,908	137,667	(824,712)	-
Other income	349,839	260,292	2,345	-	-	(244,800)	367,676
Total revenues	<u>32,133,404</u>	<u>702,431</u>	<u>342,240</u>	<u>244,909</u>	<u>137,667</u>	<u>(1,069,512)</u>	<u>32,491,139</u>
Net assets released from restrictions	1,901,089	-	-	-	-	-	1,901,089
Total revenues, gains and support without donor restrictions	<u>34,034,493</u>	<u>702,431</u>	<u>342,240</u>	<u>244,909</u>	<u>137,667</u>	<u>(1,069,512)</u>	<u>34,392,228</u>
Expenses							
Program services							
Counseling Services	11,762,761	-	-	-	-	(146,535)	11,616,226
Community Services & Keeping Families Together	4,472,909	-	-	-	-	(43,851)	4,429,058
Migrant Wellness	3,195,591	-	-	-	-	(234,837)	2,960,754
Zones 1 & 3	2,486,086	-	-	-	-	(19,376)	2,466,710
Housing and Property	-	302,632	901,263	291,424	764,983	(244,800)	2,015,502
JourneyZ	2,124,516	-	-	-	-	(142,237)	1,982,279
Training Center	1,359,482	-	-	-	-	(23,445)	1,336,037
TransitionZ	631,972	-	-	-	-	(21,000)	610,972
AdoptionZ	677,063	-	-	-	-	(100,486)	576,577
Clubhouse	511,571	-	-	-	-	(12,060)	499,511
Total program services	<u>27,221,951</u>	<u>302,632</u>	<u>901,263</u>	<u>291,424</u>	<u>764,983</u>	<u>(988,627)</u>	<u>28,493,626</u>
Supporting services							
Management and general	4,923,703	-	18,286	-	-	(71,868)	4,870,121
Fundraising	1,155,010	-	-	-	-	(9,017)	1,145,993
Total expenses	<u>33,300,664</u>	<u>302,632</u>	<u>919,549</u>	<u>291,424</u>	<u>764,983</u>	<u>(1,069,512)</u>	<u>34,509,740</u>
Increase (decrease) in net assets without donor restrictions before transfers	733,829	399,799	(577,309)	(46,515)	(627,316)	-	(117,512)
Transfer of net assets without donor restrictions to related parties	(852,360)	(192,845)	819,185	221,120	4,900	-	-
Increase (decrease) in net assets without donor restrictions	<u>(118,531)</u>	<u>206,954</u>	<u>241,876</u>	<u>174,605</u>	<u>(622,416)</u>	<u>-</u>	<u>(117,512)</u>
Changes in net assets with donor restrictions:							
Contributions	2,470,500	-	-	-	-	-	2,470,500
Interest income	1,306	-	-	-	-	-	1,306
Net assets released from restrictions	(1,901,089)	-	-	-	-	-	(1,901,089)
Increase in net assets with donor restrictions	<u>570,717</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>570,717</u>
Increase (decrease) in net assets	452,186	206,954	241,876	174,605	(622,416)	-	453,205
Net assets, beginning of year	<u>18,317,017</u>	<u>299,246</u>	<u>(90,096)</u>	<u>2,584,065</u>	<u>(1,075,587)</u>	<u>-</u>	<u>20,034,645</u>
Net assets, end of year	<u>\$ 18,769,203</u>	<u>\$ 506,200</u>	<u>\$ 151,780</u>	<u>\$ 2,758,670</u>	<u>\$ (1,698,003)</u>	<u>\$ -</u>	<u>\$ 20,487,850</u>

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