ONE-EIGHTY PLACE
CHARLESTON, SOUTH CAROLINA

AUDITED FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

GLASER + COMPANY
certified public accountants

ONE-EIGHTY PLACE
CHARLESTON, SOUTH CAROLINA
JUNE 30, 2017 AND 2016

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
One-Eighty Place
Charleston, South Carolina

We have audited the accompanying financial statements of One-Eighty Place (a nonprofit organization), which comprise the statements of financial position as of June 30, 2017 and 2016, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these 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.

Auditors' Responsibility
Our responsibility is to express an opinion on these 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 from 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 auditors' 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 financial statements referred to above present fairly, in all material respects, the financial position of the One-Eighty Place as of June 30, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 7, 2017 on our consideration of the One-Eighty Place'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 the One-Eighty Place's internal control over financial reporting and compliance.

Glaser and Company, LLC

November 7, 2017
Charleston, South Carolina

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ONE-EIGHTY PLACE
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2017 AND 2016

	2017	2016
ASSETS		
Current Assets		
Cash and cash equivalents - undesignated	$ 85,669	$ 162,577
Restricted cash and cash equivalents	11,113	9,669
Grants receivable	254,961	331,136
Accounts receivable	28	1,195
Prepaid expenses	66,625	35,509
Total current assets	418,396	540,086
Non-Current Assets		
Property and equipment, net	10,240,573	10,364,564
Total noncurrent assets	10,240,573	10,364,564
Total assets	$ 10,658,969	$ 10,904,650
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	$ 91,417	$ 149,086
Accrued expenses	101,937	81,995
Deferred revenue	28,579	2,513
Funds held for guests' savings accounts	11,113	9,669
Capital lease payable, current position	33,850	32,285
Notes payable, current portion	265,104	86,460
Total current liabilities	532,000	362,008
Noncurrent Liabilities		
Capital lease payable, less current position	33,515	66,095
Notes payable, less current portion	1,051,611	1,442,977
Total liabilities	1,617,126	1,871,080
Net Assets		
Unrestricted	9,034,715	8,983,074
Temporarily restricted	7,128	50,496
Total net assets	9,041,843	9,033,570
Total liabilities and net assets	$ 10,658,969	$ 10,904,650

See accompanying notes to financial statements.

ONE-EIGHTY PLACE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

	Unrestricted	Temporarily Restricted	Total
Support and revenue			
Contributions			
Community support			
Annual	$ 1,944,613	$ 7,128	$ 1,951,741
In-kind contributions	466,069	-	466,069
Grant revenue			
Federal government	4,710,815	-	4,710,815
State and local governments and organizations	81,801	-	81,801
Insurance settlement	98,835	-	98,835
Miscellaneous income	28,885	-	28,885
Total support and revenue	7,331,018	7,128	7,338,146
Net assets released from restriction	50,496	(50,496)	-
Total operating support, revenue and net assets released from restrictions	7,381,514	(43,368)	7,338,146
Expenses			
Program services			
Rapid rehousing & case management	3,231,752	-	3,231,752
Grant per diem program	615,683	-	615,683
Shelter services	1,965,257	-	1,965,257
Food rescue & community kitchen	1,037,067	-	1,037,067
Total program services	6,849,759	-	6,849,759
Supporting services:			
Management and general	151,406	-	151,406
Fundraising	328,708	-	328,708
Total expenses	7,329,873	-	7,329,873
Increase (decrease) in net assets	51,641	(43,368)	8,273
Net assets, beginning of year	8,983,074	50,496	9,033,570
Net assets, end of year	$ 9,034,715	$ 7,128	$ 9,041,843

See accompanying notes to financial statements.

ONE-EIGHTY PLACE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016

	Unrestricted	Temporarily Restricted	Total
Support and revenue			
Contributions			
Community support			
Annual	$ 1,882,159	$ 59,650	$ 1,941,809
In-kind contributions	443,585	-	443,585
Grant revenue			
Federal government	5,058,642	-	5,058,642
State and local governments and organizations	122,543	-	122,543
Miscellaneous income	27,411	-	27,411
Total support and revenue	7,534,340	59,650	7,593,990
Net assets released from restriction	17,860	(17,860)	-
Total operating support, revenue and net assets released from restrictions	7,552,200	41,790	7,593,990
Expenses			
Program services			
Rapid rehousing & case management	3,710,778	-	3,710,778
Grant per diem program	565,444	-	565,444
Shelter services	1,653,880	-	1,653,880
Food rescue & community kitchen	944,681	-	944,681
Total program services	6,874,783	-	6,874,783
Supporting services:			
Management and general	144,855	-	144,855
Fundraising	292,942	-	292,942
Total expenses	7,312,580	-	7,312,580
Increase in net assets	239,620	41,790	281,410
Net assets, beginning of year	8,743,454	8,706	8,752,160
Net assets, end of year	$ 8,983,074	$ 50,496	$ 9,033,570

See accompanying notes to financial statements.

ONE-EIGHTY PLACE
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2017

	Program Services	Management and General	Fundraising	Total
Personnel				
Salaries	$ 3,303,516	$ 83,148	$ 201,702	$ 3,588,366
Payroll taxes and other benefits	289,714	9,180	16,265	315,159
Insurance - employee	190,448	1,517	10,004	201,969
Total personnel	3,783,678	93,845	227,971	4,105,494
Other functional expenses				
Contracted services - Family Services	284,946	-	-	284,946
Food and kitchen supplies	392,578	-	-	392,578
Building utilities and maintenance	420,935	12,463	3,138	436,536
Depreciation	305,639	19,876	-	325,515
Guest expenses	1,155,940	-	-	1,155,940
Office and cleaning supplies	118,362	4,965	4,375	127,702
Computer technology	52,652	2,204	4,889	59,745
Insurance	64,588	8,171	191	72,950
Prescription and medical needs	71,603	-	-	71,603
Interest	61,466	2,408	2,497	66,371
Development, campaigns and events	-	-	35,152	35,152
Contracted services - other	20,125	-	2,800	22,925
Postage and printing	4,544	384	33,994	38,922
Miscellaneous	47,040	3,183	3,422	53,645
Training	24,135	873	2,796	27,804
Accounting and legal	16,530	415	415	17,360
Bank and payroll fees	19,638	2,619	7,068	29,325
Advertising and marketing	3,439	-	-	3,439
Summer camps	1,921	-	-	1,921
Total other functional expenses	3,066,081	57,561	100,737	3,224,379
Total expenses	$ 6,849,759	$ 151,406	$ 328,708	$ 7,329,873

See accompanying notes to financial statements.

ONE-EIGHTY PLACE
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2016

	Program Services	Management and General	Fundraising	Total
Personnel				
Salaries	$ 3,088,064	$ 71,018	$ 167,206	$ 3,326,288
Payroll taxes and other benefits	281,155	7,831	14,562	303,548
Insurance - employee	158,523	973	9,687	169,183
Total personnel	3,527,742	79,822	191,455	3,799,019
Other functional expenses				
Contracted services - Family Services	1,238,065	-	-	1,238,065
Food and kitchen supplies	411,352	-	-	411,352
Building utilities and maintenance	432,992	14,955	2,745	450,692
Depreciation	318,305	19,807	-	338,112
Guest expenses	341,719	-	-	341,719
Office and cleaning supplies	178,350	5,974	6,708	191,032
Computer technology	73,460	2,526	9,942	85,928
Insurance	74,099	9,249	212	83,560
Prescription and medical needs	73,294	-	-	73,294
Interest	75,991	2,777	2,881	81,649
Development, campaigns and events	-	-	19,493	19,493
Contracted services - other	25,763	-	-	25,763
Postage and printing	4,453	209	40,017	44,679
Miscellaneous	33,322	3,956	4,901	42,179
Training	19,565	2,513	6,812	28,890
Accounting and legal	21,633	1,108	1,908	24,649
Bank and payroll fees	18,592	1,959	5,868	26,419
Advertising and marketing	4,551	-	-	4,551
Summer camps	1,535	-	-	1,535
Total other functional expenses	3,347,041	65,033	101,487	3,513,561
Total expenses	$ 6,874,783	$ 144,855	$ 292,942	$ 7,312,580

See accompanying notes to financial statements.

ONE-EIGHTY PLACE
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

	2017	2016
Operating Activities		
Increase in net assets	$ 8,273	$ 281,410
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	325,515	338,112
Changes in operating assets and liabilities:		
Grants receivable	76,175	95,605
Accounts receivable	1,167	(1,195)
Prepaid expense	(31,116)	17,262
Accounts payable	(57,669)	(9,569)
Accrued expenses	19,942	(148,058)
Deferred revenue	26,066	2,513
Funds held for guests' savings accounts	1,444	(5,324)
Net cash provided by operating activities	369,797	570,756
Investing activities		
Payments for construction in progress	(37,693)	-
Purchase of property and equipment	(163,831)	(115,148)
Net cash used for investing activities	(201,524)	(115,148)
Financing activities		
Principal payments on capital lease payable	(31,015)	(31,016)
Principal payments on notes payable	(212,722)	(446,900)
Net cash used for financing activities	(243,737)	(477,916)
Net decrease in cash and cash equivalents	(75,464)	(22,308)
Cash and cash equivalents, beginning of year	172,246	194,554
Cash and cash equivalents, end of year	$ 96,782	$ 172,246
Supplemental disclosures		
Interest paid	$ 66,371	$ 81,649

See accompanying notes to financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

One-Eighty Place (the "Organization") is a non-profit organization whose purpose is to provide food, shelter and hope to end homelessness and hunger one person at a time, one family at a time. Guests are provided with food, shelter, medical care, and counseling to help them obtain permanent housing and financial assistance, as well as to help them deal with substance abuse and/or mental illness. The Organization works closely with various organizations in the area and receives grant assistance from local, state, and federal programs, as well as the general community.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting with accounting principles generally accepted in the United States of America ("GAAP").

Basis of Presentation

The Organization reports information regarding its financial position and activities according to three classes of net assets. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted Net Assets

Net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets

Net assets subject to donor-imposed stipulations that may or will be met by actions of the Organization and/or the passage of time.

Permanently Restricted Net Assets

Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally donors of these assets permit the use of all or part of the income earned on related investments for general or specific purposes.

The Organization had no permanently restricted net assets as of June 30, 2017 and 2016.

Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, the Organization considers all highly-liquid investments with an initial maturity of three months or less to be cash equivalents.

Revenue recognition:

Revenue from grants is normally received on a reimbursement of expenditures basis and is recognized when expenses have been paid and a reimbursement request is sent to the granting agency. Advances received from granting agencies before a project starts, if any, are included in deferred revenue.

In accordance with GAAP, contributions and grants are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of any donor restrictions. All 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 released from restriction. It is the Organization's policy to report normal restricted donor support whose restrictions have been met in the same reporting period as unrestricted support. Contributions are recognized as revenue when they are received or unconditionally pledged.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Grants Receivable and Allowance for Doubtful Accounts
Grants receivable represents outstanding balances for reimbursed expenditures due from granting agencies which are recorded when expenses have been paid and a reimbursement request has been sent to the granting agency.

Management periodically evaluates grants receivable for collectability based on prior collection experience. An allowance for doubtful accounts is established as estimated by management through recognition of bad debt expense. When management confirms a grant receivable cannot be collected, such amount is charged off against the allowance for doubtful accounts at June 30, 2017 and 2016.

Property and Equipment, Net
The Organization capitalizes all expenditures for property and equipment in excess of $5,000 with an extended useful life. Property and equipment are carried at cost, or if donated, at fair market value on the date received. Major improvements are capitalized and depreciated; maintenance and repairs which do not significantly improve or extend the life of the respective assets are expensed. Upon sale or retirement, the cost and related accumulated depreciation are removed from the accounts, and any gain or loss is reflected income.

Depreciation is calculated using the straight-line methods based on the estimated useful lives of the assets as follows:

Furniture and Equipment	3-5 years
Buildings and Improvements	10-40 years
Vehicles	5 years

Donated property and equipment
Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as increases in unrestricted net assets 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. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. Some grantors may retain a reversionary interest in specific assets if the mission of the Organization changes.

In-Kind Contributions and Expenses
The Organization received donations of food and personal supplies which are recorded in support and revenue and the applicable functional expense. These items are recorded at the estimated fair market values at the date of the donation.

Donated Services
Donated services are recognized as contributions in accordance with Accounting for Contributions Received and Contributions Made, if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. A substantial number of volunteers have made significant contributions of their time to the Organization through service in serving meals and various other areas. These services have not been reflected in the Statements of Activities for the years ended June 30, 2017 and 2016 as the services do not meet the criteria outlined above.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Use of Estimates

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

Fair Value Measurements:

The Financial Accounting Standards Board's (FASB) Fair Value Measurements defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurement. It also emphasizes that fair value is a market-based measurement, not an entity-specific measurement, and sets out a fair value hierarchy with the highest priority being quoted prices in active markets. Under this standard, fair value measurements are disclosed by level with that hierarchy. The Organization utilizes a three-tier fair value hierarchy that clarifies fair value as an exit price, representing the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the Statements of Activities and Statements of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited, based on management's estimate of time spent by the individual in each functional category as well as each department's allocation of expenses.

Income Tax Status

The Organization is exempt from income tax under Section 501(c) (3) of the Internal Revenue Code. In addition, the Organization qualifies for the charitable contribution deduction under Section 170 (b) (1) (A) and has been classified as an organization other than a private foundation under Section 509 (a) (2).

Management has evaluated the Organization's tax positions and concluded that the Organization has taken no uncertain tax positions that require adjustment to the financial statements as of and for the years ended June 30, 2017 and 2016. The Organization's policy is to report accrued interest related to unrecognized tax benefits, when applicable, as interest expense and to report penalties as other expense.

With few exceptions, the Organization is not subject to income tax examinations by the Federal, state, or local tax authorities for years prior to 2014.

Funds Held for Guests

Restricted cash and cash equivalents consist of cash received from guests which may be refunded upon the guest completing certain programs. A corresponding liability is included in the Statements of Financial Position for these amounts held at June 30, 2017 and 2016.

Marketing Expenses

The Organization reports marketing costs in connection with fundraising activities as incurred. Marketing expenses totaled $38,591 and $37,192 for the years ended June 30, 2017 and 2016, respectively, and were included in "Development, Campaigns, and Events" and "Advertising and Marketing" in the Statements of Functional Expenses.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Reclassifications
Certain items in the 2016 year have been reclassified to conform with current year presentation.

Recent Accounting Pronouncements and Proposed Accounting Pronouncements
In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update ("ASU") 2016-14 Not-for Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The amendments in the update make certain improvements that address many of the identified issues of current financial reporting for not-for-profits. A second phase of the project is expected to address more protracted issues identified by the FASB. The update addresses some of the current financial reporting challenges as follows: 1) reduces complexity in reporting donor imposed restrictions; 2) improves transparency and utility in assessing a not-for-profit's liquidity; and 3) enhances the consistency of reporting of not-for-profit expenses by nature and function. The amendments in this update go into effect for annual financial statements issued for years beginning after December 15, 2017.

In February 2016, the FASB issued ASU 2016-02 Leases (Topic 842). The core principle of Topic 842 is that a lessee should recognize the assets and liabilities that arise from leases. A lessee should recognize in the statement of financial position a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. When measuring assets and liabilities arising from a lease, a lessee (and a lessor) should include payments to be made in optional periods only if the lessee is reasonably certain to exercise an option to extend the lease or not to exercise an option to terminate the lease. Similarly, optional payments to purchase the underlying asset should be included in the measurement of lease assets and lease liabilities only if the lessee is reasonably certain to exercise that purchase option. For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election by class of underlying asset not to recognize lease assets and lease liabilities. If a lessee makes this election, it should recognize lease expense for such leases generally on a straight-line basis over the lease term.

2. CONCENTRATIONS

The Organization maintains its cash accounts at three financial institutions. Cash accounts are secured in aggregate by the Federal Deposit Insurance Corporation (FDIC) insurance up to $250,000 at each financial institution. At June 30, 2017, the Organization's cash balances did not exceed insured limits. Management monitors the soundness of these financial institutions on a regular basis.

3. REVOLVING LINES OF CREDIT

In October 2013, the Organization obtained an unsecured revolving line of credit of $450,000 at TD Bank, N.A. Minimum monthly payments are computed based on average daily balance, including interest at the Wall Street Journal prime rate. The U.S. Prime Rate as published by the Wall Street Journal was 4.25% at June 30, 2017. The line of credit had no outstanding balance at June 30, 2017 and 2016.

The Organization has an unsecured revolving line of credit of $170,000 at Wells Fargo, N.A. Minimum monthly payments for the Wells Fargo LOC are computed based on the average daily balance, including interest at the bank's prime rate (4.25 % at June 30, 2017). The line of credit had no outstanding balance at June 30, 2017 and 2016.

4. PROPERTY AND EQUIPMENT, NET

Property and equipment, net, consists of the following at June 30:

	2017	2016
Land	$ 986,304	$ 986,304
Buildings, building improvements, and land improvements	10,793,215	10,657,261
Kitchen and telephone equipment	92,552	91,867
Furniture, fixtures, and equipment	734,262	707,071
Vehicles	49,367	49,367
Construction in progress	37,693	-
	12,693,393	12,491,870
Less accumulated depreciation	(2,452,820)	(2,127,306)
	$ 10,240,573	$ 10,364,564

Depreciation expense totaled $325,515 and $338,112 for the years ended June 30, 2017 and 2016, respectively.

5. OPERATING LEASES

The Organization entered into an operating lease for office space for the Supportive Services for Veteran Families ("SSVF") program in May 2016 for a term beginning on May 27, 2016 and ending May 31, 2021. Base monthly rent thereafter increases to $7,902 on June 1, 2017, $8,060 on June 1, 2018, $8,221 on June 1, 2019, and $8,385 on June 1, 2020.

The Organization entered into an operating lease for office space in Columbia for the Supportive Services for Veteran Families ("SSVF") program in April 2015 with base rent monthly payments of $2,660 for a term beginning on April 15, 2015 and ending April 30, 2016. Base monthly rent thereafter increases to $2,787 on May 1, 2016 and ends April 30, 2017, with renewal options available. On March 15, 2017, the organization renewed this lease for a term beginning May 1, 2017 and ending July 31, 2017 with a base month rent of $3,702.

The Organization also leases four vehicles for the Supportive Services for Veteran Families ("SSVF") program for a term beginning on April 13, 2017 and ending March 13, 2020. The leases require monthly lease payments of $1,660.

Minimum future rental payments under the agreements are as follows for the years ending June 30:

2018	$ 113,825
2019	112,023
2020	110,173
2021	92,238
2022	-
	$ 428,259

6. NOTES PAYABLE

Notes payable consists of the following at June 30:

	2017	2016
A $1,000,000 permanent note due to TD Bank, N.A. with monthly installment payments of principal and interest, at 3.50%, based upon a 15 year amortization period with all principal and interest due and payable on March 28, 2020. The note is secured by the Organization's real property at 35 Walnut Street.	$ 890,817	$ 944,350
Note payable due to South Carolina Community Loan Fund with monthly installment payments of principal and interest, at 5.25%, based upon a 20 year amortization period with all principal and interest due and payable in May 2019. These monthly payments are $3,418 with a balloon payment of $322,009 due May 2019. The note is secured by the Organization's real property at 35 Walnut Street.	234,026	301,294
A $300,000 permanent note due to TD Bank N.A. with monthly installment payments of principal and interest, at 3.50%, based upon a 15 year amortization period with all principal and interest due and payable on October 23, 2017. The note is secured by the Organization's real property at 35 Walnut Street.	191,872	283,793
	1,316,715	1,529,437
Less: Current maturities	(265,104)	(86,460)
	$ 1,051,611	$ 1,442,977

Future amounts due each year under these notes payable consist of the following at June 30:

2018	$ 265,104
2019	274,449
2020	777,162
2021	-
Thereafter	-
	$ 1,316,715

7. FORGIVABLE NOTES PAYABLE

The Organization assumed a $150,000 forgivable note payable with the South Carolina State Housing Finance and Development Authority when the Organization purchased the Palmetto House, at 107 Elks Lodge Lane, from the Dorchester Interfaith Outreach Ministries, Inc. on June 13, 2012. Dorchester Interfaith Outreach Ministries, Inc. entered into a $150,000 note payable with the South Carolina State Housing Finance and Development Authority during May 2005 to construct the Palmetto House at 107 Elks Lodge Lane. This forgivable note payable is secured by a first mortgage on 107 Elks Lodge Lane. The note is forgivable and interest free, contingent on the Organization's compliance with the agreement to hold and use the property for twenty years from the date of the loan. As of June 30, 2017, management of the Organization believes it is in compliance with the mortgage agreement, and as such no contingent liability has been recorded as of June 30, 2017.

The Organization entered into a $229,585 forgivable note payable with South Carolina Housing Trust Fund during April 2009 to fund improvements for the Family Center held at 49 Walnut Street. This forgivable note payable is secured by a first mortgage on 49 Walnut Street. The note is forgivable and interest free, contingent on the Organization's compliance with the agreement to hold and use the property for twenty years from the date of the loan. The note was recorded as revenue in the year of receipt, as there is no expectation of repayment if the Organization complies with the agreement. As of June 30, 2017, management of the Organization believes it is in compliance with the mortgage agreement, and as such no contingent liability has been recorded as of June 30, 2017.

The Organization entered into four separate forgivable notes payable totaling $180,000 with the City of Charleston to fund acquisition of 40 C Street and to construct the Homeless Services Center at 35 Walnut Street between fiscal years 2012 to 2014. These forgivable notes payable are secured by the Homeless Services Center at 35 Walnut Street. The notes are forgivable and interest free, contingent on the Organization's compliance with the agreement to hold and use the property for thirty years from the date of the loan. The notes were recorded as revenue in the years of receipt, as there is no expectation of repayment if the Organization complies with the agreement. As of June 30, 2017, management of the Organization believes it is in compliance with the mortgage agreement, and as such no contingent liability has been recorded as of June 30, 2017.

8. CAPITAL LEASE

In August 2014, the Organization acquired furniture and equipment for the Homeless Services Center for $162,995 through a five year capital lease agreement. Under the terms of the agreement, the Organization committed to pay $181,336 over the term of the lease in monthly installments of $3,022, including interest. Amortization expense on the furniture and equipment has been included in depreciation expense for the years ended June 30, 2017 and 2016. The net book value of the furniture and equipment was $89,259 and $112,544 at June 30, 2017 and 2016, respectively.

Future minimum payments under the capital lease are as follows for the years ending June 30:

2018	$ 36,267
2019	33,245
Total minimum payments	69,512
Less amount representing interest	(2,147)
	$ 67,365

9. RETIREMENT PLAN

The Organization maintains a defined contribution pension plan. The Organization provides a 100% match of employees' voluntary contributions up to 3% of eligible employees' salaries and a 50% match up to an additional 2% of employees' voluntary contributions over 3% of eligible employees' salaries. To be eligible for matching contributions by the Organization, an employee must complete one year of full-time service. Retirement expense was $56,316 and $50,408 for the years ended June 30, 2017 and 2016, respectively.

10. TEMPORARILY RESTRICTED NET ASSETS

The Organization has recognized revenue related to contributions that are restricted as to purpose or the expiration of time. The following is a detail of the nature of the restrictions on temporarily restricted net assets at June 30:

	2017	2016
Homeless Employment and Learning Program (HELP)		
Center computers/Family Center-Summerville furnishings	$ -	$ 8,706
Dental supplies	-	26,790
RISE program	7,128	-
Family Center renovations	-	15,000
	$ 7,128	$ 50,496

Amounts released from restrictions for the years ended June 30 were as follows:

	2017	2016
Homeless Employment and Learning Program (HELP)		
Center computers/Family Center-Summerville furnishings	$ 8,706	$ -
Dental supplies	26,790	-
Family Center renovations	15,000	17,860
	$ 50,496	$ 17,860

11. FUNDS HELD AT COASTAL COMMUNITY FOUNDATION

The Organization is the beneficiary of two funds held at the Coastal Community Foundation in Charleston, South Carolina. Each year, 4% of the average balance in the fund calculated over the previous 20 quarters is available for distribution in order to fund grants. The Board of the Coastal Community Foundation has discretionary authority over all distributions. The first fund is an endowment fund known as the One80 Place Endowment. The second fund is the Zucker Family Endowment for One80 Place. The balance of the One80 Place Endowment fund was $94,431 and $83,615 at June 30, 2017 and 2016, respectively. The balance of the Zucker Family Endowment for One80 Place was $177,839 and $157,469 at June 30, 2017 and 2016, respectively. The Organization received no distributions from these funds for the years ended June 30, 2017 and 2016. These funds are not recorded on the books of the Organization because it does not have variance power over the funds.

12. RELATED PARTY TRANSACTIONS

Board members, including their respective places of business, donated $49,440 and $158,300 during the years ended June 30, 2017 and 2016.

13. IN-KIND CONTRIBUTIONS

In-kind contributions represent the estimated fair value of property, qualifying services, and other miscellaneous goods and supplies which meet generally accepted accounting principles criteria for recognition.

Recorded in-kind contributions include the following from various donors for the years ended June 30:

	2017	2016
Rescued food and donated meals served	$ 332,191	$ 368,365
Miscellaneous goods	133,878	75,220
	$ 466,069	$ 443,585

14. CONTINGENCIES

The Organization receives financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under those programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability to the Organization. However, in the opinion of management, any such disallowed claims would not have a material adverse effect on the overall financial position of the Organization at June 30, 2017 and 2016.

Certain property and equipment has been acquired with funds from certain grants and federal awards. These grants or federal awards may contain reversionary interests in the assets acquired or may require that the assets be used for a particular purpose for a specific period of time.

15. SUBSEQUENT EVENTS

In accordance with ASC 855, management evaluated subsequent events at June 30, 2017 through November 7, 2017, the date these financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements aside from those described below:

On August 25, 2017, the organization sold the Palmetto House, 107 Elks Lodge Lane, for a loss of $364,706. The organization was required to repay a $60,000 pro-rata portion of the $150,000 forgivable note with the South Carolina State Housing Finance and Development Authority per the note agreement.