

CHRIS 180, INC.
(FORMERLY CHRIS KIDS, INC.)

CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES
WITH
INDEPENDENT AUDITOR'S REPORT
DECEMBER 31, 2016 AND 2015

CHRIS 180, INC.
(FORMERLY CHRIS KIDS, INC.)

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the consolidated accompanying financial statements of CHRIS 180, Inc. (a nonprofit organization formerly known as CHRIS Kids, Inc.) (the Organization), which comprise the statements of financial position as of December 31, 2016 and 2015, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of CHRIS 180, Inc. as of December 31, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements of CHRIS 180, Inc. as a whole. The accompanying schedules of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, Schedule of State Awards Expended and Consolidating Statements of Financial Position and Activities for the year ended December 31, 2016 as listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 23, 2017, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering CHRIS 180, Inc.'s internal control over financial reporting and compliance.

Brooks, McAnnis & Company, LLC

Atlanta, Georgia
March 23, 2017

CHRIS 180, INC.
(FORMERLY CHRIS KIDS, INC.)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2016 AND 2015

	2016	2015
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 594,745	\$ 413,091
Contracts receivable - federal, state, and local	1,385,632	1,181,995
Grants receivable	-	100,000
Accounts receivable, net	5,176	2,340
Unconditional promises to give, net - current portion	2,019,327	405,156
Note receivable - current portion	-	5,775
Prepaid expenses and other assets	138,926	68,184
Total current assets	4,143,806	2,176,541
Cash restricted for capital improvements	1,142,937	169,512
Unconditional promises to give, net - long term	1,390,482	-
Property and equipment in service, net	10,109,892	10,149,678
Property and improvements not used in operations, net	-	138,842
Deferred line of credit costs, net of \$5,144 and \$858 of accumulated amortization	12,314	4,291
Other assets	80,263	73,673
Total assets	\$ 16,879,694	\$ 12,712,537
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 262,767	\$ 199,678
Accrued expenses	487,741	335,841
Deferred revenue	-	10,000
Current portion of notes payable	77,642	77,866
Total current liabilities	828,150	623,385
Lines of credit payable	928,655	308,972
Notes payable - long term		
Notes payable - principal	5,966,878	6,044,511
Less unamortized debt issuance costs	(39,721)	(47,057)
Notes payable, net	5,927,157	5,997,454
Total liabilities	7,683,962	6,929,811
Commitments and contingencies		
Net Assets:		
Unrestricted:		
Available for operations	1,005,081	924,667
Expended for property and equipment, net of debt	3,712,057	4,213,200
Total unrestricted net assets	4,717,138	5,137,867
Temporarily restricted	4,478,594	644,859
Total net assets	9,195,732	5,782,726
Total liabilities and net assets	\$ 16,879,694	\$ 12,712,537

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

CHRIS 180, INC.
(FORMERLY CHRIS KIDS, INC.)
CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	2016	2015
Changes in unrestricted net assets:		
Revenues, gains and support:		
Grants and contracts	\$ 10,359,908	\$ 9,579,244
Contributions	821,870	962,028
In-kind contributions	247,465	149,062
Interest income	1,825	740
Special event revenue, net of \$202,571 and \$222,654 in direct expenses for 2016 and 2015, respectively	126,744	197,721
Rental income	361,993	362,056
Loss on disposal of vehicles	-	(7,275)
Settlement income	-	375,000
Other income	66,053	111,976
Total revenues, gains and support	11,985,858	11,730,552
Net assets released from restrictions	1,412,776	1,068,654
Total unrestricted revenues, gains and support	13,398,634	12,799,206
Expenses:		
Program services:		
Counseling Services	3,909,909	3,500,734
Community Services & Keeping Families Together	1,013,217	905,543
JourneyZ	3,736,375	3,602,162
TransitionZ	1,091,119	946,114
Clubhouse	638,877	432,536
AdoptionZ	285,832	250,141
Youth Build	12,293	-
Training Institute	162,436	147,664
Housing and Property	1,046,605	1,129,682
Total program services	11,896,663	10,914,576
Supporting services:		
Management and general	1,280,517	1,086,084
Fundraising	642,183	428,988
Total expenses	13,819,363	12,429,648
Increase (decrease) in unrestricted net assets	(420,729)	369,558
Changes in temporarily restricted net assets:		
Contributions	5,246,177	793,740
Interest income	334	-
Net assets released from restrictions	(1,412,776)	(1,068,654)
Increase (decrease) in temporarily restricted net assets	3,833,735	(274,914)
Increase in net assets	3,413,006	94,644
Net assets, beginning of year	5,782,726	5,688,082
Net assets, end of year	\$ 9,195,732	\$ 5,782,726

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

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

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

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

CHRIS 180, INC.
(FORMERLY CHRIS KIDS, INC.)
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2015

	Counseling Services	Community Services & Keeping Families Together	JourneyZ	TransitionZ	Clubhouse	AdoptionZ	Training Institute	Housing and Property	Total Program	Management and General	Fundraising	Total Expenses
Salaries and wages	\$ 2,236,111	\$ 653,773	\$ 2,556,610	\$ 556,747	\$ 246,860	\$ 169,455	\$ 58,528	\$ -	\$ 6,478,084	\$ 609,009	\$ 289,630	\$ 7,376,723
Benefits and payroll taxes	352,501	116,603	442,177	107,968	51,584	27,648	10,276	-	1,108,757	139,275	45,103	1,293,135
Total payroll expense	<u>2,588,612</u>	<u>770,376</u>	<u>2,998,787</u>	<u>664,715</u>	<u>298,444</u>	<u>197,103</u>	<u>68,804</u>	<u>-</u>	<u>7,586,841</u>	<u>748,284</u>	<u>334,733</u>	<u>8,669,858</u>
Rent and building maintenance	37,457	1,768	40,020	11,368	1,059	2,279	4,835	129,860	228,646	11,899	1,497	242,042
Depreciation and amortization	-	-	-	-	-	-	-	682,356	682,356	858	-	683,214
Direct care	65,340	37,622	242,915	114,945	64,050	23,543	23,968	-	572,383	-	245	572,628
Legal and accounting	-	-	-	-	-	-	-	-	-	112,930	-	112,930
Property taxes	-	4,106	-	-	-	-	-	2,467	6,573	-	-	6,573
Equipment leases and repairs	146,002	2,214	24,749	3,328	2,534	389	2,043	-	181,259	23,133	21,270	225,662
Vehicle maintenance, repair and parking	39,561	41,746	111,691	8,681	17,645	7,243	1,393	-	227,960	5,675	490	234,125
Supplies	16,794	1,569	9,167	1,932	2,221	738	1,262	11	33,694	9,373	1,025	44,092
Postage and printing	545	264	499	55	90	194	603	38	2,288	2,128	25,731	30,147
Telephone	27,826	19,446	29,560	9,706	7,012	4,083	1,809	6,136	105,578	9,855	2,973	118,406
Utilities	21,794	9,571	52,388	1,547	9,655	5,630	3,076	115,086	218,747	13,550	1,635	233,932
Promotions	-	55	436	10,840	3,617	-	370	-	15,318	-	4,751	20,069
Insurance	19,057	2,695	40,215	6,891	7,678	4,961	1,388	50,322	133,207	10,033	1,323	144,563
Interest	-	-	1,000	-	-	-	-	44,555	45,555	17,382	-	62,937
Training	27,483	742	1,193	2,371	12,839	755	34,040	-	79,423	25,900	248	105,571
Consulting	39,825	10,797	39,872	10,778	4,755	1,666	1,523	-	109,216	56,043	28,197	193,456
Dues and subscriptions	5,016	-	7,610	1,105	-	471	380	-	14,582	11,711	1,420	27,713
Professional medical fees	454,118	884	-	-	-	-	6	-	455,008	-	-	455,008
Management fees	-	-	-	-	-	-	-	48,076	48,076	-	-	48,076
Security	-	-	-	97,477	-	-	-	-	97,477	72	-	97,549
Bad debt expense	-	-	-	-	-	-	-	49,743	49,743	-	-	49,743
Other	11,304	1,688	2,060	375	937	1,086	2,164	1,032	20,646	27,258	3,450	51,354
Total expenses	<u>\$ 3,500,734</u>	<u>\$ 905,543</u>	<u>\$ 3,602,162</u>	<u>\$ 946,114</u>	<u>\$ 432,536</u>	<u>\$ 250,141</u>	<u>\$ 147,664</u>	<u>\$ 1,129,682</u>	<u>\$ 10,914,576</u>	<u>\$ 1,086,084</u>	<u>\$ 428,988</u>	<u>\$ 12,429,648</u>
	28%	7%	29%	8%	3%	2%	1%	9%	87%	10%	3%	100%

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

CHRIS 180, INC.
(FORMERLY CHRIS KIDS, INC.)
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	2016	2015
Cash flows from operating activities:		
Increase in net assets	\$ 3,413,006	\$ 94,644
Adjustments to reconcile increase in net assets to net cash used in operating activities:		
Depreciation and amortization	702,352	683,214
Amortization of debt issuance costs	7,336	4,480
Loss on disposal of vehicles	-	7,275
Contributions and pledges restricted for long-term purposes	(3,975,777)	(169,512)
Changes in assets and liabilities:		
(Increase) decrease:		
Contracts receivable - federal, state, and local	(203,637)	(339,943)
Grants receivable	100,000	(30,000)
Accounts receivable	(2,836)	(2,340)
Unconditional promises to give	(241,256)	(174,819)
Prepaid expenses	(70,742)	(31,167)
Other assets	(6,590)	(44,707)
Increase (decrease):		
Accounts payable	63,089	(12,551)
Accrued expenses	151,900	(93,491)
Deferred revenue	(10,000)	10,000
Total adjustments	(3,486,161)	(193,561)
Net cash used in operating activities	(73,155)	(98,917)
Cash flows from investing activities:		
(Increase) decrease in cash restricted for capital items	(973,425)	170,437
Payments received on note receivable	5,775	7,560
Purchase of property and equipment	(519,438)	(242,312)
Net cash used in investing activities	(1,487,088)	(64,315)
Cash flows from financing activities:		
Cash collected for long-term purposes	1,212,380	169,512
Line of credit closing costs capitalized	(12,309)	(34,010)
New debt borrowings	-	52,655
Principal payments on debt	(77,857)	(84,958)
Net draws on line of credit	619,683	112,723
Net cash provided by financing activities	1,741,897	215,922
Increase in cash and cash equivalents	181,654	52,690
Cash and cash equivalents, beginning of year	413,091	360,401
Cash and cash equivalents, end of year	\$ 594,745	\$ 413,091

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

CHRIS 180, INC.
(FORMERLY CHRIS KIDS, INC.)
CONSOLIDATED STATEMENTS OF CASH FLOWS – CONTINUED
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
Supplemental cash flow information:		
Cash paid for interest	\$ <u>50,855</u>	\$ <u>53,457</u>
Refinance of line of credit	\$ <u>-</u>	\$ <u>287,597</u>
Refinance of note payable	\$ <u>-</u>	\$ <u>808,074</u>

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

CHRIS 180, INC.
(FORMERLY CHRIS KIDS, INC.)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

1. Nature of Organization and Significant Accounting Policies

CHRIS 180, Inc. (formerly known as CHRIS Kids, 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. We do this through mental health counseling, training, providing safe housing and real-world skill building. During 2016, CHRIS 180 helped 6,745 people through its various programs and services. Our ultimate goal is to empower people to develop the skills and independence they need to navigate life's challenges and become contributing citizens. CHRIS 180 is a multi service behavioral health organization that exists to improve the lives of children and young adults and strengthen families through innovative, trauma informed practices that inspire hope and reduce future dependency on government. The organization accomplishes this purpose through a continuum of services and partnerships designed to promote recovery, foster individual accountability and unlock the potential in every man, woman and child. In March 2016, the Board of Directors voted to proceed with a capital campaign to raise \$12 million to expand the organization's impact, support innovation, and ensure an even stronger sustainable future. An initial pledge of \$3,000,000 toward this goal was received in 2016 with subsequent other foundation gifts, including board gifts and pledges representing 100% participation, as well as an additional conditional commitment of \$3,000,000 to be realized during 2017. Fundraising efforts continue.

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

CHRIS Homes Properties, LLC owns residential properties, nine of which are EarthCraft Certified, and vehicles that are leased to CHRIS 180 Operations, LLC. CHRIS Properties, LLC owns the real estate that provides the LEED Platinum Certified office space to CHRIS Operations, LLC for the CHRIS Counseling Center as well as other program services. CHRIS Properties Graham Circle, LLC holds title to a fully furnished, EarthCraft Certified, multi-family apartment complex for CHRIS Operations, LLC to utilize for the client population of single and parenting youth who are aging out of foster care or who are homeless.

CHRIS 180, INC.
(FORMERLY CHRIS KIDS, INC.)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

1. Nature of Organization and Significant Accounting Policies – Continued

Life changing services were provided to 5,530 and 5,147 unduplicated individuals during 2016 and 2015. Specialized training through the CHRIS Training Institute was also provided to an additional 1,215 unduplicated participants in areas ranging from trauma informed practice, professional clinical services, working with transition age youth, LGBT youth, sexually exploited youth and mental health first aid to the prevention of child sexual abuse, bullying and understanding diversity. The centerpiece of CHRIS 180 trauma informed work is understanding and treating the impact of chronic stress and adverse childhood experiences so that children, young adults and families can recover, avoid negative long term physical and mental health consequences and live full lives. Program areas include: Counseling for the community, Community Services, Residential and Housing Services, Community Housing, the CHRIS Training Institute and Internship Programs. A summary of major programs and outcomes follows:

CHRIS Counseling Center:

The CHRIS Counseling Center (CCC) helps people through tough times so that they can feel better and function better. The CCC has a special focus on helping people recover from trauma. Therapists utilize 20 different evidenced based treatment modalities to ensure people receive the individually tailored assistance needed to help them develop the skills required to build personal resiliency and sustain recovery. Over 36% of the certified trauma therapists in the State of Georgia work at the CCC and use their skills to help people confront, recover and heal from past sexual abuse, physical abuse and/or other adverse childhood/life experiences. A partnership with Emory University Medical School enables psychiatric fellows to further their training at the CCC and partnerships with several local colleges provide supervised internship experiences for Masters level clinical interns. Counseling is provided at the CHRIS Counseling Center in Atlanta, GA, at the Gwinnett County Counseling Center satellite location in Lawrenceville, GA, in numerous City of Atlanta, DeKalb County and Fulton County Public Schools, at partner locations, in the community and through TelePsychiatry. During 2016, counseling was provided to 2,522 individuals:

- o 100% received a trauma assessment
- o 66% revealed contributing traumatic events(s) during initial treatment sessions
- o 85% percent demonstrated improvement
- o 88% reported that they would recommend the CHRIS Counseling Center to others
- o 96% of families reported feeling less stress and improvement in family functioning

CHRIS 180, INC.
(FORMERLY CHRIS KIDS, INC.)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

1. Nature of Organization and Significant Accounting Policies – Continued

Community Programs and Services:

Keeping Families Together (KFT):

KFT assists Georgia's most vulnerable children and their families in building a plan of support and services to help them establish safety and stability in their homes and strengthen the family unit, enabling them to become stronger and stay together. Utilizing a High Fidelity WrapAround model, families are helped to navigate multiple systems and community services while receiving prevention, reunification and support services that help them achieve their goals so that, in the future, families and each individual within the family has the skills to help themselves and has built a natural support system in the community. During 2016, 1,157 individuals received assistance:

- o Safety was ensured for 100% of all children in all families
- o 89% of families were strengthened, avoiding disruption through hospitalization, incarceration or the out-of-home placement of a child
- o 84% of youth classified as designated felons graduated with no new juvenile charges and remained with their families, avoiding re-incarceration
- o 91% of families reported that they would recommend CHRIS 180 services to others

CHRIS Adoptions:

CHRIS Adoptions provides a unique set of trauma informed services and supports to ensure that children in foster care truly have a forever family; because no child should ever have to age out of foster care. In 2013, CHRIS 180 developed a trauma informed foster care adoption model with the goal of reducing (and eliminating) failed adoptions for children in foster care. During 2016, 78 individuals were served and 12 children were placed in their adoptive homes. *Gateway Foster Homes* were envisioned and created by CHRIS 180 to support the adoption program by providing specialized foster homes for siblings groups who are in foster care, but who either are placed in hotels temporarily, are separated into different foster homes or for whom we can avoid the separation of sibling in the first place. CHRIS 180 currently operates two Gateway Foster Homes and has successfully facilitated the adoption of two sibling groups as a result of re-unifying siblings in these homes. Three additional Gateway Foster Homes for siblings will be opened as a result of the current capital campaign and will help address placement challenges in the burgeoning foster care crisis in Georgia. During 2016:

- o 11 home studies were completed
- o 7 adoption finalizations

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

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1. Nature of Organization and Significant Accounting Policies – Continued

CHRIS Clubhouse:

The CHRIS Clubhouse helps 15-21 year olds with emotional and/or behavioral challenges make a successful transition to adulthood in a fun non-traditional atmosphere. During 2016, 179 youth received help and support:

- o 9% of youth were actively homeless and living on the street while receiving services that eventually led to their achieving housing
- o 95% of youth had no new legal involvement
- o 91% of youth maintained a stable living arrangement
- o 84% of youth discharged demonstrated improvement in functioning on the CANS, a national measure of improvement

Community Partnerships:

In order to enhance services to populations with need while avoiding duplication of services, CHRIS 180 seeks to leverage our strengths and the strengths of our partners by supporting the creation of partnerships designed to fulfill our missions in the most cost effective, efficient manner. To this end, during 2016 CHRIS 180 maintained MOUs with 46 non-profit and for-profit partners including four different public school systems in metro Atlanta and three federally qualified health centers. As a result, barriers to services were reduced and access to essential trauma informed counseling and other services were increased for children and for clients of other nonprofits. A partnership with the Georgia Partnership for TeleHealth further expanded services on behalf of our clients. Training partners include the United Way, the United Way Supportive Services for Veteran Families Program and the Georgia Department of Family and Children Services. Other collaborative partnerships in 2016 included New Hope Enterprises, Year Up, the Atlanta Police Foundation, Urban League of Atlanta, the Criminal Justice Coordinating Council, Georgia State University, Gwinnett Kids Net and Synchronicity Theatre.

Residential and Housing Programs and Services:

The JourneyZ Group Home Program is the organization's founding program and consists of eight, six bed homes in the community designed to help traumatized and exploited children in foster care who have severe emotional and behavior problems heal and develop the skills they need to navigate life's challenges by giving them essential supports and a home in a neighborhood. During 2016, 120 foster children received a home, counseling and support:

- o 100% of children demonstrated improvement in life skills
- o 100% participated in volunteer activities
- o 84% completed a life skill goal

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1. Nature of Organization and Significant Accounting Policies – Continued

Residential and Housing Programs and Services – Continued :

- o 16% experienced a failed adoption prior to placement
- o 23% were successfully re-unified with relatives following placement

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

- o During 2016, the Emergency Shelter/Transitional Living Program provided emergency housing, support, individualized counseling, life coaching and parenting skills training for 8 youth, ages 17 – 21, including one parent with one child. While participating in the program,
 - § 100% became employed
 - § 25% transitioned to supportive housing at Summit Trail Apartments
 - § 100% were safely housed upon leaving the program
 - § 88% continued working with their Life Coach after discharge
- o During 2016, permanent supportive housing at Summit Trail Apartments was provided for 74 single and parenting young adults with a total of 12 children. While living in the apartments,
 - § 85% of young people were working and/or in school
 - § 85% maintained employment for 90 days or longer
 - § 100% of high school seniors graduated
 - § 23% were enrolled in college or technical school
 - § Of youth who entered the program without a high school education, GED or vocational certificate, 95% of youth attained one of these educational goals prior to discharge
 - § 95% demonstrated improved knowledge of community resources
 - § 100% demonstrated improvement in life skills

Two year post discharge outcomes:

- o 96% are safely housed
- o 91% are employed and/or in school

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1. Nature of Organization and Significant Accounting Policies – Continued

Residential and Housing Programs and Services – Continued :

The Emergency Assistance program prevents young adults with mental health issues who are up to age 35 (and their families) from becoming homeless and helps those who are already homeless by assisting them in obtaining stable housing and employment while they receive support, guidance and instruction designed to foster self-sufficiency. During 2016, 71 young adults received help:

- 99% became and remain housed
- 98% are working
- 18% of those working are also in school

Street Outreach services assisted 908 youth. During 2016, support, assistance, resource guides and referrals were provided to 416 homeless youth through face to face meetings and telephone follow up support. An additional 492 youth who contacted the program by telephone seeking housing and assistance were provided assistance, support and guidance as well as resource guides and referrals for help available through CHRIS 180 and other providers. Telephone follow up calls were made to offer services and provide on-going support.

The CHRIS Training Institute:

The CHRIS Training Institute provides high quality training with a focus on trauma informed care, child abuse prevention, diversity and inclusion. Training is provided with the intent of exponentially expanding impact in the areas of clinical professional services, human services, child welfare, juvenile justice, and family welfare, while promoting prevention and increasing awareness of the importance of mental health and addiction treatment as wise investments in the future. Training was provided for 754 internal participants as well as for individuals in the broader community. During 2016, 1,215 unduplicated external individuals attended trainings. Of these, 503 individuals participated in one to three days of training in Trauma STARS, CHRIS 180's signature trauma training program. Trauma Assessment training was provided for 60 participants and 89 participants were trained in the prevention of child sexual abuse. Training in working with LGBT youth and Bullying was provided to 105 individuals and 89 individuals participated in training on Youth Mental Health First Aid and Adult Mental Health First Aid. In addition, many other clinical professional courses such as Motivational Interviewing, Ethics Training, Dialectical Behavioral Therapy, Play and Filial Therapy and Comprehensive Child and Family Assessment Trainings were provided during 2016 as well.

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1. Nature of Organization and Significant Accounting Policies – Continued

Basis of Presentation

The Organization presents its consolidated financial statements in accordance with generally accepted accounting principles (GAAP). Under GAAP, the Organization is required to report information regarding its financial position and activities according to three classes of net assets (unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets) based upon the existence or absence of donor-imposed restrictions. The Organization had no permanently restricted net assets at December 31, 2016 or 2015.

Basis of Accounting

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

Functional Allocation of Expenses

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

Contributions

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

Donated Equipment, Material, Supplies and Services

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.

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1. Nature of Organization and Significant Accounting Policies – Continued

Donated Equipment, Material, Supplies and Services – Continued

All non-cash gifts (other than personal services) are recorded at their estimated fair value at date of receipt. Contributions of food, clothing, medical items, personal care supplies, event auction items and other special needs items valued at \$204,602 and at \$161,615, respectively, have been reflected in the statements of activities for the years ending December 31, 2016 and 2015. Donated services are recognized at fair value if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

The Organization recorded \$89,471 and \$56,594 in donated legal services in 2016 and 2015, respectively. No amounts have been recognized in the financial statements for general volunteer services, since these services received do not meet the GAAP criteria noted above.

Property and Equipment

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

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

The Organization follows the practice of capitalizing all expenditures for property and equipment in excess of \$1,000. Beginning in 2016, the Organization increased this threshold to \$5,000.

Income Taxes

CHRIS 180, Inc. is exempt from income taxes under Section 501(c) (3) of the Internal Revenue Code, as amended, and classified by the Internal Revenue Service as other than a private foundation. The Organization is subject to income taxes on income from unrelated business activities. At December 31, 2016 and 2015, the Organization had federal and state income tax net operating loss (NOL) carryforwards of \$50,321 and \$48,161, respectively. Management believes more likely than not that the benefit from the NOL carryforwards will not be realized; therefore, a deferred tax asset has not been recorded on the accompanying statements of financial position. No provision for income taxes has been provided for the years ended December 31, 2016 and 2015. In addition, the Organization believes that it has appropriate support for any tax positions taken, and as such does not have any uncertain tax positions that are material to the financial statements. The Organization's income tax returns are subject to examination by the appropriate regulatory authorities, and as of December 31, 2016, the Organization's federal tax returns typically remain open to examination for the last three years.

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1. Nature of Organization and Significant Accounting Policies – Continued

Income Taxes – Continued

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

<u>Year ended December 31,</u>	
2032	\$ 6,827
2033	12,749
2034	15,930
2035	12,655
2018	<u>2,160</u>
	<u>\$ 50,321</u>

New Accounting Policies

In April 2015, FASB issued ASU 2015-03, *Interest-Imputation of Interest (Subtopic 835-30); Simplifying the Presentation of Debt Issuance Costs*, which requires that debt issuance costs related to a recognized debt liability be presented in the statement of financial position as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. The recognition and measurement guidance for debt issuance costs are not affected by this update.

For the update above, the guidance requires retrospective application, and is effective for business entities for fiscal years, and interim periods within those years, beginning after December 15, 2015. Accordingly, the amendment has been applied to the December 31, 2015 Statement of Financial Position. The new accounting policy above did not affect net assets.

Previously, the Organization followed the practice of capitalizing all expenditures for property and equipment in excess of \$1,000. Beginning in 2016, the Organization increased this threshold to \$5,000.

Estimates

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

CHRIS 180, INC.
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1. Nature of Organization and Significant Accounting Policies – Continued

Cash and Cash Equivalents and Concentration of Credit Risk

The Organization considers all cash investments and highly liquid investments with maturities of three months or less to be cash equivalents. Cash and cash equivalents consist primarily of demand deposits with a single financial institution. The balances in the Organization's bank accounts, as reflected in the bank's records, are insured by the Federal Deposit Insurance Corporation (FDIC) at December 31, 2016 and 2015 up to \$250,000. At December 31, 2016 and 2015, the Organization's accounts exceeded the limit by \$1,415,204 and \$250,671, respectively.

Cash consisted of the following at December 31:

	2016	2015
Unrestricted	\$ 509,642	\$ 328,029
HUD restricted operating deficit reserve	85,103	85,062
Cash and cash equivalents	594,745	413,091
Cash restricted for capital improvements and other	1,142,937	169,512
Total cash	\$ 1,737,682	\$ 582,603

Allowance for Doubtful Accounts

The Organization uses an allowance method to determine uncollectible unconditional promises to give as well as fee for service billing, grants and contracts receivable, as well as tenant rents receivable. The allowance is based on prior years' experience and management's analysis of specific promises made and amounts billed and to be reimbursed. All accounts receivable from tenants and unconditional promises to give were considered collectible at December 31, 2016 and 2015 and accordingly no allowance for doubtful accounts was recorded. At December 31, 2016, an allowance in the amount of \$97,140 was recorded for grants and contracts receivable. No allowance for grants and contracts receivable was recorded at December 31, 2015.

Advertising

Advertising costs are expensed as incurred.

Deferred Line of Credit Costs

Deferred line of credit costs are amortized over the duration of the related line of credit. The life of the lines of credit currently range from 3 to 5 years. For the years ended December 31, 2015 and 2016, amortization charged to expense was \$4,286 and \$858, respectively.

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1. Nature of Organization and Significant Accounting Policies – Continued

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, 2016 and 2015.

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.

Reclassification

Certain amounts previously reported have been reclassified to conform to the current year financial statement presentation.

Subsequent Events

Management has evaluated events and transactions which occurred through March 23, 2017, which was the date the financial statements were available to be issued.

In March 2017, a home was purchased on Pine Trail for \$233,000, which was paid for by a draw on the mortgage line of credit.

2. Grants and Contracts Receivable

Grants receivable at December 31, 2015 consists of \$100,000, from two foundations restricted for the Counseling Center, the Trauma Treatment Training Initiative, and repairs to the JourneyZ homes. There were no grants receivable at December 31, 2016. Contracts receivables arise from fees for services provided under and, to a lesser extent reimbursements owed through government contracts. CHRIS 180, Inc.'s ability to collect amounts due is affected by the outside agencies' acceptance of reimbursable expenses and performance-based outcomes, which meet contract requirements.

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2. Grants and Contracts Receivable – Continued

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

	2016	2015
State contract receivables:		
DHS contracts	\$ 469,972	\$ 429,530
Georgia Department of Juvenile Justice	93,150	49,131
Gwinnett County Juvenile Justice	52,977	130,893
Lookout Mountain Community Services	119,100	58,544
Fulton County Housing and Human Services	-	46,500
Georgia DBHDD Board	146,780	114,317
Various other DFCS county offices	4,503	42,534
Multi-Agency Alliance for Children	50,773	62,625
ESGP Transitional Living	35,211	16,049
Amerigroup - WRAP	-	105,186
Amerigroup - Pathways to Permanency	66,700	-
Other contracts and receivables	55,127	24,521
Total state contract receivables	1,094,293	1,079,830
Other contract receivables:		
Medicaid	39,344	19,045
Care management organizations	294,519	83,120
Mississippi Department of Child Protection Services	23,048	-
Other	31,568	-
Total other contract receivables	388,479	102,165
Less allowance for doubtful accounts	(97,140)	-
Total contracts receivable	\$ 1,385,632	\$ 1,181,995

3. Accounts Receivable, Net

Accounts receivable at December 31, 2016 and 2015 includes tenant rents receivable of \$5,176 and \$2,340, respectively. The Organization has determined that all amounts recorded as accounts receivable are collectible; accordingly, no allowance for doubtful accounts has been established.

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4. Unconditional Promises to Give, Net

The amounts due from United Way of Metropolitan Atlanta at December 31, 2016 and 2015 represent the balance of the Organization's allocated funding for the periods ending June 30, 2016 and June 30, 2015. Donor designations to United Way may vary; however, differences between the amounts collected and allocated from United Way have historically been insignificant. Accordingly, no provision is made for uncollectible amounts regarding amounts due from United Way of Metropolitan of Atlanta.

During 2016, the Organization began a \$12,000,000 capital campaign to raise funds to create four new Gateway foster homes and renovate the existing Gateway homes, renovate the seven existing group homes, construct an Earthcraft-certified Center of Excellence for Training, Education, and Connections, purchase vehicles, renovate and update the Summit Trail Apartments, and create operating reserve, maintenance reserve and sustainability reserve funds. Pledges received through December 31, 2016 totaled approximately \$3,917,475, of which the Organization believes approximately \$3,882,094 will be realized. As of December 31, 2016, net pledges receivable remaining was \$2,763,397. Pledges are recorded at net realizable value upon receipt. Contributions to be received after one year are discounted at 3.75%, commensurate with the risks involved. Amortization of the discount is recorded as additional contribution revenue and utilized in accordance with donor imposed restrictions on the contribution.

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

	2016	2015
United Way of Metropolitan Atlanta	\$ 192,700	\$ 199,370
Foundations	305,000	200,000
Capital campaign pledges receivable	2,763,397	-
Other	148,712	5,786
Total unconditional promises to give, net	\$ 3,409,809	\$ 405,156

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

	2016	2015
Amounts due in:		
Less than one year	\$ 2,019,327	\$ 405,156
One to five years	1,445,511	-
Less:		
Discount on capital campaign pledges receivable	(55,029)	-
Total unconditional promises to give, net	\$ 3,409,809	\$ 405,156

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4. Unconditional Promises to Give, Net – Continued

Pledges receivable, net does not include certain conditional pledges of \$3,000,000 received in fiscal 2016 that are conditioned upon the Organization meeting certain donor criteria including raising \$7,500,000 in cash gifts for capital purposes.

5. Note Receivable

On January 1, 2013, CHRIS 180, Inc. purchased the assets net of liabilities of The Giving Tree, Inc. The Organization acquired a note receivable in this purchase from an outside vendor which is payable in equal installments of \$700 at a rate of 4% and matures August 2016. The balance of the note receivable at 2015 was \$5,775, which was collected in full during 2016.

6. Property and Equipment in Service, Net

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

	2016	2015
Land	\$ 1,116,450	\$ 1,043,722
Residential rental property and improvements	12,170,109	11,647,117
Furniture and equipment	1,694,281	1,695,914
Vehicles	272,661	292,767
Construction in process	147,670	40,111
Total property and equipment at cost	15,401,171	14,719,631
Less accumulated depreciation	(5,291,279)	(4,569,953)
Total property and equipment, net	\$ 10,109,892	\$ 10,149,678

For the years ended December 31, 2016 and 2015, depreciation expense for all assets was \$698,066 and \$682,356, respectively.

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7. Property and Equipment Not Used In Operations, Net

Property and equipment not used in operations consists of one rental property for the year ended December 31, 2015. This rental property began being used as an additional Gateway foster home in fiscal 2016. Components of this property are as follows at December 31, 2015:

Land	\$	34,836
Residential rental property and improvements		159,079
Total property and improvements not used in operations at cost		193,915
Less accumulated depreciation		(55,073)
Property and improvements not used in operations, net	\$	138,842

There was no rental income on this property for the years ended December 31, 2016 and 2015.

8. Operating Lease Commitments

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

<u>Year ended December 31,</u>		
2017	\$	141,200
2018		127,581
	\$	268,781

Total rental and lease expense for all leases for the years ended December 31, 2016 and 2015, including several month-to-month leases, was \$109,951 and \$66,139, respectively.

9. Lines of Credit Payable

In October 2015, the Organization refinanced its existing operating line of credit with another lender. The maximum borrowings on this line of credit are \$1,000,000. All unpaid accrued interest and principal is due October 30, 2017. The interest rate on the line of credit is equal to the prime rate, which was 3.75% and 3.50% for the years ended December 31, 2016 and 2015, respectively. The outstanding balance on this line of credit at December 31, 2016 and 2015 was \$525,450 and \$308,972, respectively.

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9. Lines of Credit Payable – Continued

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

10. Notes Payable, Net

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

	2016	2015
Bank debt:		
CHRIS Homes Properties, LLC notes payable:		
4.77% fixed rate term note, due in monthly installments of \$5,373, including principal and interest through November 1, 2020; collateralized by all assets held by CHRIS Homes Properties, LLC	\$ 802,500	\$ 828,036
3.25% fixed rate vehicle loan, due in monthly installments of \$431, including principal and interest through November 23, 2020; collateralized by van held by CHRIS Homes Properties, LLC	18,989	23,429
Total bank debt	821,489	851,465
Other debt:		
CHRIS Properties Graham Circle's notes payable:		
Due to Georgia Department of Community Affairs for Home Investment Partnership Program	3,508,031	3,555,912
Due to City of Atlanta for Home Investment Partnership Program	1,400,000	1,400,000
Due to Federal Home Loan Bank of Atlanta for Affordable Housing Program	315,000	315,000
Total notes payable	\$ 6,044,520	\$ 6,122,377

CHRIS 180, INC.
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10. Notes Payable, Net – Continued

Other Debt

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

After the conversion, 240 monthly payments of principal are required that will pay down approximately \$760,000 of the loan and the balloon amount of approximately \$3,040,000 will be forgiven as long as the project is in compliance with the home rental term compliance requirements. At December 31, 2016 and 2015, \$3,508,031 and \$3,555,912, respectively, was due to DCA on this loan.

Previously the Organization received a loan (grant) from the City of Atlanta. The principal sum at December 31, 2016 and 2015 is \$1,400,000. The funds are dedicated to the project as a grant with no interest paid on the outstanding principal balance. Therefore, no payment will be made unless the project is not in compliance for a 10 year period with the compliance requirements for providing housing to young adults who are homeless or who have aged out of the foster care system but still do not possess the physical, developmental, educational, and emotional capabilities to thrive without the necessary supportive social services. The 10 year loan period will expire in 2020. The collateral on this loan is the real property associated with the project. The City of Atlanta's security deed is subordinate to the DCA's.

The Organization has a loan with the Federal Home Loan Bank of Atlanta. The principal sum at December 31, 2016 and 2015 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.

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10. Notes Payable, Net – Continued

Components of notes payable, net include the following at December 31, 2016:

	Principal	Unamortized Debt Issuance Costs
Mortgage loan	\$ 802,500	\$ 22,126
Vehicle loan	18,989	-
Georgia Department of Community Affairs	3,508,031	17,595
City of Atlanta	1,400,000	-
Federal Home Loan Bank of Atlanta	315,000	-
Total	\$ 6,044,520	\$ 39,721

Debt issuance costs are amortized over the duration of the related loan. The life of the loans currently range from 5 to 20 years. For the years ended December 31, 2016 and 2015, amortization charged to expense for the notes payable was \$7,336 and \$4,480, respectively.

Aggregate principal maturities of debt subsequent to December 31, 2016 are as follows:

Year ended December 31,		
2017	\$	77,642
2018		77,741
2019		77,624
2020		764,572
2021		39,632
Thereafter		5,007,309
	\$	6,044,520

11. Commitments and Contingencies

Certain grants and contracts often require the fulfillment of certain conditions as set forth in the instrument or agreement. Failure to fulfill the conditions could result in the return of funds to the grantors. Although the return of funds is a possibility, management of CHRIS 180, Inc. deems the contingency unlikely. The grants and contracts are subject to audit by the grantor, or in the case of federal funds, the federal government. They have the authority to determine liabilities or limit or suspend participation in the various sponsored programs.

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11. Commitments and Contingencies – Continued

In September 2016, the Organization signed a contract for construction management services totaling \$70,500, of which \$42,500 was still outstanding at December 31, 2016. In addition, during November 2016, the Organization signed a contract for architect services totaling \$256,000, of which \$243,500 was still outstanding at December 31, 2016.

12. 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 2016 and 2015 were \$32,814 and \$32,118, respectively.

13. Temporarily Restricted Net Assets

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

	2016	2015
United Way of Metropolitan Atlanta	\$ 192,700	\$ 199,370
Capital Improvements	120,933	169,512
Counseling Services	-	40,977
JourneyZ and TransitionZ	55,000	100,000
Trauma, Treatment, and Training Initiative	45,000	85,000
LGBT Youth	20,242	-
School Based Mental Health	214,518	-
Capital Campaign Cash and Pledges	3,810,201	-
Other	20,000	50,000
Total temporarily restricted net assets	\$ 4,478,594	\$ 644,859

CHRIS 180, INC.
(FORMERLY CHRIS KIDS, INC.)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

14. Net Assets Released from Restrictions

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

	<u>2016</u>	<u>2015</u>
United Way	\$ 392,070	\$ 390,626
Capital Improvements	85,080	170,437
Counseling Services	40,977	69,023
JourneyZ and TransitionZ	100,000	50,000
Trauma, Treatment and Training Initiative	165,000	323,568
LGBT Youth	229,758	-
School Based Mental Health	135,482	-
Capital Campaign Management	129,409	-
Other	135,000	65,000
Total net assets released from restrictions	<u>\$ 1,412,776</u>	<u>\$ 1,068,654</u>

CHRIS 180, INC.
(FORMERLY CHRIS KIDS, INC.)

REPORTS AND OTHER SCHEDULES AND INFORMATION
AS REQUIRED BY THE UNIFORM GUIDANCE
FOR THE YEAR ENDED
DECEMBER 31, 2016

CHRIS 180, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2016

Federal Grantor/Pass-through Grantor Agency	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
<u>U.S. Department of Health and Human Services</u>			
Pass Through from Georgia Department of Behavioral Health and Developmental Disabilities:			
Lookout Mountain- Care Management	93.958	* LMCS MOU	\$ 707,978
Mental Health Resiliency	93.958	* HTI-44100-026-55801	291,393
Mental Health Resiliency	93.958	* HTI-44100-026-84571	242,419
Mental Health Resiliency	93.958	* HTI-44100-026-85502	63,415
Pass Through from Georgia Department of Human Services - Family and Children Services			
PSSF Counseling Center	93.556	42700-040C-PSSF-17031	2,505
PSSF Wraparound	93.556	42700-040C-PSSF-17100	7,426
Care Coordination Services for YM	93.558	42700-040C-NC14005	96,557
Pass Through from Georgia Department of Human Services - Substance Abuse and Mental Health Services			
	93.243	1U79SM063162-01	47,787
<u>U.S. Department of Justice-</u>			
<u>Office of Justice Programs</u>			
Second Chance / Re-entry Grant	16.831	2016-IG-BX-0005	9,946
<u>U.S. Department of Labor-</u>			
<u>Employment and Training Administration</u>			
Youth Build Grant	17.274	YB-29940-17-60-A-13	11,122
<u>U.S. Department of Housing and Urban Development</u>			
Pass Through DeKalb County - Emergency Solutions Grants Program			
Transitional Living	14.231	90CX6887-01-00	178,606
Pass Through Georgia Department of Community Affairs			
ESG Project Homeless Contract	14.231	16C033	16,835
			\$ 1,675,989

* Audited as major program

CHRIS 180, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2016

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, 2016 and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the provisions of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The schedule of expenditures of federal awards is not prepared on a consolidated basis and does not include the federal awards of CHRIS Properties Graham Circle, LLC.

2. Accounting Principles

Expenditures for direct costs are recognized as incurred using the accrual method of accounting and the cost accounting principles contained in the Uniform Guidance. Under these cost principles, certain types of expenditures are not allowable or are limited as to reimbursement. The Organization has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of CHRIS 180, Inc. (a nonprofit organization formerly known as CHRIS Kids, Inc.) (the Organization), which comprise the statements of financial position as of December 31, 2016, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 23, 2017.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Brooks, McInnis & Company, LLC

Atlanta, Georgia
March 23, 2017



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

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

Report on compliance for Each Major Federal Program

We have audited CHRIS 180, Inc.'s (the Organization) (a nonprofit organization formerly known as CHRIS Kids, Inc.) 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, 2016. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, Chris 180, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2016.

Report on Internal Control Over Compliance

Management of CHRIS 180, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

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

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

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

Brooks, McAnnis & Company, LLC

Atlanta, Georgia
March 23, 2017

CHRIS 180, INC.
(FORMERLY CHRIS KIDS, INC.)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2016

Section I – Summary of Auditor’s Results

Financial Statements

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

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	None reported

Type of auditor’s report issued on compliance for major programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)? No

Identification of major programs:

<u>Name</u>	<u>CFDA Number</u>
Community Mental Health Services Block Grant	93.958

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

Auditee qualified as a low-risk auditee? Yes

Section II – Financial Statement Findings None

Section III – Federal Award Findings and Questioned Costs None

CHRIS 180, INC.
(FORMERLY CHRIS KIDS, INC.)
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2016

The audit for the year ended December 31, 2015 disclosed no findings that were required to be reported under the Uniform Guidance.

CHRIS 180, INC.
(FORMERLY CHRIS KIDS, INC.)

OTHER SCHEDULES AS REQUIRED BY
THE STATE OF GEORGIA

CHRIS 180, INC.
(FORMERLY CHRIS KIDS, INC.)
SCHEDULE OF STATE AWARDS EXPENDED
FOR THE YEAR ENDED DECEMBER 31, 2016

State Contract Number	Earned		Due From (To)
	Revenues	Receipts	State Agency
Contract #42700-040C-20180 Georgia Dept. of Human Services - Adoption Services	\$ 83,754	\$ 83,754	\$ -
Contract #42700-040C-RBWO-17-028 Georgia Dept. of Human Services - Adoption Services	104,465	12,627	91,838
Contract #42700-040C-20180 Georgia Dept. of Human Services - TransitionZ	196,191	163,389	32,802
Contract #42700-040C-RBWO-17-028 Georgia Dept. of Human Services - TransitionZ	199,290	164,225	35,065
Contract #42700-040C-00000020180 Georgia Dept. of Human Services - JourneyZ RBWO	1,336,082	1,318,053	18,029
Contract #42700-040C-RBWO-17-028 Georgia Dept. of Human Services - JourneyZ RBWO	1,385,799	1,108,185	277,614
Contract # 44100-026-0000073702 Georgia DBHDD -Emerging Adults	106,499	94,337	12,162
Contract #461-93-RBWO130021 Georgia Dept. of Juvenile Justice	321,838	230,008	91,830
Contract #46100-324-J2N1600017 Georgia Dept. of Juvenile Justice	322,015	320,695	1,320
Contract #44100-026-0000055801 Georgia DBHDD - Mental Health Resiliency	291,393	291,393	-
Contract #44100-026-0000084571 Georgia DBHDD - Mental Health Resiliency	242,419	199,465	42,954
Contract # 44100-026-0000085502 State of GA DBHDD - Co-occurring Clubhouse	63,415	41,683	21,732
Contract # 44100-26-0000067933 Georgia DBHDD - Core Services	250,002	250,002	-
Contract #42700-040C-SOC-16-033 DeKalb Homestead, PUP Contract	39,673	29,358	10,315

(Continued on next page.)
See Independent Auditor's Report.

CHRIS 180, INC.
(FORMERLY CHRIS KIDS, INC.)
SCHEDULE OF STATE AWARDS EXPENDED – CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2016

State Contract Number	Earned Revenues	Receipts	Due From (To) State Agency
Amerigroup - Pathways to Permanency Agreement	482,874	416,174	66,700
Contract # 42700-040C-NS1405 DHS Youth matters - Care Coordination	54,335	54,335	-
Contract # 42700-040C-NS17044 DHS Youth matters - Care Coordination	42,222	27,598	14,624
Contract # 16C034 Georgia DCA-ESG Homeless Connect Program	16,835	-	16,835
DeKalb Juvenile Court	14,649	14,649	-
Lookout Mountain - Wrap	707,978	588,878	119,100
Contract # 1U79SM063162-01 Dept. of Health and Human Services - SAMSA Grant	47,787	39,944	7,843
Gwinnett County Juvenile Justice - Incentive	375,426	322,449	52,977
Gwinnett County Juvenile Justice - Prevention	28,838	28,838	-
Contract # 44100-026-03365 DBHDD SOC Community Enhancement & Expansion	99,836	99,836	-
Contract # 44100-026-0000074599 DBHDD SOC Community Enhancement & Expansion	10,103	4,646	5,457
ESGP Transitional Living Program - add contract	178,606	143,395	35,211
Contract # 44100-026-0000069854 DBHDD Georgia Apex	293,050	228,574	64,476
Contract # 42700-040C-PSSF-17100 Georgia Dept. of Human Services - DFCS-PSSF, WRAP	7,426	4,218	3,208
Contract # 42700-040C-PSSF-17031 Georgia Dept. of Human Services - DFCS-PSSF, Counseling Center	2,505	1,210	1,295
Multi-Agency Alliance for Children (MAAC)	469,607	418,834	50,773
Miscellaneous contracts	36,068	15,935	20,133
	<u>\$ 7,810,980</u>	<u>\$ 6,716,687</u>	<u>\$ 1,094,293</u>

See Independent Auditor's Report.

CHRIS 180, INC.
(FORMERLY CHRIS KIDS, INC.)

SUPPLEMENTAL CONSOLIDATING
FINANCIAL STATEMENTS

CHRIS 180, INC.
(FORMERLY CHRIS KIDS, INC.)
CONSOLIDATING STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2016

	CHRIS Operations, LLC	CHRIS Homes Properties, LLC	CHRIS Properties Graham Circle, LLC	CHRIS Properties, LLC	Consolidated
ASSETS					
Cash and cash equivalents	\$ 489,616	\$ 7,597	\$ 96,441	\$ 1,091	\$ 594,745
Cash restricted for capital improvements	1,142,937	-	-	-	1,142,937
Contracts receivable - federal, state, and local	1,385,632	-	-	-	1,385,632
Accounts receivable, net	-	-	5,176	-	5,176
Unconditional promises to give, net	3,409,809	-	-	-	3,409,809
Prepaid expenses and other assets	138,120	62	744	-	138,926
Property and equipment, net	-	1,231,605	5,392,968	3,485,319	10,109,892
Deferred line of credit costs, net of \$5,144 and \$858 in accumulated amortization	2,145	10,169	-	-	12,314
Other assets	4,863	-	75,400	-	80,263
	<u>\$ 6,573,122</u>	<u>\$ 1,249,433</u>	<u>\$ 5,570,729</u>	<u>\$ 3,486,410</u>	<u>\$ 16,879,694</u>
LIABILITIES AND NET ASSETS					
Liabilities:					
Accounts payable	\$ 226,790	\$ 318	\$ 16,520	\$ 19,139	\$ 262,767
Accrued expenses	467,873	-	18,200	1,668	487,741
Lines of credit payable	525,450	403,205	-	-	928,655
Notes payable					
Notes payable - principal	-	821,489	5,223,031	-	6,044,520
Less unamortized debt issuance costs	-	(22,126)	(17,595)	-	(39,721)
Notes payable, net	<u>-</u>	<u>799,363</u>	<u>5,205,436</u>	<u>-</u>	<u>6,004,799</u>
Total liabilities	<u>1,220,113</u>	<u>1,202,886</u>	<u>5,240,156</u>	<u>20,807</u>	<u>7,683,962</u>
Commitments and contingencies					
Net Assets:					
Unrestricted:					
Available for operations	874,415	7,341	143,041	(19,716)	1,005,081
Expended for property and equipment, net of debt	-	39,206	187,532	3,485,319	3,712,057
Total unrestricted net assets	<u>874,415</u>	<u>46,547</u>	<u>330,573</u>	<u>3,465,603</u>	<u>4,717,138</u>
Temporarily restricted	4,478,594	-	-	-	4,478,594
Total net assets	<u>5,353,009</u>	<u>46,547</u>	<u>330,573</u>	<u>3,465,603</u>	<u>9,195,732</u>
Total liabilities and net assets	<u>\$ 6,573,122</u>	<u>\$ 1,249,433</u>	<u>\$ 5,570,729</u>	<u>\$ 3,486,410</u>	<u>\$ 16,879,694</u>

See Independent Auditor's Report.

CHRIS 180, INC.
(FORMERLY CHRIS KIDS, INC.)
CONSOLIDATING STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016

	CHRIS Operations, LLC	CHRIS Homes Properties, LLC	CHRIS Properties Graham Circle, LLC	CHRIS Properties, LLC	Eliminations	Consolidated
Changes in unrestricted net assets:						
Revenues, gains and support:						
Grants and contracts	\$ 10,346,708	\$ -	\$ 13,200	\$ -	\$ -	\$ 10,359,908
Contributions	821,870	-	-	-	-	821,870
In-kind donations	244,465	3,000	-	-	-	247,465
Interest income	1,820	2	-	3	-	1,825
Special event revenue, net of \$202,571 and \$222,654 in direct expenses	126,744	-	-	-	-	126,744
Rental income	-	3,600	358,393	-	-	361,993
Rent and lease income from related party	-	358,000	-	303,708	(661,708)	-
Other income	256,754	-	99	-	(190,800)	66,053
Total revenues	11,798,361	364,602	371,692	303,711	(852,508)	11,985,858
Net assets released from restrictions	1,412,776	-	-	-	-	1,412,776
Total unrestricted revenues, gains and support	13,211,137	364,602	371,692	303,711	(852,508)	13,398,634
Expenses:						
Program services:						
Counseling Services	4,045,437	-	-	-	(135,528)	3,909,909
Community Services & Keeping Families Together	1,032,007	-	-	4,010	(22,800)	1,013,217
JourneyZ	4,048,375	-	-	-	(312,000)	3,736,375
TransitionZ	1,058,009	-	54,110	-	(21,000)	1,091,119
Clubhouse	668,877	-	-	-	(30,000)	638,877
AdoptionZ	337,832	-	-	-	(52,000)	285,832
Youth Build	12,293	-	-	-	-	12,293
Training Center	184,036	-	-	-	(21,600)	162,436
Housing and Property	-	194,288	623,874	271,643	(43,200)	1,046,605
Total program services	11,386,866	194,288	677,984	275,653	(638,128)	11,896,663
Supporting services:						
Management and general	1,320,449	135,480	16,634	13,334	(205,380)	1,280,517
Fundraising	651,183	-	-	-	(9,000)	642,183
Total expenses	13,358,498	329,768	694,618	288,987	(852,508)	13,819,363
Increase (decrease) in unrestricted net assets before transfers	(147,361)	34,834	(322,926)	14,724	-	(420,729)
Transfers to related parties	246,576	(110,186)	40,609	(176,999)	-	-
Increase (decrease) in unrestricted net assets	99,215	(75,352)	(282,317)	(162,275)	-	(420,729)
Changes in temporarily restricted net assets:						
Contributions	5,246,177	-	-	-	-	5,246,177
Interest income	334	-	-	-	-	334
Net assets released from restrictions	(1,412,776)	-	-	-	-	(1,412,776)
Increase in temporarily restricted net assets	3,833,735	-	-	-	-	3,833,735
Increase (decrease) in net assets	3,932,950	(75,352)	(282,317)	(162,275)	-	3,413,006
Net assets, beginning of year	1,420,058	121,899	612,890	3,627,879	-	5,782,726
Net assets, end of year	\$ 5,353,008	\$ 46,547	\$ 330,573	\$ 3,465,604	\$ -	\$ 9,195,732

See Independent Auditor's Report.