

GOING
FOR
PR

CHRIS 180, INC.
AND SUBSIDIARIES
CONSOLIDATED FINANCIAL
STATEMENTS
DECEMBER 31, 2025 AND 2024



CPAs & ADVISORS

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Independent Auditor's 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 statement of financial position as of December 31, 2025, and the related consolidated statements of activities, functional expenses and cash flows for the year 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, 2025, 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.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor's 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 audit. 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.

Auditor's 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 auditor's 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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Other Matter

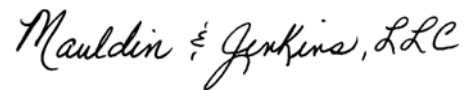
The consolidated financial statements of the Organization as of and for the year ended December 31, 2024, were audited by a predecessor auditor whose report dated August 20, 2025, expressed an unmodified opinion on those statements.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* 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. 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 generally accepted auditing standards. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 10, 2026 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.



Atlanta, Georgia
July 10, 2026

CHRIS 180, Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION DECEMBER 31, 2025 AND 2024

	2025	2024
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 3,535,117	\$ 4,112,871
Contracts receivable - federal, state and local, net	2,040,095	5,111,773
Unconditional promises to give, net	1,004,641	45,030
Other receivables, net	42,818	78,108
Prepaid expenses	264,913	145,048
	<u>6,887,584</u>	<u>9,492,830</u>
Cash restricted for capital improvements	689,523	157,892
Note receivable - NMTC	-	8,563,750
Property and equipment, net	15,182,929	16,677,830
Right-of-use assets - operating	1,061,616	1,266,541
Right-of-use asset - financing	69,612	-
Other assets	556,457	498,021
	<u>\$ 24,447,721</u>	<u>\$ 36,656,864</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Current liabilities		
Accounts payable	\$ 514,745	\$ 1,000,713
Accrued expenses	702,070	1,396,108
Deferred revenues	45,000	-
Refundable advances	-	690,159
Operating lease liabilities, current portion	234,800	221,125
Financing lease liabilities, current portion	21,998	-
Line of credit	-	1,650,000
Notes payable, current portion	1,743,418	1,779,902
	<u>3,262,031</u>	<u>6,738,007</u>
Long-term liabilities		
Operating lease liabilities, net of current portion	869,527	1,100,876
Financing lease liabilities, net of current portion	48,952	-
Notes payable, net of current portion and unamortized debt issuance costs	3,122,115	16,191,212
	<u>7,302,625</u>	<u>24,030,095</u>
NET ASSETS		
Without donor restrictions		
Available for operations	4,617,379	4,323,886
Contractually restricted	-	11,193
Expended for property and equipment, net of debt	10,322,423	7,270,466
Total net assets without donor restrictions	14,939,802	11,605,545
With donor restrictions	2,205,294	1,021,224
Total net assets	<u>17,145,096</u>	<u>12,626,769</u>
	<u>\$ 24,447,721</u>	<u>\$ 36,656,864</u>

See Notes to Consolidated Financial Statements.

CHRIS 180, Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF ACTIVITIES FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING REVENUES AND OTHER SUPPORT						
Government grants and contracts	\$ 12,381,733	\$ -	\$ 12,381,733	\$ 22,142,024	\$ -	\$ 22,142,024
Fee for service revenues	5,135,535	-	5,135,535	4,123,349	-	4,123,349
Contributions	4,631,270	1,240,824	5,872,094	4,619,829	46,500	4,666,329
In-kind contributions	114,352	-	114,352	361,656	-	361,656
Rental income	180,751	-	180,751	69,987	-	69,987
Investment return, net	151,135	-	151,135	146,844	-	146,844
Miscellaneous operational income	746,500	-	746,500	68,176	-	68,176
Net assets released from restrictions	56,754	(56,754)	-	1,257,462	(1,257,462)	-
Total operating revenues and other support	23,398,030	1,184,070	24,582,100	32,789,327	(1,210,962)	31,578,365
EXPENSES						
Program services						
Counseling services	3,890,443	-	3,890,443	11,881,014	-	11,881,014
WRAP Around services	1,539,437	-	1,539,437	2,162,631	-	2,162,631
JourneyZ	130,686	-	130,686	476,817	-	476,817
TransitionZ	317,670	-	317,670	392,985	-	392,985
Permanency and strategic initiatives	421,663	-	421,663	883,909	-	883,909
Foster care AdoptionZ	916,116	-	916,116	1,038,973	-	1,038,973
Migrant wellness	1,147,066	-	1,147,066	4,176,364	-	4,176,364
Training institute	1,228,972	-	1,228,972	1,519,485	-	1,519,485
Mental health	4,733,029	-	4,733,029	-	-	-
Housing and property	-	-	-	453,430	-	453,430
Community initiatives	992,645	-	992,645	1,735,049	-	1,735,049
Total program services	15,317,727	-	15,317,727	24,720,657	-	24,720,657
Supporting services						
Management and general	8,726,319	-	8,726,319	9,399,827	-	9,399,827
Fundraising	931,730	-	931,730	1,246,180	-	1,246,180
Total expenses	24,975,776	-	24,975,776	35,366,664	-	35,366,664
NET OPERATING INCOME (LOSS)	(1,577,746)	1,184,070	(393,676)	(2,577,337)	(1,210,962)	(3,788,299)
Gain on NMTC settlement	4,059,062	-	4,059,062	-	-	-
Gain on sale of assets	852,941	-	852,941	636,160	-	636,160
NON-OPERATING INCOME	4,912,003	-	4,912,003	636,160	-	636,160
CHANGE IN NET ASSETS	3,334,257	1,184,070	4,518,327	(1,941,177)	(1,210,962)	(3,152,139)
NET ASSETS, BEGINNING	11,605,545	1,021,224	12,626,769	13,546,722	2,232,186	15,778,908
NET ASSETS, ENDING	\$ 14,939,802	\$ 2,205,294	\$ 17,145,096	\$ 11,605,545	\$ 1,021,224	\$ 12,626,769

See Notes to Consolidated Financial Statements.

CHRIS 180, Inc. and Subsidiaries

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2025

	Counseling Services	WRAP Around Services	JourneyZ	TransitionZ	Permanency and Strategic Initiatives	Foster Care AdoptionZ	Migrant Wellness	Training Institute	Mental Health	Community Initiatives	Total Program	Supporting Services		Total Expenses
												Management and General	Fundraising	
Bad debt	\$ 53,791	\$ 17,120	\$ -	\$ 102	\$ 811	\$ -	\$ -	\$ -	\$ 67,930	\$ 5,209	\$ 144,963	\$ 500,709	\$ -	\$ 645,672
Client assistance	37,758	78,712	1,231	18,656	51,926	443,060	29,396	17,943	241,720	72,108	992,510	241,981	42,985	1,277,476
Consulting and contract services	177,995	20,059	4,547	4,586	13,309	10,515	59,571	5,511	109,867	35,812	441,772	1,229,003	4,180	1,674,955
Depreciation and amortization	-	35,956	-	-	-	-	-	-	-	-	35,956	1,105,035	-	1,140,991
Dues and subscriptions	2,460	-	750	-	129	425	20	18,440	2,477	-	24,701	41,431	6,587	72,719
Equipment leases and repair	4,912	16,307	-	-	-	-	-	-	18,457	163	39,839	31,502	-	71,341
Event expense	2,248	2,916	-	-	51	-	514	6,386	218	3,163	15,496	15,709	272,079	303,284
Insurance	976	-	-	-	-	-	-	-	-	-	976	654,898	-	655,874
Interest	-	-	3,196	-	-	1,065	4,262	-	-	-	8,523	127,895	-	136,418
Legal and accounting	-	-	-	-	-	-	5,037	-	17,500	-	22,537	163,550	-	186,087
Management fees	-	-	50,739	25,369	-	50,737	26,042	-	-	-	152,887	-	-	152,887
Office expense and supplies	6,770	5,326	2,700	127	682	514	6,641	178	3,238	105	26,281	81,063	1,364	108,708
Other	7,039	11,738	-	109	229	-	1,195	814	-	-	21,124	56,888	3,360	81,372
Personnel expenses	3,125,294	1,242,679	23,412	202,308	319,035	376,023	742,899	1,031,493	4,174,089	776,942	12,014,174	3,664,873	518,443	16,197,490
Promotions and printing	7,940	16,211	-	-	-	15,027	-	-	1,246	11,169	51,593	3,029	17,239	71,861
Rent and building maintenance	311,759	105	-	60,324	9,649	4,296	177,555	25,875	-	31,363	620,926	210,587	-	831,513
Software purchases and licenses	3,537	2,674	-	-	-	20	-	46,154	52	-	52,437	113,611	61,157	227,205
Telephone	53,138	22,785	5,372	5,468	14,674	6,516	55,751	2,507	38,066	24,237	228,514	-	746	229,260
Training	30,447	-	-	-	1,690	1,159	114	56,954	41,671	22,492	154,527	37,455	223	192,205
Travel and transportation	10,841	60,100	387	621	30	6,759	20,046	7,938	15,797	4,400	126,919	10,977	2,488	140,384
Utilities	53,538	6,749	38,352	-	9,448	-	18,023	8,779	701	5,482	141,072	399,066	-	540,138
Vehicle maintenance and repair	-	-	-	-	-	-	-	-	-	-	-	37,057	879	37,936
Total expenses	\$ 3,890,443	\$ 1,539,437	\$ 130,686	\$ 317,670	\$ 421,663	\$ 916,116	\$ 1,147,066	\$ 1,228,972	\$ 4,733,029	\$ 992,645	\$ 15,317,727	\$ 8,726,319	\$ 931,730	\$ 24,975,776

See Notes to Consolidated Financial Statements.

CHRIS 180, Inc. and Subsidiaries

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2024

	Counseling Services	WRAP Around Services	JourneyZ	TransitionZ	Permanency and Strategic Initiatives	Foster Care AdoptionZ	Migrant Wellness	Training Institute	Housing and Properties	Community Initiatives	Total Program	Supporting Services		Total Expenses
												Management and General	Fundraising	
Personnel expenses	\$ 9,561,507	\$ 1,897,308	\$ 317,899	\$ 345,563	\$ 388,087	\$ 403,735	\$ 3,376,665	\$ 1,238,480	\$ -	\$ 1,280,870	\$ 18,810,114	\$ 3,617,488	\$ 441,449	\$ 22,869,051
Bad debt expense	34,465	56,324	3	-	514	-	-	-	-	2,894	94,200	344,523	7	438,730
Consulting and contract services	787,367	23,799	4,187	7,126	12,988	11,899	105,467	50,835	1,388	115,034	1,120,090	1,886,936	74,217	3,081,243
Depreciation and amortization	-	22,688	-	-	-	-	-	-	332,127	-	354,815	881,217	-	1,236,032
Direct care	129,125	16,693	52,661	22,346	401,077	550,935	91,765	484	150	41,350	1,306,586	299,787	131,666	1,738,039
Dues and subscriptions	8,965	-	-	-	129	144	2,570	26,640	-	-	38,448	38,850	8,183	85,481
Equipment leases and repairs	5,168	4,213	-	-	610	434	3,632	619	-	16,918	31,594	88,088	-	119,682
Insurance	125,273	20,959	7,429	7,493	20,292	9,010	97,333	3,468	-	33,951	325,208	355,276	1,032	681,516
Interest	-	-	2,821	-	-	940	3,761	-	10,697	-	18,219	211,231	-	229,450
Legal and accounting	-	-	-	-	-	-	52	-	5,019	-	5,071	318,073	-	323,144
Management fees	-	-	-	-	-	-	-	-	100,933	-	100,933	213,315	-	314,248
Office expense and supplies	20,533	148	707	29	2,345	4,357	4,226	217	-	4,210	36,772	68,402	11,253	116,427
Other	9,110	331	1,255	712	28	146	3,021	1,595	3,116	250	19,564	142,152	13,229	174,945
Promotions and printing	5,180	-	-	-	288	2,634	151	41,426	-	1,469	51,148	48,940	12,684	112,772
Rent and building maintenance	343,716	1,518	45,497	1,042	14,325	9,543	146,640	6,776	-	171,452	740,509	358,255	-	1,098,764
Software purchases and licenses	545,969	4,869	429	453	1,210	801	5,803	43,677	-	2,233	605,444	89,483	56,123	751,050
Special events	5,945	2,005	-	-	96	2,811	630	1,036	-	7,131	19,654	57,723	492,474	569,851
Telephone	139,195	22,958	6,031	8,207	17,079	10,764	86,305	4,931	-	34,671	330,141	56,462	1,678	388,281
Training	55,895	10,205	-	-	174	2,736	45,158	83,989	-	6,543	204,700	6,279	1,109	212,088
Travel and transportation	67,548	73,081	490	14	12,670	28,081	161,939	9,233	-	7,884	360,940	19,240	1,076	381,256
Utilities	36,053	5,532	37,408	-	11,997	3	41,246	6,079	-	8,189	146,507	298,107	-	444,614
Total expenses	\$ 11,881,014	\$ 2,162,631	\$ 476,817	\$ 392,985	\$ 883,909	\$ 1,038,973	\$ 4,176,364	\$ 1,519,485	\$ 453,430	\$ 1,735,049	\$ 24,720,657	\$ 9,399,827	\$ 1,246,180	\$ 35,366,664

See Notes to Consolidated Financial Statements.

CHRIS 180, Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
Cash Flows from Operating Activities		
Change in net assets	\$ 4,518,327	\$ (3,152,139)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Depreciation	1,140,991	1,236,032
Amortization of finance lease ROU assets	21,831	-
Amortization of debt issuance costs	726	8,372
Write off of debt issuance costs	1,930	-
Contribution restricted for long-term investment (endowment corpus)	(282,636)	-
Net gain on sale of property and equipment	(852,941)	(636,160)
Non-cash accrued interest NMTC extinguishment	12,812	-
Non-cash gain on NMTC program settlement	(4,059,062)	-
Bad debt expenses	645,672	205,598
Change in promise to give present value discount	-	(2,125)
Non-cash lease expense adjustment	204,925	386,312
Changes in asset and liabilities:		
(Increase) decrease:		
Contracts receivable - federal, state, and local	2,433,269	(333,652)
Unconditional promises to give	(959,611)	1,587,984
Other receivables	28,027	-
Prepaid expenses and other assets	(119,865)	123,942
Restricted escrows and deposits	(58,436)	(54,093)
Increase (decrease):		
Accounts payable	(485,968)	166,681
Accrued expenses	(694,038)	(343,945)
Deferred revenues	45,000	-
Refundable advances	(690,159)	-
Operating lease liabilities	(217,674)	(381,069)
Total adjustments	(3,885,207)	1,963,877
Net cash provided by (used in) operating activities	633,120	(1,188,262)
Cash Flows from Investing Activities		
Proceeds from sale of property and equipment	1,240,609	688,412
Purchase of property and equipment	(33,758)	(41,252)
Net cash provided by investing activities	1,206,851	647,160
Cash Flows from Financing Activities		
Net (payments) borrowings on line of credit	(1,650,000)	753,679
Principal payments on notes payable	(498,237)	(69,524)
Principal payments on financing lease obligations	(20,493)	-
Proceeds from contributions restricted for perpetual endowment	282,636	-
Net cash (used in) provided by financing activities	(1,886,094)	684,155
(Decrease) increase in cash and cash equivalents	(46,123)	143,053
Cash and cash equivalents and restricted cash, beginning of year	4,270,763	4,127,710
Cash and cash equivalents and restricted cash, end of year	\$ 4,224,640	\$ 4,270,763
Supplemental Cash Flow Information		
Cash paid for interest	\$ 136,419	\$ 229,450
Non-Cash Operating Activities		
Right-of-use assets recognized under financing leases	\$ 91,443	\$ -
Financing lease obligations incurred for lease inception	(91,443)	-
Extinguishment of NMTC long-term note receivable	(8,563,750)	-
Absolute forgiveness of long-term CDE notes payable	12,610,000	-
Extinguishment of non-cash outstanding accrued interest	12,812	-
Net non-cash gain recognized on NMTC program settlement	(4,059,062)	-

See Notes to Consolidated Financial Statements.

Notes To Consolidated Financial Statements

NOTE 1. NATURE OF ORGANIZATION

CHRIS 180, Inc. ("CHRIS 180" or the "Organization") is a Georgia nonprofit corporation in accordance with Internal Revenue Code ("IRC") 501(c)(3). The Organization 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. The Organization provides behavioral health counseling, training, safe housing, building real-world skills and initiatives that address various social issues that are of high risk to the community.

CHRIS is an acronym for the Organization's values: Creativity, Honor, Respect, Integrity, Safety. During 2025 and 2024, the Organization provided services to over 25,000 people through our various programs and services.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Organization follows accounting standards set forth 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 general use and free of donor-imposed stipulations. These balances are sub-classified into: Available for operations for day-to-day programmatic and operational expenses; contractually restricted for balances bounded by third-party covenants; and expended for property and equipment, net of debt representing capital investments net of accumulated depreciation and related outstanding debt

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.

Notes To Consolidated Financial Statements

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of CHRIS 180 Operations, LLC and its subsidiaries, which include CHRIS 180 Support Organization, Inc., CHRIS Homes Properties, LLC, CHRIS Properties, LLC and CHRIS Properties Graham Circle, LLC (collectively referred to as the "Organization"). The parent organization exercises functional control and/or holds a 100% ownership interest in these subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation.

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 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 using 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 each expenditure for property and equipment totaling in excess of \$5,000.

Notes To Consolidated Financial Statements

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue and Revenue Recognition

Revenue from exchange contracts with customers is recognized when performance obligations under the terms of the contracts are satisfied. In accordance with ASC 606, exchange transaction revenue is disaggregated by major line item and consists of health and counseling fees (fee for service revenues) of \$5,135,535 for the year ended December 31, 2025, and \$4,123,349 for the year ended December 31, 2024.

Performance obligations for health and counseling services are satisfied at a point in time when clinical services are rendered, with billings processed based on expected collectible rates. Revenue received in advance is recorded as deferred revenue within the consolidated statements of financial position and recognized over the periods to which the services relate.

Non-exchange contributions, government grants, and cost-reimbursable contracts are recognized as revenue when cash, securities, an unconditional promise to give, or notification of an award is received. Conditional grants and promises to give, which feature a measurable performance barrier and a right of return, are withheld from recognition until the underlying conditions are substantially met or explicitly removed by the donor. Contributions and grants received with donor-imposed restrictions that are met within the same fiscal year are reported as increases in net assets without donor restrictions.

Grants and Contracts Receivable

Grants and contracts receivable represent unconditional balances due from federal, state, and local government programs, as well as therapeutic and medical billing channels.

Unconditional Promises to Give

Unconditional promises to give represent contributions and are explicitly scoped out of ASC 326. In accordance with ASC 958-605, promises to give are recorded at net realizable value upon receipt. Long-term promises scheduled for collection beyond one year are discounted to present value using an appropriate risk-free interest rate yield commensurate with the timeline involved. Management reviews promises to give using an allowance method backed by historical default data and specific donor risk profiles to isolate any uncollectible positions. Conditional promises to give are withheld from recognition until the underlying measurable barriers and rights of return are fully met.

Allowance for Credit Losses

The Organization uses the current expected credit loss (CECL) methodology to determine uncollectible financial assets, including grants, contracts, and other exchange receivables. The allowance is based on historical credit loss experience, pooled risk characteristics, current conditions, and supportable economic forecasts. At both December 31, 2025 and 2024, an allowance for credit losses of \$26,694 was recorded for unconditional promises to give. At December 31, 2025 and 2024, an allowance for credit losses of \$521,343 and \$593,576, respectively, was recorded for grants and contracts receivable.

Notes To Consolidated Financial Statements

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donated Equipment, Material, Supplies, and Services

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

All non-cash gifts (other than personal services) are recorded at their estimated fair value at the 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.

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 GAAP. 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, 2025 and 2024.

Cash, Cash Equivalents, and Restricted Cash

The Organization considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. At December 31, 2025 and 2024, cash contractually restricted for capital improvements was \$689,523 and \$157,892, respectively. Additionally, restricted escrows and deposits included within other assets totaled \$556,457 and \$498,021 at December 31, 2025 and 2024, respectively, consisting primarily of the Summit Trail operating escrow of \$236,118 and \$208,532 and insurance escrow of \$298,461 and \$267,611 at December 31, 2025 and 2024, respectively.

Income Taxes

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

Notes To Consolidated Financial Statements

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes (Continued)

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 federal and state taxing authorities. In general, the Organization is no longer subject to tax examinations for the tax years ended before December 31, 2022.

Use of Estimates

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

Leases

The Organization accounts for leases in compliance with ASC 842, *Leases*. Right-of-use (ROU) operating and financing assets represent the asset utilization control right over an explicit lease span, while corresponding lease liabilities capture the direct present value obligation of lease payments. Calculations incorporate risk-free rates or incremental borrowing yields. Short-term leases with contractual lifetimes of 12 months or less are expensed as incurred without balance sheet inclusion.

Functional Expense Allocation

The costs of providing the various programs and other activities are summarized on a functional basis in the consolidated statements of activities. The consolidated statements 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 based on time and effort. Other costs, such as office expenses and insurance, are allocated on management's best estimates of actual usage.

Notes To Consolidated Financial Statements

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Adoption of New Accounting Standard

Effective January 1, 2025, the Organization adopted FASB ASC 326, *Financial Instruments – Credit Losses*, replacing the historical incurred loss model with a forward-looking expected credit loss methodology. This standard is applied collectively to asset pools sharing similar credit risk characteristics, which encompass grants and contracts receivable of \$2,542,733, and other receivables of \$61,523, aggregating to a combined credit exposure base of \$2,604,256. Expected lifetime losses are evaluated using historical collections, current operational conditions, and supportable macroeconomic forecasts. Based on these indicators, allowances for credit losses of \$502,638 and \$18,705, respectively, were recognized at December 31, 2025, and no transitional adjustment to opening net assets was required.

NOTE 3. CASH AND CASH EQUIVALENTS

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

	2025	2024
Cash and cash equivalents	\$ 3,535,117	\$ 4,112,871
Cash restricted for capital improvements	689,523	157,892
	<u>4,224,640</u>	<u>4,270,763</u>
Cash restricted for capital improvements	(689,523)	(157,892)
Cash with contractual restrictions	-	(11,193)
Cash with donor-imposed restrictions	(2,205,294)	(1,021,224)
	<u>(2,894,817)</u>	<u>(1,190,309)</u>
Total cash and cash equivalents	<u>\$ 1,329,823</u>	<u>\$ 3,080,454</u>

NOTE 4. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization is substantially supported by grants and contracts, fee for service income, 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. Donor-imposed restricted assets are excluded from financial assets available for general expenditures within one year until the donor-specified purpose or time restrictions are fully satisfied. General expenditures may be incurred for program, administrative, or fundraising purposes. No such restrictions exist on fee for service income earned.

Notes To Consolidated Financial Statements

NOTE 4. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS (CONTINUED)

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

	2025	2024
Cash and cash equivalents and restricted cash	\$ 4,224,640	\$ 4,270,763
Grants and contracts receivable, net	2,040,095	5,111,773
Unconditional promises to give, net	1,004,641	45,030
Other receivables, net	42,818	78,108
Total financial assets	7,312,194	9,505,674
Less amounts not available for general expenditures within one year:		
Cash restricted for capital improvements	(689,523)	(157,892)
Cash with contractual restrictions	-	(11,193)
Donor imposed restrictions	(2,205,294)	(1,021,224)
Financial assets available to meet general Expenditures within one year	\$ 4,417,377	\$ 8,315,365

As part of the Organization's ongoing liquidity management plan, financial assets are purposefully structured and monitored to ensure they remain fully available as general operational expenditures, institutional liabilities, and other core programmatic obligations come due over the short term. To manage unexpected short-term liquidity variations or temporary timing mismatches in government grant funding distributions, the Organization operates within a balanced annual budget framework and maintains access to an active commercial revolving line of credit facility that can be drawn upon as temporary working capital needs arise. Subsequent to year-end, this credit facility was allowed to lapse during 2026 after its renewal period expired, and it has not been replaced.

Notes To Consolidated Financial Statements

NOTE 5. GRANTS, CONTRACTS, AND OTHER RECEIVABLES

Grants, contracts, and others receivable consist of the following asset and current expected credit loss allowance pools at December 31:

	2025	2024
Accounts receivable (general)	\$ 1,107,713	\$ 4,310,456
Accounts receivable (grants and contracts)	699,561	573,234
Accounts receivable (EHR billing)	735,459	821,659
Accounts receivable (other)	61,523	78,108
Less: general and other allowance for credit losses	(18,705)	(47,104)
Less: contracts allowance for credit losses	(5,393)	(62,341)
Less: EHR allowance for credit losses	(497,245)	(484,131)
Total contracts and other receivables, net	\$ 2,082,913	\$ 5,189,881

Grants and contracts receivable are evaluated collectively by pooling financial asset types that share similar credit risk characteristics. Cost-reimbursable government awards from federal, state, and local agencies exhibit negligible default risk based on historical zero-loss collection data and secure funding structures. Conversely, Electronic Health Record (EHR) diagnostic and medical billing channels represent a distinct risk pool subject to insurance verification hurdles, copay collection variables, and direct client default history. Management monitors collection trends on a monthly aging cycle, and the baseline life-to-date credit loss allowance is dynamically adjusted to factor in historical collection intervals and current macroeconomic conditions.

NOTE 6. NEW MARKETS TAX CREDIT PROGRAM AND SETTLEMENT

In January 2018, the CHRIS 180 Support Organization, Inc. was formed to facilitate a New Markets Tax Credit (NMTC) transaction to fund the construction of specific facilities. This structure involved notes payable totaling \$12,610,000 across two certified Community Development Entities (CDEs) and an affiliate investment fund. The Organization also maintained an associated NMTC Note Receivable of \$8,563,750.

During the year ended December 31, 2025, the seven-year compliance window closed and the Organization executed a formal settlement agreement to unwind the structure. The remaining NMTC Note Receivable balance was completely extinguished in connection with the absolute forgiveness of the matching long-term CDE notes payable obligations. The unwinding generated a non-cash debt forgiveness adjustment of \$12,610,000, along with the extinguishment of \$12,812 in non-cash accrued interest. Consequently, the Organization recognized a \$4,059,062 Gain on NMTC Settlement within the consolidated statement of activities for the year ended December 31, 2025.

CHRIS 180, Inc. and Subsidiaries

Notes To Consolidated Financial Statements

NOTE 6. NEW MARKETS TAX CREDIT PROGRAM AND SETTLEMENT (CONTINUED)

The non-cash financing and investment impacts resulting from the formal legal execution of the NMTC structure settlement and cancellation agreements during the fiscal year ended December 31, 2025, are summarized in the schedule below:

Extinguishment of NMTC long-term note receivable	\$	(8,563,750)
Absolute forgiveness of long-term CDE notes payable		12,610,000
Extinguishment of non-cash outstanding accrued interest		12,812
Net-non cash gain recognized on NMTC settlement	\$	<u>4,059,062</u>

NOTE 7. UNCONDITIONAL PROMISES TO GIVE, NET

Unconditional promises to give are recorded at net realizable value upon receipt. Unconditional promises to give consist of the following at December 31:

	<u>2025</u>	<u>2024</u>
Gross promises to give	\$ 1,031,335	\$ 71,724
Less: allowance for uncollectible promises to give	(26,694)	(26,694)
	<u>\$ 1,004,641</u>	<u>\$ 45,030</u>

NOTE 8. PROPERTY AND EQUIPMENT, NET

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

	<u>2025</u>	<u>2024</u>
Land	\$ 982,760	\$ 1,228,646
Buildings and improvements	22,540,841	23,242,469
Furniture and equipment	4,514,118	4,514,119
Vehicles	280,436	451,780
Construction in progress	43,885	43,885
	<u>28,362,040</u>	<u>29,480,899</u>
Less: accumulated depreciation	<u>(13,179,111)</u>	<u>(12,803,069)</u>
	<u>\$ 15,182,929</u>	<u>\$ 16,677,830</u>

For the years ended December 31, 2025 and 2024, depreciation and amortization expense for property and equipment was \$1,140,991 and \$1,236,032, respectively.

Notes To Consolidated Financial Statements

NOTE 9. LEASES

The Organization evaluates potential lease arrangements at inception under ASC 842 to determine correct classification. Right-of-use (ROU) assets capture the operational control right over a specified facility or equipment group, while lease liabilities capture the direct net present value of all contractually obligated lease payments over the lease term.

The Organization holds non-cancelable operating leases for primary administrative offices, regional counseling centers, and clinical facilities expiring at various intervals through 2034. During the year ended December 31, 2025, the Organization expanded its balance sheet tracking by recognizing non-cash right-of-use assets and matching financing lease obligations totaling \$91,443 for specialized programmatic and office equipment.

The carrying value of the related operating right-of-use assets as of December 31 are as follows:

	2025	2024
Accumulated basis	\$ 1,798,571	\$ 1,798,571
Less – accumulated amortization	(736,955)	(532,030)
	<u>\$ 1,061,616</u>	<u>\$ 1,266,541</u>

The carrying value of the related financing right-of-use assets as of December 31 are as follows:

	2025	2024
Accumulated basis	\$ 91,443	\$ -
Less – accumulated amortization	(21,831)	-
	<u>\$ 69,612</u>	<u>\$ -</u>

The weighted-average remaining lease terms and discount rates applied to outstanding lease obligations at December 31 are summarized as follows:

	2025	2024
Weighted-average remaining lease term: operating leases	6.19 years	7.19 years
Weighted-average remaining lease term: financing leases	3.25 years	-
Weighted-average present value discount rate – operating leases	3.35%	3.35%
Weighted-average present value discount rate – financing leases	4.12%	-

Notes To Consolidated Financial Statements

NOTE 9. LEASES (CONTINUED)

The contractual maturity profiles of undiscounted annual lease payments under non-cancelable lease agreements at December 31, 2025, are structured as follows:

Year Ending December 31:	Operating Leases	Financing Leases
2026	\$ 271,253	\$ 24,500
2027	196,721	24,500
2028	118,650	24,500
2029	122,803	-
2030	127,101	-
Thereafter	432,242	-
Total undiscounted minimum lease payments	\$ 1,268,770	\$ 73,500
Less: present value discount	(164,443)	(2,550)
Present value of total lease liabilities	1,104,327	70,950
Less: lease liabilities, current portion	(234,800)	(21,998)
Long-term lease liabilities, net of current portion	\$ 869,527	\$ 48,952

Rent expense on the Organization's leases with terms of 12 months or less was approximately \$263,000 and \$251,000 for the years ended December 31, 2025 and 2024, respectively.

NOTE 10. LINE OF CREDIT PAYABLE

The Organization maintained a revolving commercial line of credit facility that provided for maximum borrowings of \$1,800,000. The credit facility was active at year-end and subsequently lapsed during 2026 after the renewal period expired without being replaced. Prior to closing, the interest rate applicable to outstanding draws was variable based upon the prime rate (which stood at 6.75% at the time of maturity). Outstanding borrowings under this facility were \$- and \$1,650,000 as of December 31, 2025 and 2024, respectively.

CHRIS 180, Inc. and Subsidiaries

Notes To Consolidated Financial Statements

NOTE 11. NOTES PAYABLE

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

	2025	2024
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.	\$ -	\$ 467,309
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
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
	-	12,610,000
Other Debt:		
CHRIS Properties Graham Circle, LLC notes payable:		
(a) Due to Georgia Department of Community Affairs for Home Investment Partnership Program;	3,154,890	3,185,818
(b) Due to City of Atlanta for Home Investment Partnership Program; and	1,400,000	1,400,000
(c) Due to Federal Home Loan Bank of Atlanta for Affordable Housing Program.	315,000	315,000
	4,869,890	4,900,818
Total gross notes payable	4,869,890	17,978,127
Less: unamortized debt issuance costs	(4,357)	(7,013)
Notes payable, net	\$ 4,865,533	\$ 17,971,114

Notes To Consolidated Financial Statements

NOTE 11. NOTES PAYABLE (CONTINUED)

Aggregate principal maturities of debt subsequent to December 31, 2025 are as follows:

2026	\$	1,743,418
2027		25,765
2028		22,962
2029		20,003
2030		17,841
Thereafter		3,039,901
	\$	<u>4,869,890</u>

Included within the scheduled maturities above are notes payable to the City of Atlanta (\$1,400,000) and the Federal Home Loan Bank of Atlanta (\$315,000), aggregating \$1,715,000, for which the related compliance periods have expired and which are in the process of being forgiven. No repayment of these amounts is anticipated.

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, 2025 and 2024, \$3,154,890 and \$3,185,818, 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, 2025 and 2024 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 is required as long as the project remains in compliance, within a 15-year period, with the 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 15-year compliance period expired in 2025, and the Organization remained in compliance throughout the period. The loan is in the process of being forgiven, and no repayment is anticipated. 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, 2025 and 2024 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 is required as long as the project remains in compliance with the requirements of the affordable housing program agreement. The compliance period expired March 30, 2025, and the Organization remained in compliance throughout the period. The loan is in the process of being forgiven, and no repayment is anticipated.

Notes To Consolidated Financial Statements

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, which has 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 2025 and 2024 were \$398,100 and \$191,156, 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.

During 2024, the plan had a partial termination due to a reduction in force of 20%. Thus, employer matching contributions on those employees become fully vested.

NOTE 14. ENDOWMENTS

The Organization's endowment assets consist of a donor-restricted endowment fund established via the Maryann Toub Grant to support long-term programmatic initiatives. As required by accounting principles generally accepted in the United States of America (GAAP), net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board of Directors of the Organization has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA), as enacted in the State of Georgia, as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with donor restrictions (held in perpetuity): (a) the original value of gifts donated to the perpetual endowment, (b) the original value of subsequent gifts to the perpetual endowment, and (c) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment fund that is not classified as net assets to be held in perpetuity is classified as net assets with donor restrictions available for expenditure until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

Notes To Consolidated Financial Statements

NOTE 14. ENDOWMENTS (CONTINUED)

Interpretation of Relevant Law (Continued)

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of the Organization and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the Organization
7. The investment policies of the Organization

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Organization to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature are reported in net assets with donor restrictions. As of December 31, 2025, there were no funds with deficiencies, and the fund's fair market value exceeded historical corpus limits.

Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the historic dollar value of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce operational yields while assuming a conservative-to-moderate level of investment risk.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Organization has implemented a spending policy designed to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the historic dollar value of the endowment assets. Under this policy, as approved by the Board of Directors, distributions are appropriated annually based on the evaluation of pro-rata market performance yields and specific programmatic needs. For the year ended December 31, 2025, no amounts were appropriated or distributed from the fund to support general operations.

Notes To Consolidated Financial Statements

NOTE 14. ENDOWMENTS (CONTINUED)

Spending Policy and How the Investment Objectives Relate to Spending Policy (Continued)

Endowment net asset composition by type of fund as of December 31, 2025, consists of the following:

Endowment Net Asset Composition by Type of Fund December 31, 2025

	<u>With Donor Restrictions</u>
Original donor-restricted gift amount required to be maintained in perpetuity	\$ 282,636
Accumulated investment earnings subject to time and purpose restrictions	327
Total endowment funds	<u>\$ 282,963</u>

The changes in endowment net assets for the year ended December 31, 2025 are:

Changes in Endowment Net Assets for the Fiscal Year Ended December 31, 2025

	<u>With Donor Restrictions</u>
Endowment net assets, beginning of year	\$ -
Contributions received into perpetual corpus	282,636
Investment return	327
Amounts appropriated for expenditure	-
Endowment net assets, end of year	<u>\$ 282,963</u>

The portion of perpetual endowment funds required to be retained in perpetuity either by explicit donor stipulations or by UPMIFA totaled \$282,636 and \$- as of December 31, 2025 and 2024, respectively. The portion of endowment funds subject to time and purpose restrictions under UPMIFA, representing accumulated unappropriated investment earnings, totaled \$327 and \$- as of December 31, 2025 and 2024, respectively.

CHRIS 180, Inc. and Subsidiaries

Notes To Consolidated Financial Statements

NOTE 15. 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:

	2025	2024
Endowment – corpus	\$ 282,636	\$ -
Endowment – restricted earnings	327	-
Capital campaign	406,560	146,699
Counseling center	14,068	-
Trauma, treatment, and training	132,305	135,840
Adoption services	382,500	132,500
Community health workers	303,233	321,861
Infant early childhood	257,141	284,324
Holiday fund	88,000	-
General	338,524	-
Total net assets with donor restrictions	<u>\$ 2,205,294</u>	<u>\$ 1,021,224</u>

Net assets with donor restrictions are made up entirely of cash at December 31, 2025 and 2024.

NOTE 16. 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:

	2025	2024
Capital campaign	\$ -	\$ 111,619
Counseling center	5,932	500,000
Trauma, treatment, and training	3,535	267,822
Community health workers	18,627	92,558
Infant early childhood	27,183	135,019
General	1,477	150,444
Total donor restricted net assets released from restriction	<u>\$ 56,754</u>	<u>\$ 1,257,462</u>

NOTE 17. CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents, contracts receivable, and unconditional promises to give. The Organization maintains its cash with high-credit quality financial institutions, which at times may exceed federally insured limits; however, no losses have been experienced and custodial risk is considered remote. Credit risk regarding contracts receivable and promises to give is mitigated by a broad dispersion of funding across multiple government entities, foundations, and individual donors.

Notes To Consolidated Financial Statements

NOTE 17. CONCENTRATION OF CREDIT RISK (CONTINUED)

For the years ended December 31, 2025 and 2024, the Organization derived a significant portion of its financial support from government grants and contracts as summarized below:

	<u>2025 Revenue</u>	<u>2025 %</u>	<u>2024 Revenue</u>	<u>2024 %</u>
Governments grants and contracts	\$ 12,381,733	42%	\$ 22,142,024	69%

Management continually monitors these outstanding portfolios and maintains appropriate valuation allowances to safeguard against potential uncollectible accounts. A significant reduction in this level of government support, if it were to occur, could have a material effect on the Organization's programs and activities.

NOTE 18. CONTRIBUTIONS – IN-KIND SERVICES

The Organization receives contributed nonfinancial assets (in-kind contributions) from corporate donors, legal professionals, and community partners.

For the fiscal year ended December 31, 2025, contributed nonfinancial assets recognized within the consolidated statement of activities are structured as follows:

<u>Type</u>	<u>Amount</u>	<u>Usage</u>
Professional legal services	\$ 74,602	Management and general Program services
Program materials and supplies	39,750	
	<u>\$ 114,352</u>	

For the fiscal year ended December 31, 2024, contributed nonfinancial assets recognized within the consolidated statement of activities are structured as follows:

<u>Type</u>	<u>Amount</u>	<u>Usage</u>
Professional legal services	\$ 361,656	Management and general
	<u>\$ 361,656</u>	

The Organization's administrative policy dictates that all contributed nonfinancial assets are utilized directly within core programs and supporting activities. The Organization does not monetize or liquidate in-kind contributions. Contributed professional services are recognized as revenue and a corresponding expense if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributed professional legal services are valued and reported based on prevailing regional commercial billable market hourly rates for specialized corporate counseling and litigation support. Contributed program materials, physical goods, and supplies are valued at estimated retail fair market values at the formal date of wholesale distribution drop or delivery. Unless otherwise noted, all contributed nonfinancial assets carried zero donor-imposed restrictions and were completely consumed within the current operational cycle.

Notes To Consolidated Financial Statements

NOTE 19. SUBSEQUENT EVENTS

Management has evaluated subsequent events through July 10, 2026, which is the date the consolidated financial statements were available to be issued. No matters came to management's attention that require adjustment to or disclosure in the aforementioned consolidated financial statements.

SUPPLEMENTARY INFORMATION

CHRIS 180, Inc. and Subsidiaries

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2025

Federal Agency Name/Pass-Through Agency/ Federal Program or ClusterTitle	Assistance Listing No.	Pass-Through Entity Number	Federal Expenditures
U.S. Department of Health and Human Services			
Certified Community Behavioral Health Clinics	93.696		\$ 1,066,455
Block Grants for Community Mental	93.958		237,709
			<u>1,304,164</u>
Passed Through Global Refuge			
Unaccompanied Children Program	93.676	90ZU0606-01	189,473
Unaccompanied Children Program	93.676	90ZU0439-03	1,116,358
			<u>1,305,831</u>
Passed Through Fulton County			
Substance Abuse and Mental			
Health Services Projects of			
Regional and National Significance	93.243	22RFP038A-CJC(B)	<u>342,826</u>
Passed Through Georgia Department			
of Human Services, Division of			
Family and Children Services			
Adoption Assistance	93.659	42700-040-0000111662	76,576
Refugee and Entrant Assistance	93.566	42700-040-24-116294	275
MaryLee Allen Promoting Safe and			
Stable Families	93.556	42700-040-25-119121	16,211
			<u>93,062</u>
Total U.S. Department of Health and Human Services			<u>3,045,883</u>
U.S. Department of Justice - Office of Justice Programs			
STOP School Violence	16.839		\$ 298,578
Second Chance Act Reentry Initiative	16.812		218,838
Congressionally Recommended Awards	16.753		274,113
Community-Based Violence			
Prevention Programs	16.123		219,588
			<u>1,011,117</u>
Total U.S. Department of Justice			<u>1,011,117</u>
U.S. Department of Housing and Urban Development			
Continuum of Care	14.267		<u>94,264</u>
U.S. Department of the Treasury			
Cure Violence	21.U01		<u>160,731</u>
Total Federal Expenditures			<u>\$ 4,311,995</u>

See accompanying notes to the schedule of expenditures of federal awards.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE 1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards summarizes the expenditures of the Organization under programs of the federal government for the year ended December 31, 2025 and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the provisions of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic consolidated financial statements. The Schedule of Expenditures of Federal Awards does not include the federal awards of CHRIS Properties Graham Circle, LLC, which totaled \$4,720,431 for the year ended December 31, 2025, as those funds are included in the Uniform Guidance audit performed separately within CHRIS Properties Graham Circle, LLC.

NOTE 2. ACCOUNTING PRINCIPLES

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

NOTE 3. INDIRECT COST RATE

The Organization has elected not to use the 15% de minimis indirect cost rate under *Title 2 U.S. CFR Part 200*, Subpart E, Cost Principles.

NOTE 4. SUBRECIPIENT PAYMENTS AND NON-CASH ASSISTANCE

The Organization did not provide any federal awards to subrecipients during the year ended December 31, 2025. Furthermore, there were no federal loans, loan guarantees, or federal non-cash assistance (such as commodities or insurance) in force or outstanding during the fiscal period.



Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of CHRIS 180, Inc. and Subsidiaries (the "Organization"), which comprise the statement of financial position as of December 31, 2025, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated July 10, 2026.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Organization's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's consolidated financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

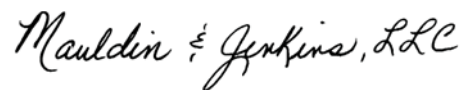
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Atlanta, Georgia
July 10, 2026



Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited CHRIS 180, Inc. and Subsidiaries' (the "Organization") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended December 31, 2025. The Organization's major federal programs are identified in the Summary of Auditor's Results Section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Organization's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the types of compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery; intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the types of compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of the federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the types of compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses or significant deficiencies, as defined above.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Atlanta, Georgia
July 10, 2026

CHRIS 180, INC. and Subsidiaries

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified	
Yes	No
	X
	None Reported
	X

Internal control over financial reporting:

Material weaknesses identified?

Significant deficiencies identified?

Noncompliance material to the financial statements noted?

Federal Awards:

Internal controls over major programs:

Material weaknesses identified?

Significant deficiencies identified?

Type of auditor's report issued on compliance for major federal programs:

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)?

Unmodified	
None	
	X
	None Reported

Identification of Major Federal Programs:

Unaccompanied Children Program

93.676

Certified Community Behavioral Health Clinics Expansion Grant

93.696

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 1,000,000

Auditee qualified as low-risk auditee?

Yes	No
	X

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SECTION II – FINANCIAL STATEMENT FINDINGS:

None reported

SECTION III – FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS:

None reported

SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS

SECTION II – FINANCIAL STATEMENT FINDINGS:

Finding 2024-001 – Financial Statement Closing and Presentation

Initial Fiscal Year Finding Occurred: Fiscal Year Ended December 31, 2024

Original Condition Summary: During the 2024 audit, internal control over financial reporting identified deficiencies within the year-end closing process. Certain accounts required audit reclassifications, comparative column adjustments, and supplemental footnote revisions to ensure strict compliance with US GAAP presentation guidelines.

Current Status: Fully Corrected.

Explanatory Narrative and Corrective Action Taken: Management successfully addressed and resolved the underlying control deficiencies during the 2025 operational cycle. Specifically, the Organization implemented enhanced month-end and year-end closing checklists, established rigorous reconciliation lead sheets for complex account balances, and strengthened supervisory review controls over financial statement layouts.

All mandatory US GAAP disclosures, including the disaggregation of contract revenues under ASC 606 and contributed nonfinancial assets under ASU 2020-07, were fully compiled, balanced, and verified against trial balance data prior to the commencement of the current audit window. As a result of these strengthened controls, no repeated or similar deficiencies were identified during the fiscal year ending December 31, 2025.

SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS

SECTION III – FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS:

Finding 2024-002 - Allowable Costs/Cost Principles

Initial Fiscal Year Finding Occurred: Fiscal Year Ended December 31, 2024

Original Condition Summary: Accounting tasks such as review and approval of expenditures applied to grants play a key role in proving the accuracy of accounting data and information included in the schedule of expenditures of federal awards. During the 2024 audit, it was noted that various expenditures did not have proper approval by management prior to the charge being applied to the grant.

Current Status: Fully Corrected.

Explanatory Narrative and Corrective Action Taken: Management successfully resolved this control deficiency during the 2025 fiscal cycle by implementing enhanced internal controls over the review and approval of grant expenditures. A formalized system was established and implemented, as well as less turnover in personnel. Testing during the current year confirmed these controls are operating effectively.