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# Bethany Christian Services

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**Consolidated Financial Report  
with Additional Information  
December 31, 2020**

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## **Independent Auditor's Report**

To the Board of Directors  
Bethany Christian Services

### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of Bethany Christian Services and its subsidiaries (the "Organization"), which comprise the consolidated statement of financial position as of December 31, 2020 and 2019 and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### ***Management's Responsibility for the Consolidated Financial Statements***

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

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

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

### ***Opinion***

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Bethany Christian Services and its subsidiaries as of December 31, 2020 and 2019 and the changes in their net assets, functional expenses, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matters***

As described in Note 3 to the consolidated financial statements, the Organization adopted the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-02, *Leases*, as of January 1, 2020. Our opinion is not modified with respect to this matter.

As described in Note 2 to the consolidated financial statements, the Organization has been impacted by the COVID-19 pandemic. Our opinion is not modified with respect to this matter.

To the Board of Directors  
Bethany Christian Services

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 17, 2021 on our consideration of Bethany Christian Services' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the 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 Bethany Christian Services' internal control over financial reporting and compliance.

*Plante & Moreau, PLLC*

March 17, 2021

# Bethany Christian Services

## Consolidated Statement of Financial Position

December 31, 2020 and 2019

	2020	2019
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 10,270,573	\$ 4,707,346
Investments (Note 5)	35,344,261	32,913,104
Receivables - Net of allowances	13,222,438	14,596,939
Prepaid expenses and other current assets:		
Prepaid expenses	2,200,325	1,124,646
Deposits	217,606	203,608
Total current assets	61,255,203	53,545,643
<b>Property and Equipment - Net (Note 6)</b>	24,722,388	25,535,466
<b>Right-of-Use Operating Lease Assets (Note 8)</b>	8,095,140	-
<b>Other Assets</b>	176,000	198,000
<b>Investment in Unconsolidated Affiliate (Note 5)</b>	511,842	515,658
Total assets	<b>\$ 94,760,573</b>	<b>\$ 79,794,767</b>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 2,962,344	\$ 4,094,358
Deferred revenue	1,726,416	2,584,151
Accrued employee compensation and benefits	9,131,221	7,762,099
Current portion of long-term debt (Note 9)	860,974	2,401,840
Current portion of lease liabilities - Operating (Note 8)	3,041,746	-
Total current liabilities	17,722,701	16,842,448
<b>Long-term Debt - Net of current portion (Note 9)</b>	9,834,645	9,445,462
<b>Lease Liabilities - Operating (Note 8)</b>	5,208,715	-
<b>Annuities Payable (Note 7)</b>	221,390	235,248
Total liabilities	32,987,451	26,523,158
<b>Net Assets</b>		
Without donor restrictions:		
Undesignated	37,065,813	29,966,528
Board designated (Note 12)	21,355,568	20,205,398
Total without donor restrictions	58,421,381	50,171,926
With donor restrictions (Notes 12 and 13)	3,351,741	3,099,683
Total net assets	61,773,122	53,271,609
Total liabilities and net assets	<b>\$ 94,760,573</b>	<b>\$ 79,794,767</b>

## Bethany Christian Services

# Consolidated Statement of Activities and Changes in Net Assets

Years Ended December 31, 2020 and 2019

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue, Gains, and Other Support</b>						
Contributions	\$ 13,105,954	\$ 1,936,312	\$ 15,042,266	\$ 15,430,864	\$ 1,569,009	\$ 16,999,873
Child support	103,979,561	-	103,979,561	96,662,890	-	96,662,890
Service fees	12,665,669	-	12,665,669	17,943,627	-	17,943,627
Investment income	2,784,340	70,174	2,854,514	5,198,082	123,209	5,321,291
Other income	1,011,455	-	1,011,455	1,570,246	-	1,570,246
Total revenue, gains, and other support	133,546,979	2,006,486	135,553,465	136,805,709	1,692,218	138,497,927
<b>Net Assets Released from Restrictions</b>	1,754,428	(1,754,428)	-	1,458,479	(1,458,479)	-
Total revenue, gains, other support, and net assets released from restrictions	135,301,407	252,058	135,553,465	138,264,188	233,739	138,497,927
<b>Expenses</b>						
Program services:						
Adoption	16,197,675	-	16,197,675	19,844,893	-	19,844,893
Foster care	36,331,891	-	36,331,891	35,665,774	-	35,665,774
Youth services	2,924,496	-	2,924,496	2,368,584	-	2,368,584
International social services	1,485,137	-	1,485,137	1,763,523	-	1,763,523
Refugee and immigrant services	36,008,575	-	36,008,575	35,946,709	-	35,946,709
Counseling	9,594,065	-	9,594,065	9,629,023	-	9,629,023
Residential treatment	2,299,858	-	2,299,858	2,208,263	-	2,208,263
Sponsorship	584,446	-	584,446	701,711	-	701,711
Other programs	2,306,458	-	2,306,458	2,740,028	-	2,740,028
Total program services	107,732,601	-	107,732,601	110,868,508	-	110,868,508
Support services:						
Management and general	15,170,528	-	15,170,528	15,093,782	-	15,093,782
Fundraising	4,148,823	-	4,148,823	6,252,476	-	6,252,476
Total support services	19,319,351	-	19,319,351	21,346,258	-	21,346,258
Total expenses	127,051,952	-	127,051,952	132,214,766	-	132,214,766
<b>Increase in Net Assets</b>	8,249,455	252,058	8,501,513	6,049,422	233,739	6,283,161
<b>Net Position - Beginning of year, as previously reported</b>	50,171,926	3,099,683	53,271,609	45,230,193	2,865,944	48,096,137
<b>Cumulative Effect of Change in Accounting</b>	-	-	-	(1,107,689)	-	(1,107,689)
<b>Net Assets - Beginning of year, as restated</b>	50,171,926	3,099,683	53,271,609	44,122,504	2,865,944	46,988,448
<b>Net Assets - End of year</b>	<b>\$ 58,421,381</b>	<b>\$ 3,351,741</b>	<b>\$ 61,773,122</b>	<b>\$ 50,171,926</b>	<b>\$ 3,099,683</b>	<b>\$ 53,271,609</b>

See notes to consolidated financial statements.

## Bethany Christian Services

# Consolidated Statement of Functional Expenses

Year Ended December 31, 2020

	Adoption	Foster Care	Youth Services	International Social Services	Refugee and Immigrant Services	Counseling	Residential Treatment	Sponsorship	Other Programs	Management and General	Fundraising	Total
Salaries	\$ 9,537,175	\$ 13,977,064	\$ 1,198,716	\$ 98,892	\$ 17,721,121	\$ 5,690,738	\$ 1,447,351	\$ 55,061	\$ 1,184,040	\$ 8,642,327	\$ 2,367,022	\$ 61,919,507
Fringes	1,833,454	2,712,624	247,015	18,283	2,969,887	980,060	250,310	12,468	236,788	1,430,245	378,196	11,069,330
Taxes	696,613	1,026,684	86,909	7,247	1,315,712	418,213	107,699	3,891	86,398	625,840	167,409	4,542,615
Professional fees	464,743	327,505	544,572	1,499	1,730,590	364,619	35,667	30,000	63,650	1,053,281	343,264	4,959,390
Supplies	93,997	90,718	54,494	616	231,020	45,445	50,896	107	33,646	54,789	15,219	670,947
Telephone	250,943	280,066	12,409	3,741	366,790	131,691	6,689	703	17,182	56,253	16,584	1,143,051
Postage	76,828	30,646	875	2,960	22,348	17,822	2,187	248	4,288	115,768	15,929	289,899
Occupancy	1,256,938	1,200,087	187,412	6,733	2,078,583	653,697	126,743	-	40,496	317,656	116,010	5,984,355
Printing	40,495	28,690	1,202	226	18,470	26,737	517	38	15,025	59,721	173,139	364,260
Information technology	411,391	560,936	61,957	35,678	804,002	276,973	53,460	2,525	70,653	50,899	51,354	2,379,828
Equipment and furnishings	123,891	90,677	8,798	-	222,444	33,589	12,093	-	4,569	51,671	4,959	552,691
Travel	260,658	555,042	18,805	6,816	608,402	253,866	23,094	97	41,609	115,320	23,020	1,906,729
Conferences and meetings	64,435	92,753	17,145	934	141,963	30,849	11,975	-	15,182	116,218	15,674	507,128
Advertising	-	-	-	-	-	-	-	-	-	1,622,073	15,939	1,638,012
Special assistance	563,539	14,990,110	446,868	113,224	6,734,520	486,639	83,910	530	51,165	27	-	23,470,532
Global operations support	59,122	-	-	1,174,293	202,228	-	-	439,150	179,353	2,665	-	2,056,811
Payment processing fees	152,701	5,499	5	1,409	948	13,048	-	4,931	15,696	12,742	1,812	208,791
Educational and promotional materials	3,149	1,370	476	-	7,017	3,050	870	-	1,209	83,441	5,042	105,624
Miscellaneous fundraising	-	-	-	-	-	-	-	-	-	-	357,590	357,590
Bad debt	13,269	3,434	-	-	330	52,890	-	-	-	-	-	69,923
Interest expense	39,318	7,377	102	7	251,480	2,454	5,415	-	63,049	23,992	4,459	397,653
Miscellaneous	128,294	168,819	9,232	10,607	90,470	32,216	6,029	698	21,370	231,882	41,762	741,379
Depreciation	126,722	181,790	27,504	1,972	490,250	79,469	74,953	33,999	161,090	503,718	34,440	1,715,907
Total functional expenses	<u>\$ 16,197,675</u>	<u>\$ 36,331,891</u>	<u>\$ 2,924,496</u>	<u>\$ 1,485,137</u>	<u>\$ 36,008,575</u>	<u>\$ 9,594,065</u>	<u>\$ 2,299,858</u>	<u>\$ 584,446</u>	<u>\$ 2,306,458</u>	<u>\$ 15,170,528</u>	<u>\$ 4,148,823</u>	<u>\$ 127,051,952</u>

## Bethany Christian Services

# Consolidated Statement of Functional Expenses

Year Ended December 31, 2019

	Adoption	Foster Care	Youth Services	International Social Services	Refugee and Immigrant Services	Counseling	Residential Treatment	Sponsorship	Other Programs	Management and General	Fundraising	Total
Salaries	\$ 11,035,159	\$ 13,495,617	\$ 1,017,492	\$ 127,388	\$ 15,359,510	\$ 5,402,623	\$ 1,338,016	\$ 121,317	\$ 1,420,190	\$ 7,166,617	\$ 2,731,017	\$ 59,214,946
Fringes	2,147,913	2,746,508	279,213	27,065	2,920,730	1,024,498	281,937	31,754	300,791	1,185,111	486,358	11,431,878
Taxes	810,846	991,134	72,580	9,264	1,141,379	399,212	98,883	8,672	104,345	520,332	200,180	4,356,827
Professional fees	626,388	169,199	258,919	22,903	1,364,494	297,624	17,065	26,724	146,317	1,361,570	780,518	5,071,721
Supplies	159,703	150,413	33,616	1,880	293,897	61,297	32,669	729	27,994	53,532	20,702	836,432
Telephone	293,453	288,390	9,938	4,503	325,209	128,868	4,943	1,712	23,441	48,316	24,938	1,153,711
Postage	147,019	35,763	1,081	108	26,825	16,372	1,035	1,414	3,891	48,310	127,227	409,045
Occupancy	1,478,733	1,295,746	166,173	7,911	2,238,710	596,939	69,097	2,244	9,570	283,136	130,404	6,278,663
Printing	85,481	57,406	3,362	1,575	25,472	29,514	951	1,654	19,438	109,190	406,833	740,876
Information technology	478,908	533,312	31,032	28,129	880,769	201,780	44,900	2,898	51,569	56,116	68,890	2,378,303
Equipment and furnishings	220,859	136,612	15,976	77	561,288	57,350	12,726	71	12,956	52,322	13,046	1,083,283
Travel	707,461	1,170,706	38,181	62,791	1,050,230	440,878	29,679	7,631	108,379	515,575	143,934	4,275,445
Conferences and meetings	218,586	227,494	37,958	5,876	268,207	55,564	7,420	17	58,015	275,033	34,835	1,189,005
Advertising	-	-	-	-	-	-	-	-	-	2,511,947	46,747	2,558,694
Special assistance	712,851	14,030,705	372,509	-	8,934,217	764,142	191,317	2,155	83,699	-	110	25,091,705
Global operations support	102,035	-	-	1,451,307	203,104	-	-	400,797	3,565	-	-	2,160,808
Payment processing fees	222,748	2,367	6	1,878	740	16,406	-	9,145	33,248	10,170	2,038	298,746
Educational and promotional materials	9,391	12,211	848	465	11,980	4,391	3,919	-	4,888	235,400	15,039	298,532
Miscellaneous fundraising	-	-	-	-	-	-	-	-	-	-	937,110	937,110
Bad debt	27,225	7,415	-	-	760	34,527	-	-	-	-	-	69,927
Interest expense	62,197	10,106	145	10	9,433	3,533	7,685	-	127,329	30,104	6,329	256,871
Miscellaneous	150,677	139,230	6,285	9,623	90,238	32,606	10,880	1,153	39,475	173,303	40,869	694,339
Depreciation	147,260	165,440	23,270	770	239,517	60,899	55,141	81,624	160,928	457,698	35,352	1,427,899
Total functional expenses	<u>\$ 19,844,893</u>	<u>\$ 35,665,774</u>	<u>\$ 2,368,584</u>	<u>\$ 1,763,523</u>	<u>\$ 35,946,709</u>	<u>\$ 9,629,023</u>	<u>\$ 2,208,263</u>	<u>\$ 701,711</u>	<u>\$ 2,740,028</u>	<u>\$ 15,093,782</u>	<u>\$ 6,252,476</u>	<u>\$ 132,214,766</u>



# Consolidated Statement of Cash Flows

Years Ended December 31, 2020 and 2019

	2020	2019
<b>Cash Flows from Operating Activities</b>		
Increase in net assets	\$ 8,501,513	\$ 6,283,161
Adjustments to reconcile increase in net assets to net cash and cash equivalents from operating activities:		
Depreciation	1,715,907	1,427,899
Gain on disposal of property and equipment	(449,397)	(270,044)
Bad debt expense	69,923	69,927
Net realized and unrealized gains on investments	(2,135,020)	(4,355,820)
Earnings on unconsolidated affiliate	(43,500)	(46,140)
Distributions from unconsolidated affiliate	47,316	92,000
Net present value adjustment of annuities payable	14,553	18,553
Contributions restricted for long-term investment	(15,750)	(625)
Amortization of right-of-use operating lease assets	969,486	-
Changes in operating assets and liabilities that provided (used) cash and cash equivalents:		
Receivables	1,304,575	(1,149,799)
Prepaid expenses and other assets	(1,089,677)	222,097
Accounts payable	(1,132,014)	1,004,916
Accrued and other liabilities	1,369,122	539,610
Deferred revenue	(857,735)	(742,707)
Payments on operating leases	(814,165)	-
Net cash and cash equivalents provided by operating activities	7,455,137	3,093,028
<b>Cash Flows from Investing Activities</b>		
Purchase of property and equipment	(1,694,137)	(8,884,038)
Proceeds from disposition of property and equipment	1,262,705	800,399
Purchases of investments	(11,506,927)	(17,741,883)
Proceeds from sales and maturities of investments	11,210,793	18,142,654
Net cash and cash equivalents used in investing activities	(727,566)	(7,682,868)
<b>Cash Flows from Financing Activities</b>		
Proceeds from debt	-	6,885,000
Payments on debt	(1,151,683)	(1,703,146)
Payments on annuities payable	(28,411)	(28,930)
Draws on revolving credit facilities	6,750,000	5,550,000
Payments on revolving credit facilities	(6,750,000)	(5,550,000)
Contributions restricted for long-term investment	15,750	625
Net cash and cash equivalents (used in) provided by financing activities	(1,164,344)	5,153,549
<b>Net Increase in Cash and Cash Equivalents</b>	5,563,227	563,709
<b>Cash and Cash Equivalents - Beginning of year</b>	4,707,346	4,143,637
<b>Cash and Cash Equivalents - End of year</b>	<b>\$ 10,270,573</b>	<b>\$ 4,707,346</b>
<b>Supplemental Cash Flow Information</b>		
Cash paid for interest	\$ 397,653	\$ 256,871
Operating right-of-use asset and lease liability added January 1, 2020	9,064,626	-

## **Notes to Consolidated Financial Statements**

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**December 31, 2020 and 2019**

### **Note 1 - Nature of Business**

Bethany Christian Services (the "Organization") is a not-for-profit corporation whose sources of revenue are derived principally from public contributions, government grants, and service fees. The Organization operates a child placement agency and provides such services as foster care, pregnancy counseling, adoptive services, and other related social services as may be appropriate in stabilizing and/or improving human relationships and conditions. Currently, these services are provided in 36 home offices in 31 states plus Washington, D.C., with the central business office located in Grand Rapids, Michigan. Approximately 77 and 70 percent of operating revenue in 2020 and 2019, respectively, was derived from services provided under contract with governmental units.

### **Note 2 - Significant Accounting Policies**

#### ***Principles of Consolidation***

The consolidated financial statements include the accounts of the Organization and all of its wholly owned subsidiaries, which include all of the various branches and related legal entities, including Bethany Christian Services USA, LLC; Bethany Christian Services Global, LLC; and Bethany Christian Foundation, LLC. All material intercompany accounts and transactions have been eliminated in consolidation.

#### ***Use of Estimates***

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

#### ***Basis of Presentation***

The Organization prepares its consolidated financial statements on an accrual basis in accordance with generally accepted accounting principles (GAAP).

#### ***Cash Equivalents***

The Organization considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

#### ***Concentration of Credit Risk Arising from Deposit Accounts***

The Organization maintains cash balances at several banks. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000 and certain other federally managed programs. As of December 31, 2020 and 2019, the Organization had depository accounts with a financial institution in excess of federally insured limits.

#### ***Investments***

Investments are stated at fair value, except for the investment in unconsolidated affiliate, which is recorded using the equity method. Gains or losses on investments are reported in the consolidated statement of activities and changes in net assets as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law.

## **Notes to Consolidated Financial Statements**

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**December 31, 2020 and 2019**

### **Note 2 - Significant Accounting Policies (Continued)**

#### ***Receivables***

Receivables are stated at invoice amounts. An allowance for doubtful accounts is established based on a specific assessment of all invoices that remain unpaid following normal payment periods. In addition, a general valuation allowance is established for other accounts receivable based on historical loss experience. All amounts deemed uncollectible are charged against the allowance for doubtful accounts in the period that determination is made. The allowance was \$196,629 and \$197,804 at December 31, 2020 and 2019, respectively.

#### ***Property and Equipment***

Property and equipment are recorded at cost when purchased or at fair value at the date of donation and are being depreciated on a straight-line basis over their estimated useful lives. Costs of maintenance and repairs are charged to expense when incurred. Estimated useful lives are 40 years for buildings, 20 years for land improvements (or the lease term, whichever is shorter), 10 years for furniture and fixtures, and 3 to 5 years for vehicles.

The Organization reports gifts of property and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of property and equipment with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire property and equipment are reported as restricted support.

Certain property and equipment were acquired with funds from grant contracts that include the option for the grantor to require reversion of title at the end of the grant contract. These assets are insignificant to the consolidated financial statements as a whole and were fully depreciated as of December 31, 2020 and 2019.

#### ***Classification of Net Assets***

Net assets of the Organization are classified based on the presence or absence of donor-imposed restrictions.

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions or for which the donor-imposed restrictions have expired or been fulfilled. Net assets in this category may be expended for any purpose in performing the primary objectives of the Organization.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where the donor has stipulated the funds be maintained in perpetuity.

Earnings, gains, and losses on donor-restricted net assets are classified as net assets without donor restrictions unless specifically restricted by the donor or by applicable state law.

#### ***Contributions***

Contributions of cash and other assets, including unconditional promises to give in the future, are reported as revenue when received, measured at fair value. Donor promises to give in the future are recorded at the present value of estimated future cash flows. Contributions resulting from split-interest agreements, measured at the time the agreements are entered, are based on the difference between the fair value of the assets received or promised and the present value of the obligation to the third-party recipient(s) under the contract.

Contributions without donor-imposed restrictions and contributions with donor-imposed time or purpose restrictions that are met in the period in which the contributions are received are both reported as contributions without donor restrictions.

## Notes to Consolidated Financial Statements

December 31, 2020 and 2019

### **Note 2 - Significant Accounting Policies (Continued)**

Certain government grants are accounted for as conditional contributions, being nonexchange in nature. These grants are reported in the child support line on the consolidated statement of activities and changes in net assets and are recognized as revenue as qualifying expenses are incurred. The remaining conditional balance of these grants totaled \$17,590,675 and \$8,224,252 at December 31, 2020 and December 31, 2019, respectively.

Contributions receivable that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. An allowance for uncollectible contributions is provided when evidence indicates amounts promised by donors may not be collectible.

#### ***Grant Revenue***

During 2020 and 2019, the Organization recognized revenue from exchange grant contracts of \$91,069,936 and \$85,684,728, respectively.

#### **Disaggregation of Revenue**

Grant revenue received for grants determined to be exchange transactions is recognized as services are provided. Grant revenue is primarily received for child support and refugee services. These services may be transferred to granting agencies both at a point in time or over time. Of the \$91,069,936 and \$85,684,728 of revenue recognized from contracts with granting agencies during 2020 and 2019, respectively, revenue recognized over time amounted to \$89,020,225 and \$82,656,139, while the remainder was recognized at a point in time.

There are no significant economic factors that affect the nature, amount, timing, and uncertainty of the Organization's revenue and cash flows.

#### **Contract Balances**

In some situations, the Organization receives cash prior to the satisfaction of the performance obligation, which results in the Organization recognizing contract liabilities. Deferred revenue consists primarily of grant revenue received in advance of expenditures incurred. For the years ended 2020 and 2019, the beginning balances of the Organization's receivables from exchange grant contracts were \$9,181,272 and \$8,365,769, respectively. The ending balances of the Organization's receivables from exchange grant contracts were \$7,286,807 and \$9,181,272, respectively.

#### **Nature of Promises to Transfer and Timing of Satisfaction of Performance Obligations**

The Organization's exchange grant services are performed both over time and at a point in time.

For foster care services, the Organization has a performance obligation for the placement and supervision of the child in the foster care home, which is recognized over time as services are performed using an output method of time elapsed to measure progress.

For refugee services, the Organization has a performance obligation to provide employment services to refugees, which is recognized over time using an input method of costs incurred.

For foster care adoption services, the Organization has performance obligations for the supervision of the child in the foster care home and the adoption placement of the child within the home. The supervision is recognized over time as services are performed using an output method of time elapsed to measure progress. The adoption placement is recognized at a point in time when the adoption is finalized.

In most cases, services that the Organization contracts to transfer to customers are performed by the Organization. In no case does the Organization act as an agent (i.e., the Organization does not provide a service of arranging for another party to transfer goods or services to the customer).

## **Notes to Consolidated Financial Statements**

**December 31, 2020 and 2019**

### **Note 2 - Significant Accounting Policies (Continued)**

#### **Significant Payment Terms**

Payment for services provided by the Organization is typically due within 30 days after an invoice is sent to the granting agency. Invoices for services performed over time are typically sent to granting agencies on the last business day of each calendar month. Invoices for services performed at a point in time are typically sent to granting agencies within three calendar days of performance. None of the Organization's contracts have a significant financing component.

#### **Allocating the Transaction Price**

The transaction price of a contract is the amount of consideration to which the Organization expects to be entitled in exchange for transferring promised services to a granting agency.

To determine the transaction price of a contract, the Organization considers its customary business practices and the terms of the contract. For the purpose of determining transaction prices, the Organization assumes that the services will be transferred to the granting agency as promised in accordance with existing contracts and that the contracts will not be canceled, renewed, or modified.

Most of the Organization's contracts with granting agencies have fixed transaction prices that are denominated in U.S. dollars and payable in cash. For some contracts, however, the amount of consideration to which the Organization will be entitled is variable. Under those contracts, some or all of the consideration for satisfied performance obligations is contingent on events over which the Organization has no direct influence. For example, foster care contracts contain per diem rates for administration and boarding, and foster care adoption contracts have a specific tiered rate system based on days in placement. Certain refugee service contracts are direct cost contracts in which the Organization will be reimbursed for direct costs incurred.

The Organization includes amounts of variable consideration in a contract's transaction price only to the extent that the Organization has a relatively high level of confidence that the amounts will not be subject to significant reversals, that is, downward adjustments to revenue recognized for satisfied performance obligations. In determining amounts of variable consideration to include in a contract's transaction price, the Organization relies on its experience and other evidence that supports its qualitative assessment of whether revenue would be subject to a significant reversal. The Organization considers all the facts and circumstances associated with both the risk of a revenue reversal arising from an uncertain future event and the magnitude of the reversal if that uncertain event were to occur.

To allocate an appropriate amount of consideration to each separate performance obligation, the Organization determines the stand-alone selling price at contract inception of the good or service underlying each separate performance obligation and allocates the transaction price on a relative stand-alone selling price basis. The stand-alone selling price is the price at which the Organization would sell a promised service separately to a granting agency.

#### **Adoption Revenue**

During 2020 and 2019, the Organization recognized revenue from adoption contracts of \$12,665,669 and \$17,943,627, respectively, which is recognized within service fees on the consolidated statement of activities and changes in net assets.

## Notes to Consolidated Financial Statements

December 31, 2020 and 2019

### **Note 2 - Significant Accounting Policies (Continued)**

#### **Disaggregation of Revenue**

Prospective parents involved in the domestic infant and international adoption process are charged a fee for services, consisting of home study, placement of the child, and supervision during the post-placement probationary time period. The international adoption process also includes fees charged by the Organization for acting as a liaison with the international agency. These services may be transferred to prospective parents both at a point in time or over time. Of the \$12,665,669 and \$17,943,627 of revenue recognized from adoption contracts with prospective parents during 2020 and 2019, respectively, revenue recognized over time amounted to \$3,543,169 and \$6,748,118, while the remainder was recognized at a point in time.

There are no economic factors that significantly affect the nature, amount, timing, and uncertainty of the Organization's adoption revenue and cash flows.

#### **Contract Balances**

In some situations, the Organization receives cash prior to the satisfaction of the performance obligation, which results in the Organization recognizing contract liabilities. Deferred revenue consists primarily of adoption fees billed to prospective parents and collected in advance of providing adoption services. For the year ended 2020, the beginning balances of the Organization's receivables and contract liabilities from adoption contracts were \$1,482,388 and \$2,254,800, respectively, and the closing balances were \$921,025 and \$1,448,219, respectively. For the year ended 2019, the beginning balances of the Organization's receivables and contract liabilities from adoption contracts were \$1,626,551 and \$3,181,094, respectively, and the closing balances were \$1,482,338 and \$2,254,800, respectively.

#### **Nature of Promises to Transfer and Timing of Satisfaction of Performance Obligations**

The Organization's adoption services are performed both over time and at a point in time.

For adoption fee revenue, the Organization has the following performance obligations:

- Processing application - Revenue recognized at a point in time upon completion of processing the application
- Processing paperwork and providing support and training - Revenue recognized over time as services are performed using an output method of time elapsed to measure progress
- Performance of home study - Revenue recognized over time as services are performed using an output method of time elapsed to measure progress
- Pursue referral - Revenue recognized over time as services are performed using an output method of time elapsed to measure progress
- Placement of child - Revenue recognized at a point in time upon placement of child
- Perform home assessment and satisfy legal requirements - Revenue recognized over time as services are performed using an output method of time elapsed to measure progress

In most cases, services that the Organization contracts to transfer to prospective parents are performed by the Organization. In no case does the Organization act as an agent (i.e., the Organization does not provide a service of arranging for another party to transfer goods or services to the prospective parents).



## Notes to Consolidated Financial Statements

December 31, 2020 and 2019

### **Note 2 - Significant Accounting Policies (Continued)**

#### **Significant Payment Terms**

Payment for services provided by the Organization is typically due upon posting of the charge to the prospective parents' account. Notices for services performed over time or for services performed at a point in time are posted to the prospective parents' account at the time they are assessed. The Organization does not offer discounts if the prospective parents pay some or all of an invoiced amount prior to the due date.

#### **Allocating the Transaction Price**

The transaction price of a contract is the amount of consideration to which the Organization expects to be entitled in exchange for transferring promised services to prospective parents.

To determine the transaction price of a contract, the Organization considers its customary business practices and the terms of the contract. For the purpose of determining transaction prices, the Organization assumes that the services will be transferred to the prospective parents as promised in accordance with existing contracts and that the contracts will not be canceled, renewed, or modified.

Most of the Organization's contracts with prospective parents have fixed transaction prices that are denominated in U.S. dollars and payable in cash. None of the Organization's contracts have a significant financing component.

For some contracts, however, the amount of consideration to which the Organization will be entitled is variable. Under those contracts, some or all of the consideration for satisfied performance obligations is contingent on events over which the Organization has no direct influence. For example, the fees paid for the home study and placement may be partially or fully refundable depending on circumstances outside of the Organization's control. The Organization includes amounts of variable consideration in a contract's transaction price only to the extent that the Organization has a relatively high level of confidence that the amounts will not be subject to significant reversals, that is, downward adjustments to revenue recognized for satisfied performance obligations. In determining amounts of variable consideration to include in a contract's transaction price, the Organization relies on its experience and other evidence that supports its qualitative assessment of whether revenue would be subject to a significant reversal. The Organization considers all the facts and circumstances associated with both the risk of a revenue reversal arising from an uncertain future event and the magnitude of the reversal if that uncertain event were to occur.

To allocate an appropriate amount of consideration to each separate performance obligation, the Company determines the stand-alone selling price at contract inception of the service underlying each separate performance obligation and allocates the transaction price on a relative stand-alone selling price basis. The stand-alone selling price is the price at which the Organization would sell a promised service separately to prospective parents.

#### **Functional Allocation of Expenses**

Costs of providing the program and support services have been reported on a functional basis in the consolidated statement of functional expenses. The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Salaries, wages, and associated employee benefits are allocated based on estimates of time and effort. Depreciation and occupancy expenses are allocated based on square footages. All other expenses are allocated based on direct identification and utilization. Costs have been allocated between the various program and support services based on estimates determined by management. Although the methods of allocation used are considered appropriate, other methods could be used that would produce different amounts.

## Notes to Consolidated Financial Statements

December 31, 2020 and 2019

### **Note 2 - Significant Accounting Policies (Continued)**

#### ***Income Taxes***

The Organization is a not-for-profit corporation and is exempt from tax under the provisions of Internal Revenue Code Section 501(c)(3).

#### ***Advertising Expense***

Advertising expense is charged to income during the year in which it is incurred. Advertising expense for 2020 and 2019 was \$1,638,012 and \$2,558,694, respectively.

#### ***Risks and Uncertainties***

The Organization invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the consolidated statement of financial position.

The Organization's child support revenue category is made up of approximately 42 and 39 percent of contracts with state and federal agencies for international refugee services as of December 31, 2020 and 2019, respectively.

On March 11, 2020, the World Health Organization declared the outbreak of a respiratory disease caused by a new coronavirus a pandemic, now known as COVID-19. In response to the COVID-19 pandemic, governments have taken preventive or protective actions, such as temporary closures of nonessential businesses and stay-at-home guidelines for individuals. As a result, the global economy has been negatively affected, and the Organization's operations were also impacted. Due to the stay-at-home guidelines issued in March 2020 and subsequent months, the Organization shifted to a remote working environment. The Organization also had many meetings and fundraising events canceled or temporarily postponed until the stay-at-home guidelines were reduced or removed, which resulted in lost revenue for the Organization for the year ended December 31, 2020. The severity of the continued impact due to COVID-19 on the Organization's financial condition, results of operations, or cash flows will depend on a number of factors, including, but not limited to, the duration and severity of the pandemic, the duration and severity of the government-imposed shutdowns and limitations on businesses, and the extent and severity of the impact on the Organization's members, all of which are uncertain and cannot be predicted.

#### ***Subsequent Events***

The consolidated financial statements and related disclosures include evaluation of events up through and including March 17, 2021, which is the date the consolidated financial statements were available to be issued.

### **Note 3 - Adoption of New Accounting Pronouncement**

As of January 1, 2020, the Organization adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-02, *Leases*. The ASU requires lessees to recognize a right-of-use asset and related lease liability for all leases, with a limited exception for short-term leases. Leases will be classified as either finance or operating, with the classification affecting the pattern of expense recognition in the statement of activities. The Organization elected to adopt the ASU using the modified retrospective method as of January 1, 2020. The Organization has elected to apply the following practical expedients:

- The Organization did not reassess if expired or existing contracts are or contain a lease.
- The Organization did not reassess the lease classification for expired or existing leases.
- The Organization did not reassess initial direct costs for any existing leases.



## Notes to Consolidated Financial Statements

**December 31, 2020 and 2019**

### Note 3 - Adoption of New Accounting Pronouncement (Continued)

- The Organization has used hindsight to determine the lease term and for assessing impairment of the right-of-use assets for existing leases.
- The Organization has not reassessed whether any existing or expired land easements that were not previously classified as leases are or contain a lease.

As a result of the adoption of the ASU, the Organization recorded a right-of-use asset and lease liability of approximately \$9 million as of January 1, 2020 for existing operating leases. There was no impact on net assets as a result of adopting the new ASU.

### Note 4 - Liquidity and Availability of Resources

The following reflects the Organization's financial assets as of December 31, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the consolidated statement of financial position date:

	2020	2019
Cash and cash equivalents	\$ 10,270,573	\$ 4,707,346
Accounts receivable - Net	13,222,438	14,596,939
Investments	35,344,261	32,913,104
Financial assets - At year end	58,837,272	52,217,389
Less those unavailable for general expenditures within one year due to contractual or donor-imposed restrictions:		
Restricted by donor with time or purpose restrictions	673,292	993,409
Restricted by donors in perpetuity	210,419	192,819
Less amounts unavailable to management without board approval - Board-designated endowments	20,287,790	19,195,128
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 37,665,771</u>	<u>\$ 31,836,033</u>

The Organization's endowment funds consist of donor-restricted endowments and board-designated quasi endowments. Income from donor-restricted endowments is not restricted for specific purposes and is available for general expenditure. As described in Note 12, the Organization applies a spending rate of 5 percent on its board-designated endowments; therefore, \$1,067,778 and \$1,010,270 of appropriations from the endowment will be available within the next 12 months as of December 31, 2020 and 2019, respectively. Although the Organization does not intend to spend from its quasi endowment other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation process, amounts from its quasi endowment could be made available if necessary.

The Organization's cash flows have seasonal variations during the year attributable to service reimbursement from various governmental entities and a concentration of approximately 40 percent of contributions received in the fourth quarter. The Organization maintains an \$8 million unsecured line of credit that can be drawn upon, as further described in Note 9, to manage liquidity needs.

## Notes to Consolidated Financial Statements

**December 31, 2020 and 2019**

### Note 5 - Investments

The details of the Organization's investments at December 31 are as follows:

	2020	2019
Mutual funds	\$ 25,824,203	\$ 27,921,706
Pooled funds	299,492	289,442
Exchange-traded funds	9,220,566	4,701,956
Subtotal	35,344,261	32,913,104
Investment in unconsolidated affiliate	511,842	515,658
Total	<u>\$ 35,856,103</u>	<u>\$ 33,428,762</u>

Investment income consists of the following:

	2020	2019
Interest and dividends	\$ 719,491	\$ 965,471
Realized and unrealized gains	2,135,023	4,355,820
Total	<u>\$ 2,854,514</u>	<u>\$ 5,321,291</u>

During 2005, the Organization purchased a 40 percent minority interest in a limited liability company for \$802,060. This investment in the unconsolidated affiliate is accounted for using the equity method of accounting. The Organization recognized income of approximately \$44,000 and \$46,000 and received a distribution of \$47,000 and \$92,000 for the years ended December 31, 2020 and 2019, respectively. The Organization is the sole tenant of the real estate limited liability company and has incurred lease expenses of \$190,269 in 2020 and \$184,727 in 2019 related to an operating lease entered into in conjunction with the investment.

### Note 6 - Property and Equipment

Property and equipment are summarized as follows:

	2020	2019
Land	\$ 1,628,859	\$ 1,794,359
Land improvements	1,442,683	1,508,181
Buildings and improvements	27,430,611	26,396,706
Transportation equipment	936,408	771,767
Furniture and fixtures	8,995,631	8,084,760
Construction in progress	605,535	2,499,418
Total cost	41,039,727	41,055,191
Accumulated depreciation	<u>16,317,339</u>	<u>15,519,725</u>
Net property and equipment	<u>\$ 24,722,388</u>	<u>\$ 25,535,466</u>

Depreciation expense for 2020 and 2019 was \$1,715,907 and \$1,427,899, respectively.

## **Notes to Consolidated Financial Statements**

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**December 31, 2020 and 2019**

### **Note 7 - Annuities Payable**

The Organization sponsors a program in which donors may transfer assets to the Organization for the right to receive a predetermined return during their lifetimes (an annuity). Based upon the terms of each annuity agreement, the Organization determines its liability under the agreement using the estimated present value of future payments to the annuitant. Such future payments are determined utilizing the life expectancy of the annuitant (based on Annuity 2012 Table for males and females) and the interest rate (discount rate), the applicable federal midterm rate for U.S. Treasury bills, in effect at the time of the gift. At December 31, 2020 and 2019, the Organization recorded \$221,390 and \$235,248, respectively, in annuities payable relating to such program.

### **Note 8 - Leases**

The Organization is obligated under operating leases primarily for buildings, vehicles, and copiers, expiring at various dates through 2028. The right-of-use asset and related lease liability have been calculated using a discount rate of 4 percent, which is the Organization's incremental borrowing rate. The rate implicit in the Organization's leases is not readily available. The leases require the Organization to pay taxes, insurance, utilities, and maintenance costs. Total rent expense under these leases was \$4,221,463 for the year ended December 31, 2020. Included in lease expense are variable lease payments totaling \$138,381 and \$60,279 of leases classified as short-term leases for the year ended December 31, 2020.

Total rent expense under these leases was \$3,872,875 for the year ended December 31, 2019.

The Organization assesses whether it is reasonably certain to exercise an option to extend or terminate a lease at the lease termination date. In this assessment, the Organization considers all relevant factors that create economic incentive to exercise such options, including asset, contract, market, and entity-based factors. The Organization did not include the renewal options to calculate the lease asset and liability.

When readily determinable, the Organization utilizes the interest rate implicit in the lease to determine the present value of future lease payments. For leases where the implicit rate is not readily determinable, the Organization's incremental borrowing rate is used.

# Notes to Consolidated Financial Statements

**December 31, 2020 and 2019**

## Note 8 - Leases (Continued)

Future minimum annual commitments under these operating leases are as follows:

Years Ending December 31	Amount
2021	\$ 3,646,750
2022	2,526,443
2023	1,865,291
2024	852,258
2025	511,291
Thereafter	471,716
Total	9,873,749
Less amount representing interest	1,623,288
Present value of net minimum lease payments	8,250,461
Less current obligations	3,041,746
Long-term obligations under operating leases	\$ 5,208,715

As of December 31, 2020, the weighted-average remaining lease term for all operating leases is 3.59 years. The weighted-average discount rate associated with operating leases as of December 31, 2020 is 4.00 percent.

## Note 9 - Long-term Debt and Line of Credit

The Organization has a \$8,000,000 line of credit from a bank at December 31, 2020, which was \$5,000,000 at December 31, 2019. There were no outstanding borrowings at December 31, 2020 and 2019. The line of credit bears interest at the London Interbank Offered Rate (LIBOR) plus 1.75 percent (an effective rate of 1.89 and 3.51 percent at December 31, 2020 and 2019, respectively). The line of credit is collateralized by the Organization's brokerage accounts and expires on May 9, 2021.

As of December 31, 2020 and 2019, the Organization had outstanding notes payable as follows:

	2020	2019
Barnabas Foundation note payable with principal payable upon the termination of the loan and interest due quarterly. Interest is at a fixed rate of 3.00 percent as of December 31, 2020 and 2019. The loan matures on June 21, 2022 and is unsecured	\$ 1,500,000	\$ 1,500,000
Grand Rapids building (670 Burton) promissory note payable in monthly principal installments of \$28,000, including interest at a fixed rate of 4.77 percent. The loan matures on January 25, 2026 and is collateralized by the property	4,213,808	4,300,000
Grand Rapids building (660 Burton) promissory note payable in monthly principal installments of \$6,055, including interest at a fixed rate of 3.93 percent. The loan matures on December 19, 2026 and is collateralized by the property	966,692	1,000,000

## Notes to Consolidated Financial Statements

**December 31, 2020 and 2019**

### **Note 9 - Long-term Debt and Line of Credit (Continued)**

	2020	2019
Kalamazoo building promissory note payable in monthly principal installments of \$4,930, including interest at a fixed rate of 3.64 percent. The loan matures on August 20, 2026 and is collateralized by the property	\$ 795,113	\$ 824,259
Holland building promissory note payable in monthly principal installments of \$10,860, including interest at a fixed rate of 5.0 percent. The loan matures on July 5, 2023 and is collateralized by the Holland property. The loan was paid off in 2020	-	526,704
Term loan payable in monthly principal installments of \$57,350 plus interest at LIBOR plus 1.75 percent (an effective rate of 1.89 and 3.51 percent at December 31, 2020 and 2019, respectively). The loan matures on February 29, 2023 and is unsecured	1,750,006	2,226,339
Federal Home Loan Bank Affordable Housing Program notes payable, received to assist in the building of low-income housing units. This loan has no repayment requirements, no interest, and will be forgiven at the end of the 15-year compliance period if the related projects are operated in compliance with the grant terms. The loan is expected to be forgiven on August 27, 2034. The loan is secured by the housing units associated with the loan	750,000	750,000
Federal Home Loan Bank Affordable Housing Program notes payable, received to assist in the building of low-income housing units. This loan has no repayment requirements, no interest, and will be forgiven at the end of the 15-year compliance period if the related projects are operated in compliance with the grant terms. The loan is expected to be forgiven on March 27, 2028. The loan is secured by the housing units associated with the loan	720,000	720,000
Total	10,695,619	11,847,302
Less current portion	860,974	2,401,840
Long-term portion	<u>\$ 9,834,645</u>	<u>\$ 9,445,462</u>

The balance of the above debt matures as follows:

Years Ending	Amount
2021	\$ 860,974
2022	2,382,871
2023	632,519
2024	228,621
2025	239,862
Thereafter	6,350,772
Total	<u>\$ 10,695,619</u>

Interest expense for the line of credit and long-term debt totaled \$397,653 and \$256,871 for 2020 and 2019, respectively.

The Organization is required to meet quarterly debt covenants that include liquidity requirements in relation to the term loan payables and line of credit.

## Notes to Consolidated Financial Statements

**December 31, 2020 and 2019**

### Note 10 - Employee Benefit Plan

The Organization has a 403(b) retirement plan. Under the plan, employees can elect to defer up to 85 percent of their annual compensation up to the maximum dollar amount determined by the Internal Revenue Code.

The Organization provides a discretionary match for eligible employee contributions in an amount equal to 100 percent of elective deferral contributions according to the following schedule:

<u>Years of Service</u>	<u>Limit on Contributions Matched</u>
Less than 2	No matching contribution
2-4	4 percent
5-9	6 percent
10 or more	8 percent

In addition, the Organization can make a discretionary contribution up to 2 percent of salary for each participant employed at the end of the year, with at least two years of service, and who has worked at least 1,000 hours during the year. The discretionary contribution was not made in 2020. A discretionary contribution of 1.25 percent was made for 2019.

The Organization made contributions of \$1,947,775 and \$2,256,043 to the plan for the years ended December 31, 2020 and 2019, respectively.

### Note 11 - Fair Value Measurements

Accounting standards require certain assets and liabilities be reported at fair value in the consolidated financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value.

The following tables present information about the Organization's assets measured at fair value on a recurring basis at December 31, 2020 and 2019 and the valuation techniques used by the Organization to determine those fair values.

Fair values determined by Level 1 inputs use quoted prices in active markets for identical assets that the Organization has the ability to access.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets in active markets and other inputs, such as interest rates and yield curves, that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset. These Level 3 fair value measurements are based primarily on management's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Organization's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

# Notes to Consolidated Financial Statements

December 31, 2020 and 2019

## Note 11 - Fair Value Measurements (Continued)

Assets Measured at Fair Value on a Recurring Basis at December 31, 2020				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2020
<b>Assets</b>				
Investments:				
Mutual funds - Domestic stock	\$ 9,008,320	\$ -	\$ -	\$ 9,008,320
Mutual funds - Foreign stock	5,653,194	-	-	5,653,194
Mutual funds - Bonds	11,162,689	-	-	11,162,689
Exchange-traded funds - Domestic stock	6,426,944	-	-	6,426,944
Exchange-traded funds - Foreign stock	2,038,325	-	-	2,038,325
Exchange-traded funds - Real estate	755,297	-	-	755,297
Pooled funds - Balanced	-	85,386	-	85,386
Pooled funds - Domestic stock	-	64,199	-	64,199
Pooled funds - Foreign equity	-	67,001	-	67,001
Pooled funds - Bonds	-	47,326	-	47,326
Equity securities measured at net asset value				35,580
Total investments	<u>\$ 35,044,769</u>	<u>\$ 263,912</u>	<u>\$ -</u>	<u>\$ 35,344,261</u>

# Notes to Consolidated Financial Statements

**December 31, 2020 and 2019**

## Note 11 - Fair Value Measurements (Continued)

Assets Measured at Fair Value on a Recurring Basis at December 31, 2019					
	Quoted Prices in				
	Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)		Balance at December 31, 2019
<b>Assets</b>					
Investments:					
Mutual funds - Domestic stock	\$ 11,774,287	\$ -	\$ -	\$	11,774,287
Mutual funds - Foreign stock	5,408,112	-	-		5,408,112
Mutual funds - Bonds	10,739,307	-	-		10,739,307
Exchange-traded funds - Domestic stock	2,586,832	-	-		2,586,832
Exchange-traded funds - Foreign stock	652,295	-	-		652,295
Exchange-traded funds - Real estate	1,462,829	-	-		1,462,829
Pooled funds - Balanced	-	84,036	-		84,036
Pooled funds - Domestic stock	-	58,132	-		58,132
Pooled funds - Foreign equity	-	64,205	-		64,205
Pooled funds - Bonds	-	46,502	-		46,502
Equity securities measured at net asset value					36,567
Total investments	\$ 32,623,662	\$ 252,875	\$ -	\$	32,913,104

The fair value of pooled funds at December 31, 2020 and 2019 was determined primarily based on Level 2 inputs. The Organization estimates the fair value of these investments using quoted prices for similar assets in active markets and other inputs, such as interest rates and yield curves.

The Organization's policy is to recognize transfers in and transfers between levels of the fair value hierarchy as of the end of the reporting period. For the years ended December 31, 2020 and 2019, there were no transfers between levels of the fair value hierarchy.

## Note 12 - Donor-restricted and Board-designated Endowments

The Organization's endowment includes both donor-restricted endowment funds and funds designated by the board of directors to function as endowments. Net assets associated with endowment funds, including funds designated by the board of directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.



# Notes to Consolidated Financial Statements

December 31, 2020 and 2019

## Note 12 - Donor-restricted and Board-designated Endowments (Continued)

### *Interpretation of Relevant Law*

The Organization is subject to the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and, thus, classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the board of directors appropriates such amounts for expenditures. Most of those net assets are also subject to purpose restrictions that must be met before reclassifying those net assets to net assets without donor restrictions. The board of directors of the Organization had interpreted UPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund unless a donor stipulates the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, the Organization considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Organization has interpreted UPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law. Additionally, in accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purpose of the Organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Organization
- The investment policies of the Organization

Endowment Net Asset Composition by Type of Fund as of December 31, 2020			
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	\$ 21,355,568	\$ -	\$ 21,355,568
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by the donor	-	210,419	210,419
Accumulated investment gains	-	109,693	109,693
Term endowment	-	492,396	492,396
Total	\$ 21,355,568	\$ 812,508	\$ 22,168,076

# Notes to Consolidated Financial Statements

**December 31, 2020 and 2019**

## Note 12 - Donor-restricted and Board-designated Endowments (Continued)

Changes in Endowment Net Assets for the Fiscal Year Ended December 31, 2020			
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets - Beginning of year	\$ 20,205,398	\$ 743,938	\$ 20,949,336
Investment return:			
Investment income	428,583	-	428,583
Net appreciation	1,208,194	61,820	1,270,014
Total investment return	1,636,777	61,820	1,698,597
Contributions	462,743	15,750	478,493
Appropriation of endowment assets for expenditure	(949,350)	(9,000)	(958,350)
Endowment net assets - End of year	<u>\$ 21,355,568</u>	<u>\$ 812,508</u>	<u>\$ 22,168,076</u>
Endowment Net Asset Composition by Type of Fund as of December 31, 2019			
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	\$ 20,205,398	\$ -	\$ 20,205,398
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by the donor	-	192,819	192,819
Accumulated investment gains	-	96,414	96,414
Term endowment	-	454,705	454,705
Total	<u>\$ 20,205,398</u>	<u>\$ 743,938</u>	<u>\$ 20,949,336</u>
Changes in Endowment Net Assets for the Fiscal Year Ended December 31, 2019			
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets - Beginning of year	\$ 17,529,809	\$ 633,121	\$ 18,162,930
Investment return:			
Investment income	574,925	-	574,925
Net appreciation	2,526,017	113,192	2,639,209
Total investment return	3,100,942	113,192	3,214,134
Contributions	230,264	625	230,889
Appropriation of endowment assets for expenditure	(530,617)	(3,000)	(533,617)
Other changes - Transfers to net assets without donor restrictions - Undesignated	(125,000)	-	(125,000)
Endowment net assets - End of year	<u>\$ 20,205,398</u>	<u>\$ 743,938</u>	<u>\$ 20,949,336</u>

# Notes to Consolidated Financial Statements

December 31, 2020 and 2019

## Note 12 - Donor-restricted and Board-designated Endowments (Continued)

### *Return Objectives and Risk Parameters*

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period, as well as board-designated funds. Under this policy, as approved by the board of directors, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results while assuming a moderate level of investment risk. The Organization expects its endowment funds, over time, to provide an average rate of return of approximately 8 percent annually. Actual returns in any given year may vary from this amount.

### *Strategies Employed for Achieving Objectives*

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

### *Spending Policy and How the Investment Objectives Relate to Spending Policy*

The Organization has a policy of appropriating for distribution each year 5 percent of its endowment fund's average fair value over the prior eight quarters through the calendar year end preceding the fiscal year in which the distribution is planned. In establishing this policy, the Organization considered the long-term expected rate of return on its endowment. Accordingly, over the long term, the Organization expects the current spending policy to allow its endowment to grow an average of 3 percent annually. The Organization has a policy that permits spending from underwater endowment funds depending on the degree to which the fund is underwater, unless otherwise precluded by donor intent or relevant laws and regulations.

## Note 13 - Net Assets

Net assets with donor restrictions as of December 31 are available for the following purposes:

	2020	2019
Subject to expenditures for a specified purpose:		
Term endowments	\$ 492,396	\$ 454,705
Accumulated earnings on donor endowments	109,693	96,414
Other purpose restricted funds	60,280	58,772
Community development projects	450,000	-
Expanded counseling programming	75,000	-
Refugee childcare training	50,000	-
Therapeutic respite	25,000	-
Unaccompanied children crisis	538,820	786,817
Total subject to expenditures for a specified purpose	1,801,189	1,396,708
Subject to the passage of time - Pledges	1,340,133	1,510,156
Subject to the Organization's spending policy and appropriation - Donor endowment	210,419	192,819
Total	<u>\$ 3,351,741</u>	<u>\$ 3,099,683</u>

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## Additional Information

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## Independent Auditor's Report on Additional Information

To the Board of Directors  
Bethany Christian Services

We have audited the consolidated financial statements of Bethany Christian Services and its subsidiaries as of and for the year ended December 31, 2020 and have issued our report thereon dated March 17, 2021, which contained an unmodified opinion on those consolidated financial statements. Our audit was performed for the purpose of forming an opinion on the 2020 consolidated financial statements as a whole. The consolidating statements of financial position and activities and the St. Louis and St. Charles and the Boone schedules of project unit cost are presented for the purpose of additional analysis rather than to present the financial position, changes in net assets, and cash flows of the individual entities and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the 2020 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2020 consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the 2020 consolidated financial statements as a whole.

*Plante & Moran, PLLC*

March 17, 2021

# Bethany Christian Services

## Consolidating Statement of Financial Position

Year Ended December 31, 2020

	Total	Arkansas	Northern California	Southern California	Colorado	Florida
<b>Assets</b>						
Current Assets:						
Cash and cash equivalents	\$ 10,270,573	\$ 3,800	\$ 9,825	\$ (1,189,064)	\$ 2,500	\$ 5,070
Investments	35,344,261	450,320	1,321,060	-	71,733	147,941
Receivables - Net of allowances	13,222,438	1,925	118,869	189,017	122,502	229,031
Prepaid expenses and other:						
Prepaid expenses	2,200,325	2,248	3,307	14,978	2,005	15,002
Deposits	<u>217,606</u>	<u>-</u>	<u>2,139</u>	<u>17,083</u>	<u>1,585</u>	<u>13,417</u>
Total current assets	61,255,203	458,293	1,455,200	(967,986)	200,325	410,461
Property and equipment						
Land and land improvements	3,071,542	-	-	-	-	-
Buildings and improvements	27,430,611	8,388	67,065	-	-	-
Furniture and fixtures	8,995,631	9,865	121,837	16,847	-	3,805
Transportation equipment	936,408	46,368	26,460	-	-	-
Construction in progress	<u>605,535</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total property and equipment	41,039,727	64,621	215,362	16,847	-	3,805
Less accumulated depreciation	<u>(16,317,339)</u>	<u>(30,450)</u>	<u>(204,342)</u>	<u>(14,347)</u>	<u>-</u>	<u>(3,805)</u>
Net property and equipment	24,722,388	34,171	11,020	2,500	-	-
Right-of use operating lease assets	8,095,140	33,765	108,292	331,327	33,993	169,114
Other Assets, net of amortization	176,000	-	-	176,000	-	-
Investment in unconsolidated affiliate	<u>511,842</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Assets</b>	<u>\$ 94,760,573</u>	<u>\$ 526,229</u>	<u>\$ 1,574,512</u>	<u>\$ (458,159)</u>	<u>\$ 234,318</u>	<u>\$ 579,575</u>
<b>Liabilities and Net Assets (Deficit)</b>						
Current Liabilities						
Accounts payable	\$ 2,962,344	\$ 13,023	\$ 50	\$ -	\$ -	\$ 41,123
Deferred revenue	1,726,416	11,926	7,632	54,567	6,167	75,365
Accrued employee compensation and benefits	9,131,221	20,954	110,109	74,392	63,605	104,909
Current maturities of long-term debt	860,974	-	-	-	-	-
Current portion of lease liabilities - operating	<u>3,041,746</u>	<u>15,593</u>	<u>40,196</u>	<u>125,142</u>	<u>20,082</u>	<u>166,094</u>
Total current liabilities	17,722,701	61,496	157,987	254,101	89,854	387,491
Long-term Debt - Net of current portion	9,834,645	-	-	-	-	-
Lease liabilities - operating	5,208,715	18,499	68,321	209,043	15,812	4,634
Annuities Payable	<u>221,390</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Liabilities</b>	32,987,451	79,995	226,308	463,144	105,666	392,125
<b>Net Assets (Deficit) - Beginning of year</b>	53,271,609	648,819	678,202	(504,657)	6,825	(5,684)
<b>Change in Net Assets</b>	<u>8,501,513</u>	<u>(202,585)</u>	<u>670,002</u>	<u>(416,646)</u>	<u>121,827</u>	<u>193,134</u>
<b>Net Assets (Deficit) - End of year</b>	<u>61,773,122</u>	<u>446,234</u>	<u>1,348,204</u>	<u>(921,303)</u>	<u>128,652</u>	<u>187,450</u>
<b>Total Liabilities and Net Assets (Deficit)</b>	<u>\$ 94,760,573</u>	<u>\$ 526,229</u>	<u>\$ 1,574,512</u>	<u>\$ (458,159)</u>	<u>\$ 234,318</u>	<u>\$ 579,575</u>

# Bethany Christian Services

## Consolidating Statement of Financial Position (Continued)

Year Ended December 31, 2020

	Georgia	Illinois	Central Indiana	Northwest Iowa	South Central Iowa	Maryland
<b>Assets</b>						
Current Assets:						
Cash and cash equivalents	\$ 10,100	\$ 2,200	\$ 11,600	\$ (39,286)	\$ 3,100	\$ 2,500
Investments	945,301	125,992	623,578	-	505,195	1,151,419
Receivables - Net of allowances	966,844	100,362	677,176	150	7,825	298,295
Prepaid expenses and other:						
Prepaid expenses	22,467	2,900	21,108	1,260	2,694	21,396
Deposits	4,351	2,650	13,943	650	-	21,379
Total current assets	1,949,063	234,104	1,347,405	(37,226)	518,814	1,494,989
Property and equipment						
Land and land improvements	-	-	-	-	-	-
Buildings and improvements	104,500	-	-	-	27,021	46,555
Furniture and fixtures	88,075	30,162	6,060	11,605	-	85,054
Transportation equipment	189,989	44,372	-	-	-	-
Construction in progress	-	13,808	-	26,546	-	-
Total property and equipment	382,564	88,342	6,060	38,151	27,021	131,609
Less accumulated depreciation	(217,051)	(29,946)	(5,252)	(11,605)	(22,380)	(99,854)
Net property and equipment	165,513	58,396	808	26,546	4,641	31,755
Right-of use operating lease assets	71,372	88,174	508,378	9,526	60,957	156,262
Other Assets, net of amortization	-	-	-	-	-	-
Investment in unconsolidated affiliate	511,842	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 2,697,790</b>	<b>\$ 380,674</b>	<b>\$ 1,856,591</b>	<b>\$ (1,154)</b>	<b>\$ 584,412</b>	<b>\$ 1,683,006</b>
<b>Liabilities and Net Assets (Deficit)</b>						
Current Liabilities						
Accounts payable	\$ 47,760	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred revenue	287,346	90,950	99,977	19,516	13,319	25,715
Accrued employee compensation and benefits	276,229	58,022	155,792	23,948	18,842	139,538
Current maturities of long-term debt	-	-	-	-	-	-
Current portion of lease liabilities - operating	58,035	31,969	218,574	7,583	16,143	139,790
Total current liabilities	669,370	180,941	474,343	51,047	48,304	305,043
Long-term Debt - Net of current portion	-	-	-	-	-	-
Lease liabilities - operating	13,837	56,204	352,766	1,943	44,813	16,767
Annuities Payable	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>683,207</b>	<b>237,145</b>	<b>827,109</b>	<b>52,990</b>	<b>93,117</b>	<b>321,810</b>
<b>Net Assets (Deficit) - Beginning of year</b>	<b>1,760,469</b>	<b>73,392</b>	<b>960,104</b>	<b>(105,195)</b>	<b>534,218</b>	<b>863,911</b>
<b>Change in Net Assets</b>	<b>254,114</b>	<b>70,137</b>	<b>69,378</b>	<b>51,051</b>	<b>(42,923)</b>	<b>497,285</b>
<b>Net Assets (Deficit) - End of year</b>	<b>2,014,583</b>	<b>143,529</b>	<b>1,029,482</b>	<b>(54,144)</b>	<b>491,295</b>	<b>1,361,196</b>
<b>Total Liabilities and Net Assets (Deficit)</b>	<b>\$ 2,697,790</b>	<b>\$ 380,674</b>	<b>\$ 1,856,591</b>	<b>\$ (1,154)</b>	<b>\$ 584,412</b>	<b>\$ 1,683,006</b>

# Bethany Christian Services

## Consolidating Statement of Financial Position (Continued)

Year Ended December 31, 2020

	Michigan	Minnesota	Missouri	Southern New England	Northern New England	New Jersey
<b>Assets</b>						
Current Assets:						
Cash and cash equivalents	\$ 298,153	\$ (1,409,838)	\$ 57	\$ (436,945)	\$ 2,600	\$ (567,133)
Investments	11,791,919	-	-	-	125,209	-
Receivables - Net of allowances	5,703,770	110,459	500,346	75,475	22,877	93,138
Prepaid expenses and other:						
Prepaid expenses	123,726	6,964	12,529	2,861	100	1,395
Deposits	51,591	434	7,711	2,861	-	1,100
Total current assets	17,969,159	(1,291,981)	520,643	(355,748)	150,786	(471,500)
Property and equipment						
Land and land improvements	-	-	-	-	-	-
Buildings and improvements	1,372,983	8,123	87,344	-	-	-
Furniture and fixtures	2,699,116	35,787	117,473	15,591	-	-
Transportation equipment	481,927	-	147,292	-	-	-
Construction in progress	80,788	-	-	-	-	-
Total property and equipment	4,634,814	43,910	352,109	15,591	-	-
Less accumulated depreciation	(2,432,911)	(18,016)	(113,427)	(8,044)	-	-
Net property and equipment	2,201,903	25,894	238,682	7,547	-	-
Right-of use operating lease assets	1,660,197	129,341	195,447	44,657	-	470
Other Assets, net of amortization	-	-	-	-	-	-
Investment in unconsolidated affiliate	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 21,831,259</b>	<b>\$ (1,136,746)</b>	<b>\$ 954,772</b>	<b>\$ (303,544)</b>	<b>\$ 150,786</b>	<b>\$ (471,030)</b>
<b>Liabilities and Net Assets (Deficit)</b>						
Current Liabilities						
Accounts payable	\$ 83,718	\$ 6,780	\$ -	\$ -	\$ (330)	\$ 981
Deferred revenue	185,564	29,200	18,460	1,650	34,237	14,764
Accrued employee compensation and benefits	2,324,789	41,265	99,719	29,244	23,855	47,465
Current maturities of long-term debt	-	-	-	-	-	-
Current portion of lease liabilities - operating	848,140	46,996	98,635	33,269	-	-
Total current liabilities	3,442,211	124,241	216,814	64,163	57,762	63,210
Long-term Debt - Net of current portion	-	-	-	-	-	-
Lease liabilities - operating	828,789	86,552	98,319	11,388	-	-
Annuities Payable	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>4,271,000</b>	<b>210,793</b>	<b>315,133</b>	<b>75,551</b>	<b>57,762</b>	<b>63,210</b>
<b>Net Assets (Deficit) - Beginning of year</b>	<b>12,483,807</b>	<b>(1,165,603)</b>	<b>560,703</b>	<b>(321,816)</b>	<b>(33,804)</b>	<b>(425,753)</b>
<b>Change in Net Assets</b>	<b>5,076,452</b>	<b>(181,936)</b>	<b>78,936</b>	<b>(57,279)</b>	<b>126,828</b>	<b>(108,487)</b>
<b>Net Assets (Deficit) - End of year</b>	<b>17,560,259</b>	<b>(1,347,539)</b>	<b>639,639</b>	<b>(379,095)</b>	<b>93,024</b>	<b>(534,240)</b>
<b>Total Liabilities and Net Assets (Deficit)</b>	<b>\$ 21,831,259</b>	<b>\$ (1,136,746)</b>	<b>\$ 954,772</b>	<b>\$ (303,544)</b>	<b>\$ 150,786</b>	<b>\$ (471,030)</b>



# Bethany Christian Services

## Consolidating Statement of Financial Position (Continued)

Year Ended December 31, 2020

	North Carolina	Central Pennsylvania	Greater Delaware Valley	Western Pennsylvania	South Carolina	Eastern South Dakota
<b>Assets</b>						
Current Assets:						
Cash and cash equivalents	\$ 4,000	\$ (175,969)	\$ (393,560)	\$ (223,953)	\$ 4,500	\$ 3,000
Investments	82,007	-	-	-	910,140	638
Receivables - Net of allowances	73,656	1,048,827	1,406,466	230,532	11,328	3,750
Prepaid expenses and other:						
Prepaid expenses	7,518	26,416	20,263	4,395	3,275	1,713
Deposits	6,719	11,531	18,231	1,000	800	-
Total current assets	173,900	910,805	1,051,400	11,974	930,043	9,101
Property and equipment						
Land and land improvements	-	-	-	-	-	-
Buildings and improvements	-	46,247	487,880	-	-	-
Furniture and fixtures	1,644	32,075	49,075	23,014	2,307	-
Transportation equipment	-	-	-	-	-	-
Construction in progress	-	3,062	-	-	-	-
Total property and equipment	1,644	81,384	536,955	23,014	2,307	-
Less accumulated depreciation	(1,644)	(48,771)	(162,609)	(22,510)	(2,307)	-
Net property and equipment	-	32,613	374,346	504	-	-
Right-of use operating lease assets	107,598	807,921	1,309,066	176,380	12,278	30,422
Other Assets, net of amortization	-	-	-	-	-	-
Investment in unconsolidated affiliate	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 281,498</b>	<b>\$ 1,751,339</b>	<b>\$ 2,734,812</b>	<b>\$ 188,858</b>	<b>\$ 942,321</b>	<b>\$ 39,523</b>
<b>Liabilities and Net Assets (Deficit)</b>						
Current Liabilities						
Accounts payable	\$ -	\$ 6,120	\$ 32,829	\$ -	\$ -	\$ -
Deferred revenue	71,984	85,128	31,218	40,305	78,798	29,943
Accrued employee compensation and benefits	41,872	206,901	336,038	75,219	37,475	13,069
Current maturities of long-term debt	-	-	-	-	-	-
Current portion of lease liabilities - operating	53,264	198,497	186,979	46,711	12,845	20,076
Total current liabilities	167,120	496,646	587,064	162,235	129,118	63,088
Long-term Debt - Net of current portion	-	-	-	-	-	-
Lease liabilities - operating	55,976	621,269	1,137,890	129,668	-	10,500
Annuities Payable	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>223,096</b>	<b>1,117,915</b>	<b>1,724,954</b>	<b>291,903</b>	<b>129,118</b>	<b>73,588</b>
<b>Net Assets (Deficit) - Beginning of year</b>	<b>137,040</b>	<b>491,853</b>	<b>(236,010)</b>	<b>(144,129)</b>	<b>748,191</b>	<b>(98,316)</b>
<b>Change in Net Assets</b>	<b>(78,638)</b>	<b>141,571</b>	<b>1,245,868</b>	<b>41,084</b>	<b>65,012</b>	<b>64,251</b>
<b>Net Assets (Deficit) - End of year</b>	<b>58,402</b>	<b>633,424</b>	<b>1,009,858</b>	<b>(103,045)</b>	<b>813,203</b>	<b>(34,065)</b>
<b>Total Liabilities and Net Assets (Deficit)</b>	<b>\$ 281,498</b>	<b>\$ 1,751,339</b>	<b>\$ 2,734,812</b>	<b>\$ 188,858</b>	<b>\$ 942,321</b>	<b>\$ 39,523</b>

# Bethany Christian Services

## Consolidating Statement of Financial Position (Continued)

Year Ended December 31, 2020

	Western South Dakota	Greater Chattanooga	East Tennessee	Middle Tennessee	West Tennessee	Virginia
<b>Assets</b>						
Current Assets:						
Cash and cash equivalents	\$ 2,500	\$ (218,730)	\$ 4,000	\$ (480,761)	\$ (468,340)	\$ (99,592)
Investments	392,271	-	535,992	-	-	-
Receivables - Net of allowances	51,575	22,234	5,630	215,317	10,723	2,540
Prepaid expenses and other:						
Prepaid expenses	3,000	3,239	3,435	10,955	4,329	4,992
Deposits	-	2,750	2,000	10,054	3,454	5,770
Total current assets	449,346	(190,507)	551,057	(244,435)	(449,834)	(86,290)
Property and equipment						
Land and land improvements	-	-	-	-	-	-
Buildings and improvements	-	34,847	-	-	-	6,435
Furniture and fixtures	-	-	5,659	12,009	10,087	5,462
Transportation equipment	-	-	-	-	-	-
Construction in progress	-	-	-	-	-	-
Total property and equipment	-	34,847	5,659	12,009	10,087	11,897
Less accumulated depreciation	-	(17,746)	(5,659)	(12,009)	(10,087)	(8,826)
Net property and equipment	-	17,101	-	-	-	3,071
Right-of use operating lease assets	-	137,281	91,215	318,132	196,815	93,825
Other Assets, net of amortization	-	-	-	-	-	-
Investment in unconsolidated affiliate	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 449,346</b>	<b>\$ (36,125)</b>	<b>\$ 642,272</b>	<b>\$ 73,697</b>	<b>\$ (253,019)</b>	<b>\$ 10,606</b>
<b>Liabilities and Net Assets (Deficit)</b>						
Current Liabilities						
Accounts payable	\$ 11,706	\$ -	\$ 2,000	\$ -	\$ 462	\$ 751
Deferred revenue	11,014	6,150	27,849	36,011	34,100	53,866
Accrued employee compensation and benefits	25,855	9,800	22,324	70,987	20,391	41,430
Current maturities of long-term debt	-	-	-	-	-	-
Current portion of lease liabilities - operating	-	32,706	33,072	127,635	44,696	48,547
Total current liabilities	48,575	48,656	85,245	234,633	99,649	144,594
Long-term Debt - Net of current portion	-	-	-	-	-	-
Lease liabilities - operating	-	106,713	58,142	194,959	161,110	45,300
Annuities Payable	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>48,575</b>	<b>155,369</b>	<b>143,387</b>	<b>429,592</b>	<b>260,759</b>	<b>189,894</b>
<b>Net Assets (Deficit) - Beginning of year</b>	<b>382,947</b>	<b>(164,184)</b>	<b>452,474</b>	<b>(486,497)</b>	<b>(474,851)</b>	<b>(122,216)</b>
<b>Change in Net Assets</b>	<b>17,824</b>	<b>(27,310)</b>	<b>46,411</b>	<b>130,602</b>	<b>(38,927)</b>	<b>(57,072)</b>
<b>Net Assets (Deficit) - End of year</b>	<b>400,771</b>	<b>(191,494)</b>	<b>498,885</b>	<b>(355,895)</b>	<b>(513,778)</b>	<b>(179,288)</b>
<b>Total Liabilities and Net Assets (Deficit)</b>	<b>\$ 449,346</b>	<b>\$ (36,125)</b>	<b>\$ 642,272</b>	<b>\$ 73,697</b>	<b>\$ (253,019)</b>	<b>\$ 10,606</b>

# Bethany Christian Services

## Consolidating Statement of Financial Position (Continued)

Year Ended December 31, 2020

	Washington	Wisconsin	Bethany Christian Services Global LLC	Bethany's Thrift Store	Corporate	Bethany Christian Foundation LLC
<b>Assets</b>						
Current Assets:						
Cash and cash equivalents	\$ (2,355,128)	\$ 3,575	\$ (1,277,070)	\$ -	\$ 18,957,710	\$ 275,152
Investments	-	122,292	-	148,985	(6,000,655)	21,892,924
Receivables - Net of allowances	5,541	31,727	118,441	-	766,090	-
Prepaid expenses and other:						
Prepaid expenses	-	18,485	12,090	-	1,819,280	-
Deposits	-	14,403	-	-	-	-
Total current assets	(2,349,587)	190,482	(1,146,539)	148,985	15,542,425	22,168,076
Property and equipment						
Land and land improvements	-	-	-	-	3,071,542	-
Buildings and improvements	-	-	23,099	-	25,110,124	-
Furniture and fixtures	-	31,333	211,181	-	5,370,508	-
Transportation equipment	-	-	-	-	-	-
Construction in progress	-	19,801	-	-	461,530	-
Total property and equipment	-	51,134	234,280	-	34,013,704	-
Less accumulated depreciation	-	(25,421)	(118,524)	-	(12,669,796)	-
Net property and equipment	-	25,713	115,756	-	21,343,908	-
Right-of use operating lease assets	-	418,362	-	-	794,573	-
Other Assets, net of amortization	-	-	-	-	-	-
Investment in unconsolidated affiliate	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ (2,349,587)</b>	<b>\$ 634,557</b>	<b>\$ (1,030,783)</b>	<b>\$ 148,985</b>	<b>\$ 37,680,906</b>	<b>\$ 22,168,076</b>
<b>Liabilities and Net Assets (Deficit)</b>						
Current Liabilities						
Accounts payable	\$ -	\$ -	\$ 161,380	\$ 316	\$ 2,553,675	\$ -
Deferred revenue	-	59,024	184,671	-	-	-
Accrued employee compensation and benefits	7,177	37,703	57,167	-	4,515,136	-
Current maturities of long-term debt	-	-	-	-	860,974	-
Current portion of lease liabilities - operating	-	160,753	-	-	209,724	-
Total current liabilities	7,177	257,480	403,218	316	8,139,509	-
Long-term Debt - Net of current portion	-	-	-	-	9,834,645	-
Lease liabilities - operating	-	279,971	-	-	579,530	-
Annuities Payable	-	-	-	-	221,390	-
<b>Total Liabilities</b>	<b>7,177</b>	<b>537,451</b>	<b>403,218</b>	<b>316</b>	<b>18,775,074</b>	<b>-</b>
<b>Net Assets (Deficit) - Beginning of year</b>	<b>(1,595,430)</b>	<b>240,704</b>	<b>(571,604)</b>	<b>276,420</b>	<b>17,477,943</b>	<b>20,949,336</b>
<b>Change in Net Assets</b>	<b>(761,334)</b>	<b>(143,598)</b>	<b>(862,397)</b>	<b>(127,751)</b>	<b>1,427,889</b>	<b>1,218,740</b>
<b>Net Assets (Deficit) - End of year</b>	<b>(2,356,764)</b>	<b>97,106</b>	<b>(1,434,001)</b>	<b>148,669</b>	<b>18,905,832</b>	<b>22,168,076</b>
<b>Total Liabilities and Net Assets (Deficit)</b>	<b>\$ (2,349,587)</b>	<b>\$ 634,557</b>	<b>\$ (1,030,783)</b>	<b>\$ 148,985</b>	<b>\$ 37,680,906</b>	<b>\$ 22,168,076</b>

# Bethany Christian Services

## Consolidating Statement of Activities

Year Ended December 31, 2020

	Total	Arkansas	Northern California	Southern California	Colorado	Florida
<b>Operating Revenues and Other Support</b>						
Contributions	\$ 15,042,266	\$ 174,948	\$ 607,752	\$ 324,368	\$ 96,677	\$ 182,595
Contract and other earned revenue	103,979,561	-	1,883,870	1,786,483	1,474,588	2,260,995
Service fees	12,665,669	126,210	202,622	263,278	37,883	515,000
Investment (loss) income	2,854,514	2	-	-	-	-
Other income	1,011,455	11,261	-	18,076	2,489	10,411
Total operating revenue and other support	135,553,465	312,421	2,694,244	2,392,205	1,611,637	2,969,001
<b>Operating Expenses</b>						
Salaries	61,919,507	205,070	1,113,284	1,010,752	458,393	1,386,277
Fringes	11,069,330	43,470	140,617	170,184	101,982	190,340
Taxes	4,542,615	15,020	82,257	74,295	32,822	102,232
Professional fees	4,959,390	6,225	31,780	49,618	22,067	47,627
Supplies	670,947	2,117	6,745	5,127	2,573	11,984
Telephone and internet	1,143,051	9,930	17,072	25,433	6,232	29,431
Postage	289,899	1,256	3,137	3,764	1,509	5,425
Occupancy	5,984,355	30,236	135,100	215,413	49,646	206,919
Printing	364,260	1,465	2,213	3,260	3,524	5,914
Information Technology	2,379,828	12,050	46,858	28,886	28,498	53,731
Equipment & furnishings	552,691	828	13,767	3,593	2,350	10,867
Travel	1,906,729	9,986	36,189	18,699	7,513	67,304
Conferences & meetings	507,128	2,527	3,438	6,057	2,551	8,266
Advertising	1,638,012	15,200	11,234	53,858	30,355	37,347
Client assistance	23,470,532	37,193	31,173	782,111	585,276	179,134
Global operations support	2,056,811	-	-	-	-	-
Payment processing fees	208,791	2,869	4,722	5,279	1,485	11,256
Educational & promotional materials	105,624	339	396	89	83	169
Miscellaneous fund raising	357,590	28,308	27,806	37	8,742	4,135
Bad debt	69,923	-	(1,175)	-	-	550
Interest expense	397,653	922	1,826	552	398	153
Miscellaneous	741,379	5,727	28,971	17,511	9,151	50,223
Depreciation and amortization	1,715,907	13,056	920	24,000	-	507
Support services	-	71,212	285,912	310,333	134,660	366,076
Total Operating Expenses	127,051,952	515,006	2,024,242	2,808,851	1,489,810	2,775,867
<b>Increase (decrease) in Net Assets</b>	<b>\$ 8,501,513</b>	<b>\$ (202,585)</b>	<b>\$ 670,002</b>	<b>\$ (416,646)</b>	<b>\$ 121,827</b>	<b>\$ 193,134</b>

# Bethany Christian Services

## Consolidating Statement of Activities (Continued)

Year Ended December 31, 2020

	Georgia	Illinois	Central Indiana	Northwest Iowa	South Central Iowa	Maryland
<b>Operating Revenues and Other Support</b>						
Contributions	\$ 432,789	\$ 405,295	\$ 242,152	\$ 349,171	\$ 396,297	\$ 119,657
Contract and other earned revenue	8,509,318	230,358	3,340,235	-	-	3,013,559
Service fees	950,704	280,814	371,787	114,684	212,251	231,463
Investment (loss) income	36,184	-	3	-	-	-
Other income	67,000	7,178	-	19,285	36,000	18,000
Total operating revenue and other support	9,995,995	923,645	3,954,177	483,140	644,548	3,382,679
<b>Operating Expenses</b>						
Salaries	3,334,151	416,612	1,639,882	210,908	259,537	1,398,716
Fringes	641,594	85,465	301,938	30,660	53,023	176,001
Taxes	242,429	30,352	119,577	15,473	18,598	104,779
Professional fees	284,705	9,587	26,314	9,137	54,823	49,061
Supplies	47,155	5,221	12,141	1,256	1,942	12,577
Telephone and internet	72,356	6,031	36,197	9,565	12,281	50,280
Postage	19,776	2,106	4,134	1,438	862	2,893
Occupancy	358,954	39,638	190,885	22,937	34,751	320,529
Printing	10,112	4,390	2,555	3,463	1,712	2,439
Information Technology	177,875	14,691	62,833	9,950	11,921	60,048
Equipment & furnishings	23,026	4,630	14,083	1,870	750	13,256
Travel	80,043	15,794	63,255	8,298	2,772	44,256
Conferences & meetings	41,421	1,801	9,574	2,282	1,702	4,534
Advertising	41,057	23,342	50,315	15,609	7,160	36,014
Client assistance	3,283,038	41,463	815,246	10,976	109,264	139,642
Global operations support	-	-	-	-	-	-
Payment processing fees	11,011	6,329	6,090	2,061	6,411	6,416
Educational & promotional materials	372	75	-	61	136	755
Miscellaneous fund raising	7,511	13,646	26,400	8,258	10,245	269
Bad debt	36,921	1,973	-	-	8,767	1,250
Interest expense	2,524	1,424	1,564	797	618	962
Miscellaneous	23,453	5,579	62,985	3,315	2,066	53,941
Depreciation and amortization	36,644	1,695	1,212	-	766	5,662
Support services	965,753	121,664	437,619	63,775	87,364	401,114
Total Operating Expenses	9,741,881	853,508	3,884,799	432,089	687,471	2,885,394
<b>Increase (decrease) in Net Assets</b>	<b>\$ 254,114</b>	<b>\$ 70,137</b>	<b>\$ 69,378</b>	<b>\$ 51,051</b>	<b>\$ (42,923)</b>	<b>\$ 497,285</b>

# Bethany Christian Services

## Consolidating Statement of Activities (Continued)

Year Ended December 31, 2020

	Michigan	Minnesota	Missouri	Southern New England	Northern New England	New Jersey
<b>Operating Revenues and Other Support</b>						
Contributions	\$ 3,911,226	\$ 206,951	\$ 242,369	\$ 164,092	\$ 288,676	\$ 148,498
Contract and other earned revenue	60,130,801	1,032,059	2,336,856	636,379	119,780	689,230
Service fees	2,419,333	51,421	161,431	17,976	84,091	216,497
Investment (loss) income	3	-	-	-	-	4
Other income	380,738	50,033	461	20	74,867	22,911
Total operating revenue and other support	66,842,101	1,340,464	2,741,117	818,467	567,414	1,077,140
<b>Operating Expenses</b>						
Salaries	26,496,282	546,614	1,355,717	494,381	244,946	616,947
Fringes	5,109,984	73,309	244,824	71,913	51,523	96,403
Taxes	1,955,304	40,421	100,350	36,781	17,431	45,293
Professional fees	1,296,729	21,013	26,842	33,295	8,994	8,770
Supplies	367,372	7,058	16,361	2,375	770	5,096
Telephone and internet	495,658	14,169	32,751	7,710	6,125	17,913
Postage	46,633	1,925	2,728	778	905	2,983
Occupancy	3,048,569	87,264	117,354	35,846	2,080	32,304
Printing	49,008	3,055	4,978	817	833	2,909
Information Technology	1,120,417	25,583	73,655	13,281	6,224	21,322
Equipment & furnishings	227,189	5,519	16,679	754	554	5,724
Travel	951,347	9,793	91,726	15,523	6,860	13,371
Conferences & meetings	212,930	4,348	4,785	874	286	2,480
Advertising	381,436	18,799	32,063	3,249	12,031	26,518
Client assistance	11,505,853	488,924	71,555	7,636	7,449	100,536
Global operations support	-	-	-	-	-	-
Payment processing fees	31,268	2,173	3,356	1,743	2,578	2,896
Educational & promotional materials	8,718	51	808	268	-	73
Miscellaneous fund raising	57,528	80	10,260	(1,026)	1,883	353
Bad debt	9,702	1,005	504	-	-	450
Interest expense	34,683	374	352	1,235	388	1,293
Miscellaneous	467,168	7,349	12,236	12,598	4,153	20,159
Depreciation and amortization	417,920	6,175	52,395	989	-	-
Support services	7,473,951	157,399	389,902	134,726	64,573	161,834
Total Operating Expenses	61,765,649	1,522,400	2,662,181	875,746	440,586	1,185,627
<b>Increase (decrease) in Net Assets</b>	<b>\$ 5,076,452</b>	<b>\$ (181,936)</b>	<b>\$ 78,936</b>	<b>\$ (57,279)</b>	<b>\$ 126,828</b>	<b>\$ (108,487)</b>

# Bethany Christian Services

## Consolidating Statement of Activities (Continued)

Year Ended December 31, 2020

	North Carolina	Central Pennsylvania	Greater Delaware Valley	Western Pennsylvania	South Carolina	Eastern South Dakota
<b>Operating Revenues and Other Support</b>						
Contributions	\$ 139,167	\$ 546,887	\$ 557,328	\$ 141,219	\$ 335,925	\$ 282,551
Contract and other earned revenue	402,084	4,554,774	8,798,826	514,251	2,053	58,935
Service fees	422,060	1,310,053	822,586	1,359,664	520,850	136,966
Investment (loss) income	-	-	9	-	2	-
Other income	50,170	64,671	2,713	9,566	-	142
Total operating revenue and other support	1,013,481	6,476,385	10,181,462	2,024,700	858,830	478,594
<b>Operating Expenses</b>						
Salaries	455,855	2,517,085	2,784,729	948,165	395,276	174,218
Fringes	79,594	470,204	470,805	105,245	97,421	41,654
Taxes	33,474	185,938	206,445	70,634	28,608	11,964
Professional fees	28,133	58,215	1,221,942	19,461	13,220	22,073
Supplies	1,471	23,150	16,974	7,211	1,285	2,201
Telephone and internet	8,770	64,906	54,283	17,383	9,475	3,328
Postage	2,120	9,359	4,898	4,548	2,421	1,697
Occupancy	94,026	218,027	305,126	70,203	63,697	27,558
Printing	1,619	6,949	4,106	5,884	2,637	2,731
Information Technology	17,573	109,473	140,703	37,599	16,830	15,481
Equipment & furnishings	5,686	21,605	71,960	10,991	2,416	1,602
Travel	11,856	84,191	59,119	37,390	8,288	10,078
Conferences & meetings	2,023	7,815	19,544	7,671	1,553	1,605
Advertising	22,213	80,878	101,727	26,213	11,867	7,756
Client assistance	174,295	1,719,865	2,507,284	339,742	8,196	2,946
Global operations support	-	-	-	-	-	-
Payment processing fees	6,387	5,831	6,724	3,895	6,964	3,145
Educational & promotional materials	156	5,210	833	172	70	73
Miscellaneous fund raising	952	11,703	30,014	15,390	2,709	20,086
Bad debt	1,307	248	3,434	530	(427)	-
Interest expense	1,670	258	3,453	1,345	554	79
Miscellaneous	4,085	30,989	60,176	7,460	3,295	4,344
Depreciation and amortization	-	5,601	55,887	1,210	-	-
Support services	138,854	697,314	805,428	245,274	117,463	59,724
Total Operating Expenses	1,092,119	6,334,814	8,935,594	1,983,616	793,818	414,343
<b>Increase (decrease) in Net Assets</b>	<b>\$ (78,638)</b>	<b>\$ 141,571</b>	<b>\$ 1,245,868</b>	<b>\$ 41,084</b>	<b>\$ 65,012</b>	<b>\$ 64,251</b>

# Bethany Christian Services

## Consolidating Statement of Activities (Continued)

Year Ended December 31, 2020

	Western South Dakota	Greater Chattanooga	East Tennessee	Middle Tennessee	West Tennessee	Virginia
<b>Operating Revenues and Other Support</b>						
Contributions	\$ 186,455	\$ 128,760	\$ 409,210	\$ 134,135	\$ 141,872	\$ 173,693
Contract and other earned revenue	63,677	50,822	26,802	1,763,149	38,966	14,834
Service fees	95,557	102,508	186,469	408,007	228,254	570,027
Investment (loss) income	-	-	-	-	-	-
Other income	2,172	12,330	1,419	1,459	1,459	2,450
Total operating revenue and other support	347,861	294,420	623,900	2,306,750	410,551	761,004
<b>Operating Expenses</b>						
Salaries	175,112	135,736	284,330	1,030,253	177,065	388,818
Fringes	27,168	12,383	39,606	139,719	40,467	58,192
Taxes	13,055	10,264	21,427	76,206	12,669	28,748
Professional fees	8,477	14,981	10,210	51,319	28,754	7,660
Supplies	2,262	1,349	2,112	32,415	1,332	3,731
Telephone and internet	4,176	4,158	5,392	19,958	3,864	8,905
Postage	1,400	473	1,513	3,248	1,640	3,315
Occupancy	9,445	49,923	41,372	161,276	55,119	91,942
Printing	1,994	829	2,247	7,325	4,331	2,526
Information Technology	11,086	7,532	10,999	46,637	6,386	17,307
Equipment & furnishings	2,394	1,046	3,090	12,546	4,990	4,546
Travel	2,959	2,864	10,189	47,868	4,993	18,115
Conferences & meetings	1,054	8,255	4,689	16,889	81	4,273
Advertising	9,207	6,272	13,258	33,237	10,012	17,158
Client assistance	1,929	8,764	23,162	173,886	13,796	20,101
Global operations support	-	-	-	-	-	-
Payment processing fees	2,010	1,685	3,845	7,986	2,994	10,327
Educational & promotional materials	393	11	-	463	16	324
Miscellaneous fund raising	3,158	15	7,833	402	8,933	246
Bad debt	-	-	-	484	-	-
Interest expense	170	1,590	278	223	753	2,709
Miscellaneous	3,718	5,347	8,391	34,711	5,241	7,053
Depreciation and amortization	-	851	-	505	-	156
Support services	48,870	47,402	83,546	278,592	66,042	121,924
Total Operating Expenses	330,037	321,730	577,489	2,176,148	449,478	818,076
<b>Increase (decrease) in Net Assets</b>	\$ 17,824	\$ (27,310)	\$ 46,411	\$ 130,602	\$ (38,927)	\$ (57,072)



## Bethany Christian Services

### Consolidating Statement of Activities (Continued)

Year Ended December 31, 2020

	Washington	Wisconsin	Bethany Christian Services Global LLC	Bethany's Thrift Store	Corporate	Bethany Christian Foundation LLC
<b>Operating Revenues and Other Support</b>						
Contributions	\$ 49,941	\$ 373,801	\$ 1,648,464	\$ -	\$ 1,020,852	\$ 478,493
Contract and other earned revenue	124,285	72,320	-	-	49,272	-
Service fees	(548,324)	336,746	466,034	-	(9,233)	-
Investment (loss) income	1	-	-	-	1,071,556	1,746,750
Other income	148,286	77,280	23,642	108,946	744,333	(958,313)
Total operating revenue and other support	(225,811)	860,147	2,138,140	108,946	2,876,780	1,266,930
<b>Operating Expenses</b>						
Salaries	150,083	427,200	608,183	101,511	9,977,419	-
Fringes	20,792	93,139	113,254	25,168	1,651,289	-
Taxes	10,863	30,038	44,846	7,517	716,505	-
Professional fees	22,848	36,460	11,138	3,194	1,366,528	48,190
Supplies	1,512	8,709	3,589	2,202	51,572	-
Telephone and internet	4,759	6,996	11,796	713	65,055	-
Postage	2,973	3,348	16,298	-	128,396	-
Occupancy	118,822	123,121	47,673	37,565	(458,965)	-
Printing	4,986	4,066	479	188	208,716	-
Information Technology	15,600	17,294	65,845	2,109	73,551	-
Equipment & furnishings	2,081	6,247	2,235	-	53,817	-
Travel	6,105	14,022	11,947	12,163	121,853	-
Conferences & meetings	1,009	2,838	1,692	168	116,113	-
Advertising	6,538	8,131	50	3,247	484,661	-
Client assistance	73,780	19,695	185,734	-	888	-
Global operations support	-	-	1,614,996	-	441,815	-
Payment processing fees	2,379	6,640	7,497	4,847	17,692	-
Educational & promotional materials	-	140	-	-	85,370	-
Miscellaneous fund raising	(215)	36,892	3,175	-	11,862	-
Bad debt	4,400	-	-	-	-	-
Interest expense	1,618	2,125	3,853	2,799	324,111	-
Miscellaneous	12,110	6,716	25,615	458	(264,915)	-
Depreciation and amortization	792	2,202	39,625	4,359	1,042,778	-
Support services	71,688	147,726	181,017	28,489	(14,767,220)	-
Total Operating Expenses	535,523	1,003,745	3,000,537	236,697	1,448,891	48,190
<b>Increase (decrease) in Net Assets</b>	<u>\$ (761,334)</u>	<u>\$ (143,598)</u>	<u>\$ (862,397)</u>	<u>\$ (127,751)</u>	<u>\$ 1,427,889</u>	<u>\$ 1,218,740</u>

**Bethany Christian Services****St. Louis and St. Charles Schedule of Project Unit Cost**

	<b>Year Ended December 31, 2020</b>		
	<b>Total Expenses</b>	<b>St. Louis County Expenses</b>	<b>St. Charles County Expenses</b>
<b>Project Expenses</b>			
Salaries	\$ 59,343	\$ 45,743	\$ 13,599
Fringes	12,556	9,678	2,877
Outside Services, Contracted	2,642	2,037	605
Supplies	2,090	1,611	479
Telephone	1,180	910	270
Telephone, Internet Access	465	358	107
Printing	638	491	146
Postage	169	130	39
Rent	7,874	6,070	1,805
Utilities	860	663	197
Advertising	5,917	4,561	1,356
Computers, Hardware	103	79	24
Computers, Software	1,095	844	251
Travel	2,143	1,652	491
Client Assistance	106	82	24
Conferences	315	243	72
Staff, Board, and Group Meetings	149	115	34
Memberships & Dues	3,439	2,651	788
Equipment & Furnishings	200	154	46
Support Services-Nonbillable	7,233	5,575	1,658
Miscellaneous	564	435	129
Total Program Services	109,080	84,082	24,997
<i>Less: Not applicable to County: Support Services-Nonbillable</i>	7,233	5,575	1,658
<i>Less: Not applicable to County: Branch Fundraising</i>	160	123	37
Total Direct Project Expenses	101,687	78,384	23,302
<i>Add: Indirect (Administrative) Expenses: Support Services - Billable</i>	10,885	8,390	2,494
Total Project Expenses	<b>\$ 112,572</b>	<b>\$ 86,774</b>	<b>\$ 25,796</b>
Total Units Served	<b>1,056</b>	<b>814</b>	<b>242</b>
Cost Per Unit	<b>\$ 106.60</b>	<b>\$ 106.60</b>	<b>\$ 106.60</b>

**Boone Schedule of Project Unit Cost**

	<b>Year Ended December 31, 2020</b>	
	<b>Total Expenses</b>	<b>Boone County Expenses</b>
<b>Project Expenses</b>		
Salaries	\$ 53,352	\$ 53,352
Fringes	7,852	7,852
Outside Services, Contracted	2,123	2,123
Supplies	1,063	1,063
Telephone	1,455	1,455
Telephone, Internet Access	-	-
Printing	666	666
Postage	127	127
Rent	2,650	2,650
Utilities	232	232
Advertising	551	551
Computers, Hardware	165	165
Computers, Software	1,986	1,986
Travel	994	994
Client Assistance	420	420
Conferences	-	-
Staff, Board, and Group Meetings	42	42
Memberships & Dues	2,292	2,292
Equipment & Furnishings	-	-
Support Services-Nonbillable	5,368	5,368
Miscellaneous	161	161
	<u>81,499</u>	<u>81,499</u>
Total Program Services	81,499	81,499
<i>Less: Not applicable to County: Support Services-Nonbillable</i>	5,368	5,368
<i>Less: Not applicable to County: Branch Fundraising</i>	<u>7</u>	<u>7</u>
Total Direct Project Expenses	76,124	76,124
<i>Add: Indirect (Administrative) Expenses: Support Services - Billable</i>	<u>8,079</u>	<u>8,079</u>
Total Project Expenses	<u><b>\$ 84,203</b></u>	<u><b>\$ 84,203</b></u>
Total Units Served	<u><b>110</b></u>	<u><b>110</b></u>
Cost Per Unit	<u><b>\$ 765.48</b></u>	<u><b>\$ 765.48</b></u>