
Bethany Christian Services

**Consolidated Financial Report
with Additional Information
December 31, 2021**

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Independent Auditor's Report

To the Board of Directors
Bethany Christian Services

Report on the Audits of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Bethany Christian Services and its subsidiaries (the "Organization"), which comprise the consolidated statement of financial position as of December 31, 2021 and 2020 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.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2021 and 2020 and the changes in its net assets, its functional expenses, and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audits of the Consolidated Financial Statements* section of our report. We are required to be independent of the Organization and to meet our ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

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

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

Auditor's Responsibilities for the Audits of the Consolidated Financial Statements

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

To the Board of Directors
Bethany Christian Services

In performing audits in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 16, 2022 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Bethany Christian Services' 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 & Moran, PLLC

March 16, 2022

Bethany Christian Services

Consolidated Statement of Financial Position

December 31, 2021 and 2020

	2021	2020
Assets		
Current Assets		
Cash and cash equivalents	\$ 1,191,807	\$ 10,270,573
Restricted cash and cash equivalents	3,000,000	-
Investments (Note 4)	39,575,302	35,344,261
Receivables - Net of allowances	19,892,998	13,222,438
Prepaid expenses and other current assets:		
Prepaid expenses	2,186,776	2,200,325
Deposits	284,196	217,606
Total current assets	66,131,079	61,255,203
Property and Equipment - Net (Note 5)	25,601,684	24,722,388
Right-of-use Operating Lease Assets (Note 7)	10,980,087	8,095,140
Other Assets	154,000	176,000
Investment in Unconsolidated Affiliate (Note 4)	507,190	511,842
Total assets	\$ 103,374,040	\$ 94,760,573
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 4,360,157	\$ 5,720,482
Bank line of credit	5,750,000	-
Deferred revenue	958,951	1,726,416
Accrued employee compensation and other liabilities:		
Accrued employee compensation and benefits	5,681,985	5,520,309
Accrued insurance liability	1,615,497	852,774
Total accrued employee compensation and other liabilities	7,297,482	6,373,083
Current portion of long-term debt (Note 8)	2,451,430	860,974
Current portion of lease liabilities - Operating (Note 7)	4,067,592	3,041,746
Total current liabilities	24,885,612	17,722,701
Long-term Debt - Net of current portion (Note 8)	9,382,969	9,834,645
Lease Liabilities - Operating (Note 7)	7,117,316	5,208,715
Annuities Payable (Note 6)	187,557	221,390
Total liabilities	41,573,454	32,987,451
Net Assets		
Without donor restrictions:		
Undesignated	34,315,472	37,065,813
Board designated (Note 11)	23,843,312	21,355,568
Total without donor restrictions	58,158,784	58,421,381
With donor restrictions (Notes 11 and 12)	3,641,802	3,351,741
Total net assets	61,800,586	61,773,122
Total liabilities and net assets	\$ 103,374,040	\$ 94,760,573

Bethany Christian Services

Consolidated Statement of Activities and Changes in Net Assets

Years Ended December 31, 2021 and 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Gains, and Other Support						
Contributions	\$ 14,017,853	\$ 1,411,640	\$ 15,429,493	\$ 13,105,954	\$ 1,936,312	\$ 15,042,266
Child support	120,674,302	-	120,674,302	103,979,561	-	103,979,561
Service fees	8,562,495	-	8,562,495	12,665,669	-	12,665,669
Investment income	4,221,866	124,840	4,346,706	2,784,340	70,174	2,854,514
Other income	491,596	-	491,596	1,011,455	-	1,011,455
Total revenue, gains, and other support	147,968,112	1,536,480	149,504,592	133,546,979	2,006,486	135,553,465
Net Assets Released from Restrictions	1,246,419	(1,246,419)	-	1,754,428	(1,754,428)	-
Total revenue, gains, other support, and net assets released from restrictions	149,214,531	290,061	149,504,592	135,301,407	252,058	135,553,465
Expenses						
Program services:						
Adoption	13,482,103	-	13,482,103	16,197,675	-	16,197,675
Foster care	33,428,360	-	33,428,360	36,331,891	-	36,331,891
Youth services	4,221,785	-	4,221,785	2,924,496	-	2,924,496
International social services	2,085,288	-	2,085,288	1,485,137	-	1,485,137
Refugee and immigrant services	55,091,315	-	55,091,315	36,008,575	-	36,008,575
Counseling	6,185,682	-	6,185,682	9,594,065	-	9,594,065
Residential treatment	2,348,478	-	2,348,478	2,299,858	-	2,299,858
Family Preservation & Strengthening	6,376,969	-	6,376,969	-	-	-
Substance Use Disorder	1,616,048	-	1,616,048	-	-	-
Sponsorship	-	-	-	584,446	-	584,446
Other programs	1,410,010	-	1,410,010	2,306,458	-	2,306,458
Total program services	126,246,038	-	126,246,038	107,732,601	-	107,732,601
Support services:						
Management and general	18,421,498	-	18,421,498	15,170,528	-	15,170,528
Fundraising	4,809,592	-	4,809,592	4,148,823	-	4,148,823
Total support services	23,231,090	-	23,231,090	19,319,351	-	19,319,351
Total expenses	149,477,128	-	149,477,128	127,051,952	-	127,051,952
Increase in Net Assets	(262,597)	290,061	27,464	8,249,455	252,058	8,501,513
Net Assets - Beginning of year	58,421,381	3,351,741	61,773,122	50,171,926	3,099,683	53,271,609
Net Assets - End of year	<u>\$ 58,158,784</u>	<u>\$ 3,641,802</u>	<u>\$ 61,800,586</u>	<u>\$ 58,421,381</u>	<u>\$ 3,351,741</u>	<u>\$ 61,773,122</u>

Consolidated Statement of Functional Expenses

Year Ended December 31, 2021

	Adoption	Foster Care	Youth Services	International Social Services	Refugee and Immigrant Services	Counseling	Residential Treatment	Family Preservation & Strengthening	Substance Use Disorder	Other Programs	Management and General	Fundraising	Total
Salaries	\$ 7,702,119	\$ 12,260,010	\$ 1,719,025	\$ 58,942	\$ 27,283,319	\$ 3,648,830	\$ 1,450,613	\$ 3,909,484	\$ 880,442	\$ 606,362	\$ 10,112,261	\$ 2,776,826	\$ 72,408,233
Fringes	1,654,753	2,633,291	321,989	13,841	4,574,296	656,153	306,059	800,728	124,830	123,568	2,157,251	488,105	13,854,864
Taxes	566,463	904,447	126,096	4,324	2,023,120	268,605	107,972	287,311	65,313	44,883	740,426	200,628	5,339,588
Professional fees	661,860	622,824	481,250	4,131	3,423,511	317,696	64,460	215,154	77,600	43,682	1,576,853	292,468	7,781,489
Supplies	69,904	69,558	86,858	94	375,229	26,112	26,187	49,200	34,087	21,332	40,575	13,928	813,064
Telephone	211,702	250,380	29,956	2,638	527,156	74,103	9,576	89,946	7,793	12,962	89,522	24,614	1,330,348
Postage	51,211	18,875	1,302	10,789	41,451	11,703	2,039	7,419	1,003	5,138	90,155	43,629	284,714
Occupancy	929,298	1,064,834	477,044	9,752	3,361,908	409,112	82,511	273,273	310,402	(47,612)	366,702	106,387	7,343,611
Printing	21,442	18,509	7,175	4,055	34,541	14,727	202	7,995	5,413	10,949	39,711	252,280	416,999
Information technology	324,815	554,889	100,537	51,742	1,876,444	138,587	48,293	159,044	49,177	50,037	121,829	64,025	3,539,419
Equipment and furnishings	97,334	72,044	58,901	-	702,889	13,299	9,343	27,021	3,036	8,771	22,751	6,078	1,021,467
Travel	213,251	616,580	36,195	6,126	1,011,144	93,143	27,396	241,744	15,621	31,714	172,203	96,960	2,562,077
Conferences and meetings	79,904	72,203	80,579	-	163,527	22,526	7,835	23,088	10,881	39,393	179,522	11,680	691,138
Advertising	-	-	-	-	-	-	-	-	-	-	1,691,795	14,309	1,706,104
Special assistance	531,158	13,978,056	601,271	152,667	8,648,008	299,524	105,927	131,163	17,229	(2,372)	10,056	2,250	24,474,937
Global operations support	4,061	-	-	1,739,855	248,766	-	-	-	-	206,712	-	-	2,199,394
Payment processing fees	91,733	1,457	16	6,191	1,553	5,294	-	1,924	18	1,783	6,495	22,496	138,960
Educational and promotional materials	3,021	2,279	8,330	18	5,345	13,879	128	1,307	7,539	1,885	114,452	3,338	161,521
Miscellaneous fundraising	-	-	-	-	-	-	-	-	-	-	-	313,017	313,017
Bad debt	13,523	7,647	-	-	2,522	108,164	322	-	-	(1)	-	-	132,177
Interest expense	28,504	5,772	79	5	241,976	1,593	4,179	708	-	43,823	26,685	3,442	356,766
Miscellaneous	108,004	100,059	16,315	13,242	74,516	31,512	16,077	79,754	3,528	61,207	296,357	40,981	841,552
Depreciation	118,043	174,646	68,867	6,876	470,094	31,120	79,359	70,706	2,136	145,794	565,897	32,151	1,765,689
Total functional expenses	\$ 13,482,103	\$ 33,428,360	\$ 4,221,785	\$ 2,085,288	\$ 55,091,315	\$ 6,185,682	\$ 2,348,478	\$ 6,376,969	\$ 1,616,048	\$ 1,410,010	\$ 18,421,498	\$ 4,809,592	\$ 149,477,128

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
Education 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>

Consolidated Statement of Cash Flows

Years Ended December 31, 2021 and 2020

	2021	2020
Cash Flows from Operating Activities		
Increase in net assets	\$ 27,464	\$ 8,501,513
Adjustments to reconcile increase in net assets to net cash, cash equivalents, and restricted cash from operating activities:		
Depreciation	1,765,689	1,715,907
Loss (gain) on disposal of property and equipment	101,346	(449,397)
Bad debt expense	132,177	69,923
Net realized and unrealized gains on investments	(3,309,665)	(2,135,020)
Earnings on unconsolidated affiliate	(45,348)	(43,500)
Distributions from unconsolidated affiliate	50,000	47,316
Net present value adjustment of annuities payable	(9,100)	14,553
Contributions restricted for long-term investment	(23,668)	(15,750)
Amortization of right-of-use operating lease assets	4,772,737	969,486
Changes in operating assets and liabilities that (used) provided cash and cash equivalents:		
Receivables	(6,802,737)	1,304,575
Prepaid expenses and other assets	(53,041)	(1,089,677)
Accounts payable	(1,360,325)	1,626,124
Accrued and other liabilities	924,399	(1,389,016)
Deferred revenue	(767,465)	(857,735)
Payments on operating leases	(4,723,237)	(814,165)
Net cash, cash equivalents, and restricted cash (used in) provided by operating activities	(9,320,774)	7,455,137
Cash Flows from Investing Activities		
Purchase of property and equipment	(4,453,067)	(1,694,137)
Proceeds from disposition of property and equipment	1,728,736	1,262,705
Purchases of investments	(13,490,693)	(11,506,927)
Proceeds from sales and maturities of investments	12,569,317	11,210,793
Net cash, cash equivalents, and restricted cash used in investing activities	(3,645,707)	(727,566)
Cash Flows from Financing Activities		
Proceeds from debt	2,000,000	-
Payments on debt	(861,220)	(1,151,683)
Payments on annuities payable	(24,733)	(28,411)
Draws on revolving credit facilities	15,500,000	6,750,000
Payments on revolving credit facilities	(9,750,000)	(6,750,000)
Contributions restricted for long-term investment	23,668	15,750
Net cash, cash equivalents, and restricted cash provided by (used in) financing activities	6,887,715	(1,164,344)
Net (Decrease) Increase in Cash, Cash Equivalents, and Restricted Cash	(6,078,766)	5,563,227
Cash, Cash Equivalents, and Restricted Cash - Beginning of year	10,270,573	4,707,346
Cash, Cash Equivalents, and Restricted Cash - End of year	\$ 4,191,807	\$ 10,270,573
Consolidated Statement of Financial Position Classification of Cash, Cash Equivalents, and Restricted Cash		
Cash and cash equivalents	\$ 1,191,807	\$ 10,270,573
Restricted cash and cash equivalents	3,000,000	-
Total cash, cash equivalents, and restricted cash	\$ 4,191,807	\$ 10,270,573
Supplemental Cash Flow Information		
Cash paid for interest	\$ 356,766	\$ 397,653
Operating right-of-use asset and lease liability added	7,657,684	9,064,626

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

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 32 home offices in 29 states plus Washington, D.C., with the central business office located in Grand Rapids, Michigan. Approximately 81 and 77 percent of operating revenue in 2021 and 2020, 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, 2021 and 2020, 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.

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 \$198,473 and \$196,629 at December 31, 2021 and 2020, respectively.

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

Note 2 - Significant Accounting Policies (Continued)

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, 2021 and 2020.

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.

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 \$17,595,401 and \$17,590,675 at December 31, 2021 and 2020, respectively.

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

Note 2 - Significant Accounting Policies (Continued)

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.

Paycheck Protection Program

During the year ended December 31, 2021, the Organization received a PPP loan in the amount of \$1.6 million. The PPP loan program was created under the Coronavirus Aid, Relief, and Economic Security (CARES) Act and is administered by the Small Business Administration (SBA). Under the terms of this program, the loan may be fully or partially forgiven if the loan proceeds are spent on qualifying expenses and if staffing level and salary maintenance requirements are met. The Organization may use the funds on qualifying expenses over a covered period up to 24 weeks. At the conclusion of the covered period, any balance that is not forgiven by the SBA will be repaid over a period of five years, with interest accruing at a rate of 1 percent and monthly payments of principal and interest beginning 10 months after the conclusion of the covered period.

Any request for forgiveness is subject to review and approval by the lender and the SBA, including review of qualifying expenditures and staffing and salary levels.

Under accounting principles generally accepted in the United States of America (U.S. GAAP), government grants, including certain forgivable government loans, are recognized as income in the period in which the Organization has substantially overcome all measurable performance-related barriers necessary to be entitled to keep the grant funds. As of December 31, 2021, the Organization has assessed that all requirements for forgiveness were achieved and, therefore, has recorded contribution revenue of approximately \$1.6 million, consistent with generally accepted accounting principles.

The Organization applied for and received notification from the SBA of forgiveness of the entire loan on August 24, 2021.

Grant Revenue

During 2021 and 2020, the Organization recognized revenue from exchange grant contracts of \$103,952,541 and \$91,069,936, respectively.

Disaggregation of Revenue

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 \$103,952,541 and \$91,069,936 of revenue recognized from contracts with granting agencies during 2021 and 2020, respectively, revenue recognized over time amounted to \$101,872,117 and \$89,020,225, respectively, 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.

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

Note 2 - Significant Accounting Policies (Continued)

For the years ended 2021 and 2020, the beginning balances of the Organization's receivables from exchange grant contracts were \$7,286,807 and \$9,181,272, respectively. The ending balances of the Organization's receivables from exchange grant contracts were \$10,965,528 and \$7,286,807, 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).

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.

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

Note 2 - Significant Accounting Policies (Continued)

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 2021 and 2020, the Organization recognized revenue from adoption contracts of \$8,562,495 and \$12,665,669, respectively, which is recognized within service fees on the consolidated statement of activities and changes in net assets.

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 \$8,562,495 and \$12,665,669 of revenue recognized from adoption contracts with prospective parents during 2021 and 2020, respectively, revenue recognized over time amounted to \$1,678,703 and \$3,543,169, respectively, 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. The Organization's receivables from adoption contracts were \$728,948, \$921,025, and \$1,482,388 as of December 31, 2021; December 31, 2020; and January 1, 2020, respectively. Contract liabilities from adoption contracts were \$385,598, \$1,448,219, and \$2,254,800 as of December 31, 2021; December 31, 2020; and January 1, 2020, 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

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

Note 2 - Significant Accounting Policies (Continued)

- 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).

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.

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

Note 2 - Significant Accounting Policies (Continued)

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.

For the year ended December 31, 2021, the Organization updated the programs showing on the consolidated statement of functional expenses to reflect changes in the Organization's major programs. The Sponsorship program was merged into International Social Services; portions of the Foster Care and Counseling programs were removed to create the Family Preservation & Strengthening program, and the Substance Use Disorder program was added. The 2020 functional expenses have not been restated, and the methodologies for allocating expenses have not changed.

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 2021 and 2020 was \$1,706,104 and \$1,638,012, respectively.

Contingencies

The Organization was self-insured for health, professional, and general liability insurances as of December 31, 2021 and self-insured for health insurance for December 31, 2020. For health insurance, the Organization has an individual stop loss at the contract/employee level (\$250,000 in 2021 and \$200,000 in 2020). The accrual for estimated health claims incurred but not reported was \$865,497 and \$852,774 at December 31, 2021 and 2020, respectively. Losses and claims are reported as fringe benefits in the consolidated statement of functional expenses totaling \$10,678,875 and \$7,419,911 for the years ended December 31, 2021 and 2020, respectively.

For professional and general liability insurance, effective July 1, 2021 and retroactive to September 1, 2020, the Organization is self-insured up to \$3 million on a claims-made basis. In addition, effective July 1, 2021, the Organization has secured a \$7 million excess/umbrella policy for professional and general liability, including \$2 million in excess/umbrella coverage for sexual abuse and molestation. The Organization maintains a \$3 million letter of credit and a \$3 million restricted cash deposit account with the bank for the professional and general liability self-insurance plan. The accrued liability for estimated professional and general liability claims was \$750,000 at December 31, 2021, with this amount reported as professional fees expense in the consolidated statement of functional expenses for the year ended December 31, 2021.

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.

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

Note 2 - Significant Accounting Policies (Continued)

The Organization's child support revenue category is made up of approximately 49 and 42 percent of contracts with state and federal agencies for international refugee services as of December 31, 2021 and 2020, 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.

During 2021, the Organization continued operating under a hybrid model, with staff working in person only when their responsibilities could not feasibly be done by working remotely. In-person fundraising events were again held in very limited numbers and at smaller than normal capacities, resulting in lost revenue for the year. No impairments caused by the pandemic were recorded as of the consolidated statement of financial position date; however, due to uncertainty surrounding the situation, management's judgment regarding this could change in the future. Management acknowledges there is ongoing financial uncertainty related to COVID-19 that could negatively impact the Organization's future financial position; changes in net assets; and, where applicable, the timing and amount of cash flows.

Reclassification

Certain 2020 amounts have been reclassified to conform to the 2021 presentation. As a result, 2020 accounts payable increased by approximately \$2.8 million with a corresponding decrease in accrued compensation and benefits within the consolidated statement of financial position.

Subsequent Events

The consolidated financial statements and related disclosures include evaluation of events up through and including March 16, 2022, which is the date the consolidated financial statements were available to be issued.

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

Note 3 - 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:

	2021	2020
Cash and cash equivalents	\$ 1,191,807	\$ 10,270,573
Restricted cash	3,000,000	-
Accounts receivable - Net	19,892,998	13,222,438
Investments	39,575,302	35,344,261
Financial assets - At year end	63,660,107	58,837,272
Less those unavailable for general expenditures within one year due to contractual or donor-imposed restrictions:		
Restricted by donor with time or purpose restrictions	967,565	673,292
Restricted by donors in perpetuity	237,041	210,419
Restricted for professional liability insurance	3,000,000	-
Less amounts unavailable to management without board approval - Board-designated endowments	22,651,146	20,287,790
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 36,804,355</u>	<u>\$ 37,665,771</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 11, the Organization applies a spending rate of 5 percent on its board-designated endowments; therefore, \$1,192,166 and \$1,067,778 of appropriations from the endowment will be available within the next 12 months as of December 31, 2021 and 2020, 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 line of credit that can be drawn upon, as further described in Note 8, to manage liquidity needs.

Note 4 - Investments

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

	2021	2020
Mutual funds	\$ 18,177,091	\$ 25,824,203
Pooled funds	217,979	299,492
Exchange-traded funds	21,180,232	9,220,566
Subtotal	39,575,302	35,344,261
Investment in unconsolidated affiliate	507,190	511,842
Total	<u>\$ 40,082,492</u>	<u>\$ 35,856,103</u>

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

Note 4 - Investments (Continued)

Investment income consists of the following:

	2021	2020
Interest and dividends	\$ 1,037,041	\$ 719,491
Realized and unrealized gains	3,309,665	2,135,023
Total	<u>\$ 4,346,706</u>	<u>\$ 2,854,514</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 \$45,000 and \$44,000 and received a distribution of \$50,000 and \$47,000 for the years ended December 31, 2021 and 2020, respectively. The Organization is the sole tenant of the real estate limited liability company and has incurred lease expenses of \$191,196 in 2021 and \$190,269 in 2020 related to an operating lease entered into in conjunction with the investment.

Note 5 - Property and Equipment

Property and equipment are summarized as follows:

	2021	2020
Land	\$ 1,310,815	\$ 1,628,859
Land improvements	1,454,373	1,442,683
Buildings and improvements	27,941,754	27,430,611
Transportation equipment	973,835	936,408
Furniture and fixtures	9,118,498	8,995,631
Construction in progress	2,077,361	605,535
Total cost	42,876,636	41,039,727
Accumulated depreciation	17,274,952	16,317,339
Net property and equipment	<u>\$ 25,601,684</u>	<u>\$ 24,722,388</u>

Depreciation expense for 2021 and 2020 was \$1,765,689 and \$1,715,907, respectively.

Note 6 - 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, 2021 and 2020, the Organization recorded \$187,557 and \$221,390, respectively, in annuities payable relating to such program.

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

Note 7 - 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 \$4,876,077 and \$4,221,463 for the years ended December 31, 2021 and 2020, respectively. Included in lease expense are variable lease payments totaling \$168,051 and \$138,381 for the years ended December 31, 2021 and 2020, respectively, and payments on leases classified as short-term leases of \$202,518 and \$60,279 for the years ended December 31, 2021 and 2020, respectively.

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.

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

Years Ending December 31	Amount
2022	\$ 4,933,514
2023	4,116,928
2024	2,564,002
2025	1,141,963
2026	521,414
Thereafter	327,222
Total	13,605,043
Less amount representing interest	2,420,135
Present value of net minimum lease payments	11,184,908
Less current obligations	4,067,592
Long-term obligations under capital leases	<u>\$ 7,117,316</u>

As of December 31, 2021 and 2020, the weighted-average remaining lease term for all operating leases is 3.18 and 3.59 years, respectively. The weighted-average discount rate associated with operating leases as of December 31, 2021 and 2020 is 4.00 percent.

Note 8 - Long-term Debt and Line of Credit

The Organization has a \$8,000,000 line of credit from a bank at December 31, 2021 and 2020. There were \$5,750,000 of outstanding borrowings at December 31, 2021 and no outstanding borrowings at December 31, 2020. The line of credit bears interest at the London Interbank Offered Rate (LIBOR) plus 1.75 percent, subject to a 3.00 percent floor (an effective rate of 3.00 percent at December 31, 2021 and 2020). The line of credit is collateralized by the Organization's brokerage accounts and expires on May 9, 2022.

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

Note 8 - Long-term Debt and Line of Credit (Continued)

As of December 31, 2021 and 2020, the Organization had outstanding notes payable as follows:

	2021	2020
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, 2021 and 2020. 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	4,078,631	4,213,808
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	931,920	966,692
Kalamazoo building (Seeco Dr.) 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	764,788	795,113
Kalamazoo building (KL Ave.) promissory note payable with available borrowings up to \$3,000,000 due in monthly principal installments of \$17,090 beginning May 30, 2022, including interest at a fixed rate of 3.25 percent. The loan matures on April 30, 2028 and is collateralized by the Organization's Holland real estate (James St.)	2,000,000	-
Term loan payable in monthly principal installments of \$57,350 plus interest at LIBOR plus 1.75 percent (an effective rate of 1.85 and 1.89 percent at December 31, 2021 and 2020, respectively). The loan matures on February 29, 2023 and is unsecured	1,089,060	1,750,006
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	11,834,399	10,695,619
Less current portion	2,451,430	860,974
Long-term portion	<u>\$ 9,382,969</u>	<u>\$ 9,834,645</u>

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

Note 8 - Long-term Debt and Line of Credit (Continued)

The balance of the above debt matures as follows:

Years Ending	Amount
2022	\$ 2,451,430
2023	747,904
2024	342,286
2025	357,590
2026	4,999,808
Thereafter	2,935,381
Total	<u>\$ 11,834,399</u>

Interest expense for the line of credit and long-term debt totaled \$356,766 and \$397,653 for 2021 and 2020, 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.

Note 9 - 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:

Years of Service	Limit on Contributions Matched
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 2021 or 2020.

The Organization made contributions of \$2,148,429 and \$1,947,775 to the plan for the years ended December 31, 2021 and 2020, respectively.

Note 10 - 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, 2021 and 2020 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.

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

Note 10 - Fair Value Measurements (Continued)

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.

Assets Measured at Fair Value on a Recurring Basis at December 31, 2021				
	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, 2021
Assets				
Investments:				
Mutual funds - Domestic stock	\$ 5,059,997	\$ -	\$ -	\$ 5,059,997
Mutual funds - Foreign stock	5,012,031	-	-	5,012,031
Mutual funds - Bonds	8,105,063	-	-	8,105,063
Exchange-traded funds - Domestic stock	12,395,861	-	-	12,395,861
Exchange-traded funds - Foreign stock	3,496,226	-	-	3,496,226
Exchange-traded funds - Real estate	452,903	-	-	452,903
Exchange-traded funds - Bonds	4,835,242	-	-	4,835,242
Pooled funds - Domestic stock	-	54,370	-	54,370
Pooled funds - Foreign equity	-	63,933	-	63,933
Pooled funds - Bonds	-	53,338	-	53,338
Equity securities measured at net asset value				46,338
Total investments	\$ 39,357,323	\$ 171,641	\$ -	\$ 39,575,302

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

Note 10 - 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
Assets				
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>

The fair value of pooled funds at December 31, 2021 and 2020 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.

Note 11 - 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, 2021 and 2020

Note 11 - 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, 2021			
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	\$ 23,843,312	\$ -	\$ 23,843,312
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by the donor	-	237,041	237,041
Accumulated investment gains	-	141,062	141,062
Term endowment	-	551,274	551,274
Total	\$ 23,843,312	\$ 929,377	\$ 24,772,689

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

Note 11 - Donor-restricted and Board-designated Endowments (Continued)

Changes in Endowment Net Assets for the Fiscal Year Ended December 31, 2021			
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets - Beginning of year	\$ 21,355,568	\$ 812,508	\$ 22,168,076
Investment return:			
Investment income	622,331	-	622,331
Net appreciation	1,922,758	98,046	2,020,804
Total investment return	2,545,089	98,046	2,643,135
Contributions	1,146,003	23,668	1,169,671
Appropriation of endowment assets for expenditure	(1,203,348)	(4,845)	(1,208,193)
Endowment net assets - End of year	<u>\$ 23,843,312</u>	<u>\$ 929,377</u>	<u>\$ 24,772,689</u>
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	<u>\$ 21,355,568</u>	<u>\$ 812,508</u>	<u>\$ 22,168,076</u>
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>

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

Note 11 - 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 12 - Net Assets

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

	2021	2020
Subject to expenditures for a specified purpose:		
Term endowments	\$ 551,274	\$ 492,396
Accumulated earnings on donor endowments	141,062	109,693
Other purpose restricted funds	-	60,280
Community development projects	400,750	450,000
Expanded counseling programming	6,250	75,000
Refugee childcare training	-	50,000
Therapeutic respite	25,000	25,000
Unaccompanied children crisis	569,056	538,820
Afghan Placement and Assistance Fund	472,853	-
Border crisis response	586,000	-
Technology fund	100,000	-
Total subject to expenditures for a specified purpose	2,852,245	1,801,189
Subject to the passage of time - Pledges	552,516	1,340,133
Subject to the Organization's spending policy and appropriation - Donor endowment	237,041	210,419
Total	\$ 3,641,802	\$ 3,351,741

Additional Information

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 years ended December 31, 2021 and have issued our report thereon dated March 16, 2022, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with 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 consolidated financial statements as a whole.

Plante & Moran, PLLC

March 16, 2022

Bethany Christian Services

Consolidating Statement of Financial Position

Year Ended December 31, 2021

	Total	Arkansas	Northern California	Southern California	Colorado	Florida
Assets						
Current Assets:						
Cash and cash equivalents	\$ 1,191,807	\$ 3,800	\$ 10,775	\$ (1,455,493)	\$ 2,500	\$ 5,070
Restricted cash and cash equivalents	3,000,000	-	-	-	-	-
Investments	39,575,302	209,078	1,239,912	-	154,448	187,826
Receivables - Net of allowances	19,892,998	-	199,316	233,615	150,555	185,039
Prepaid expenses and other:						
Prepaid expenses	2,186,776	207	3,392	19,085	4,244	25,628
Deposits	<u>284,196</u>	<u>-</u>	<u>2,139</u>	<u>17,083</u>	<u>2,260</u>	<u>23,217</u>
Total current assets	66,131,079	213,085	1,455,534	(1,185,710)	314,007	426,780
Property and equipment						
Land and land improvements	2,765,188	-	-	-	-	-
Buildings and improvements	27,941,754	-	67,065	-	-	-
Furniture and fixtures	9,118,498	-	121,837	16,847	6,672	-
Transportation equipment	973,835	23,184	26,460	-	-	-
Construction in progress	<u>2,077,361</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,728</u>	<u>-</u>
Total property and equipment	42,876,636	23,184	215,362	16,847	22,400	-
Less accumulated depreciation	<u>(17,274,952)</u>	<u>(15,456)</u>	<u>(205,004)</u>	<u>(16,347)</u>	<u>-</u>	<u>-</u>
Net property and equipment	25,601,684	7,728	10,358	500	22,400	-
Right-of use operating lease assets	10,980,087	619	66,701	455,061	36,208	389,168
Other Assets, net of amortization	154,000	-	-	154,000	-	-
Investment in unconsolidated affiliate	<u>507,190</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	\$ 103,374,040	\$ 221,432	\$ 1,532,593	\$ (576,149)	\$ 372,615	\$ 815,948
Liabilities and Net Assets (Deficit)						
Current Liabilities						
Accounts payable	\$ 4,360,157	\$ 7,451	\$ -	\$ -	\$ -	\$ 30,287
Bank line of credit	5,750,000	-	-	-	-	-
Deferred revenue	958,951	-	3,926	1,600	7,300	19,891
Accrued employee compensation and other liabilities						
Accrued employee compensation and benefits	5,681,985	7,559	97,217	88,268	47,941	114,760
Accrued insurance liability	1,615,497	2,445	6,363	6,248	8,550	2,284
Current maturities of long-term debt	2,451,430	-	-	-	-	-
Current portion of lease liabilities - operating	<u>4,067,592</u>	<u>619</u>	<u>31,299</u>	<u>210,769</u>	<u>23,582</u>	<u>137,802</u>
Total current liabilities	24,885,612	18,074	138,805	306,885	87,373	305,024
Long-term Debt - Net of current portion	9,382,969	-	-	-	-	-
Lease liabilities - operating	7,117,316	-	35,291	278,974	14,365	260,493
Annuities Payable	<u>187,557</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	41,573,454	18,074	174,096	585,859	101,738	565,517
Net Assets (Deficit) - Beginning of year	61,773,122	446,234	1,348,204	(921,303)	128,652	187,450
Change in Net Assets	27,464	(242,876)	10,293	(240,705)	142,225	62,981
Net Assets (Deficit) - End of year	61,800,586	203,358	1,358,497	(1,162,008)	270,877	250,431
Total Liabilities and Net Assets (Deficit)	\$ 103,374,040	\$ 221,432	\$ 1,532,593	\$ (576,149)	\$ 372,615	\$ 815,948

Bethany Christian Services

Consolidating Statement of Financial Position (Continued)

Year Ended December 31, 2021

	Georgia	Illinois	Central Indiana	Northwest Iowa	South Central Iowa	Maryland
Assets						
Current Assets:						
Cash and cash equivalents	\$ 10,100	\$ 5,100	\$ 11,600	\$ (128,835)	\$ 3,100	\$ 2,500
Restricted cash and cash equivalents	-	-	-	-	-	-
Investments	378,023	14,808	221,290	-	406,936	1,338,628
Receivables - Net of allowances	1,394,099	179,406	692,888	17,780	17,275	664,571
Prepaid expenses and other:						
Prepaid expenses	37,309	4,500	16,066	1,150	1,519	23,625
Deposits	13,916	3,750	13,943	650	-	21,379
Total current assets	1,833,447	207,564	955,787	(109,255)	428,830	2,050,703
Property and equipment						
Land and land improvements	-	-	-	-	-	-
Buildings and improvements	104,500	-	-	26,546	27,021	46,555
Furniture and fixtures	88,075	30,162	6,060	11,605	-	85,054
Transportation equipment	213,173	65,572	-	-	-	-
Construction in progress	-	14,744	-	-	-	-
Total property and equipment	405,748	110,478	6,060	38,151	27,021	131,609
Less accumulated depreciation	(260,984)	(42,249)	(6,060)	(16,914)	(23,147)	(105,238)
Net property and equipment	144,764	68,229	-	21,237	3,874	26,371
Right-of use operating lease assets	520,983	56,204	383,857	1,943	44,813	112,260
Other Assets, net of amortization	-	-	-	-	-	-
Investment in unconsolidated affiliate	507,190	-	-	-	-	-
Total Assets	\$ 3,006,384	\$ 331,997	\$ 1,339,644	\$ (86,075)	\$ 477,517	\$ 2,189,334
Liabilities and Net Assets (Deficit)						
Current Liabilities						
Accounts payable	\$ 47,657	\$ -	\$ (101)	\$ -	\$ -	\$ -
Bank line of credit	-	-	-	-	-	-
Deferred revenue	190,543	3,934	9,143	17,183	2,600	12,170
Accrued employee compensation and other liabilities						
Accrued employee compensation and benefits	340,742	49,816	144,262	12,342	2,202	160,300
Accrued insurance liability	13,537	18,480	12,090	3,322	4,159	3,999
Current maturities of long-term debt	-	-	-	-	-	-
Current portion of lease liabilities - operating	222,389	33,272	191,604	1,943	16,801	108,420
Total current liabilities	814,868	105,502	356,998	34,790	25,762	284,889
Long-term Debt - Net of current portion	-	-	-	-	-	-
Lease liabilities - operating	330,719	22,932	202,728	-	28,012	3,778
Annuities Payable	-	-	-	-	-	-
Total Liabilities	1,145,587	128,434	559,726	34,790	53,774	288,667
Net Assets (Deficit) - Beginning of year	2,014,583	143,529	1,029,482	(54,144)	491,295	1,361,196
Change in Net Assets	(153,786)	60,034	(249,564)	(66,721)	(67,552)	539,471
Net Assets (Deficit) - End of year	1,860,797	203,563	779,918	(120,865)	423,743	1,900,667
Total Liabilities and Net Assets (Deficit)	\$ 3,006,384	\$ 331,997	\$ 1,339,644	\$ (86,075)	\$ 477,517	\$ 2,189,334

Bethany Christian Services

Consolidating Statement of Financial Position (Continued)

Year Ended December 31, 2021

	Michigan	Minnesota	Missouri	Southern New England	Northern New England	New Jersey
Assets						
Current Assets:						
Cash and cash equivalents	\$ 287,760	\$ (1,895,656)	\$ (378,183)	\$ (673,617)	\$ 2,600	\$ (673,917)
Restricted cash and cash equivalents	-	-	-	-	-	-
Investments	5,579,193	-	-	-	80,427	-
Receivables - Net of allowances	8,866,303	109,357	897,624	65,148	7,939	37,549
Prepaid expenses and other:						
Prepaid expenses	165,878	7,069	14,862	6,711	-	1,240
Deposits	70,900	434	7,711	6,711	-	1,100
Total current assets	14,970,034	(1,778,796)	542,014	(595,047)	90,966	(634,028)
Property and equipment						
Land and land improvements	-	-	-	-	-	-
Buildings and improvements	3,324,325	8,123	153,009	-	-	-
Furniture and fixtures	2,851,437	35,787	129,079	15,591	-	-
Transportation equipment	498,154	-	147,292	-	-	-
Construction in progress	1,582,989	-	24,354	12,500	-	-
Total property and equipment	8,256,905	43,910	453,734	28,091	-	-
Less accumulated depreciation	(2,536,281)	(24,032)	(181,131)	(8,940)	-	-
Net property and equipment	5,720,624	19,878	272,603	19,151	-	-
Right-of use operating lease assets	3,328,704	82,931	250,362	37,245	-	2,159
Other Assets, net of amortization	-	-	-	-	-	-
Investment in unconsolidated affiliate	-	-	-	-	-	-
Total Assets	\$ 24,019,362	\$ (1,675,987)	\$ 1,064,979	\$ (538,651)	\$ 90,966	\$ (631,869)
Liabilities and Net Assets (Deficit)						
Current Liabilities						
Accounts payable	\$ 56,700	\$ -	\$ -	\$ -	\$ -	\$ -
Bank line of credit	-	-	-	-	-	-
Deferred revenue	444,424	-	4,293	-	5,310	1,900
Accrued employee compensation and other liabilities						
Accrued employee compensation and benefits	2,105,829	20,783	126,112	48,352	11,214	51,082
Accrued insurance liability	199,254	1,478	6,978	1,478	-	1,830
Current maturities of long-term debt	-	-	-	-	-	-
Current portion of lease liabilities - operating	1,326,205	50,192	75,224	20,012	-	2,076
Total current liabilities	4,132,412	72,453	212,607	69,842	16,524	56,888
Long-term Debt - Net of current portion	-	-	-	-	-	-
Lease liabilities - operating	2,025,154	36,360	177,740	15,542	-	-
Annuities Payable	-	-	-	-	-	-
Total Liabilities	6,157,566	108,813	390,347	85,384	16,524	56,888
Net Assets (Deficit) - Beginning of year	17,708,928	(1,347,539)	639,639	(379,095)	93,024	(534,240)
Change in Net Assets	152,868	(437,261)	34,993	(244,940)	(18,582)	(154,517)
Net Assets (Deficit) - End of year	17,861,796	(1,784,800)	674,632	(624,035)	74,442	(688,757)
Total Liabilities and Net Assets (Deficit)	\$ 24,019,362	\$ (1,675,987)	\$ 1,064,979	\$ (538,651)	\$ 90,966	\$ (631,869)

Bethany Christian Services

Consolidating Statement of Financial Position (Continued)

Year Ended December 31, 2021

	North Carolina	Central Pennsylvania	Greater Delaware Valley	Western Pennsylvania	South Carolina	Eastern South Dakota
Assets						
Current Assets:						
Cash and cash equivalents	\$ (80,441)	\$ (965,518)	\$ 94,305	\$ (402,741)	\$ 3,500	\$ (185,454)
Restricted cash and cash equivalents	-	-	-	-	-	-
Investments	-	-	223,235	-	606,452	-
Receivables - Net of allowances	34,662	1,637,106	1,616,204	384,991	43,603	-
Prepaid expenses and other:						
Prepaid expenses	20,241	22,807	21,171	19,668	1,525	-
Deposits	19,235	11,531	18,231	1,000	2,600	-
Total current assets	(6,303)	705,926	1,973,146	2,918	657,680	(185,454)
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	-	102,122	-	-	-	-
Total property and equipment	1,644	180,444	536,955	23,014	2,307	-
Less accumulated depreciation	(1,644)	(57,891)	(217,795)	(23,014)	(2,307)	-
Net property and equipment	-	122,553	319,160	-	-	-
Right-of use operating lease assets	598,987	603,029	1,148,755	381,094	25,231	-
Other Assets, net of amortization	-	-	-	-	-	-
Investment in unconsolidated affiliate	-	-	-	-	-	-
Total Assets	\$ 592,684	\$ 1,431,508	\$ 3,441,061	\$ 384,012	\$ 682,911	\$ (185,454)
Liabilities and Net Assets (Deficit)						
Current Liabilities						
Accounts payable	\$ -	\$ 15,212	\$ 95,876	\$ -	\$ -	\$ -
Bank line of credit	-	-	-	-	-	-
Deferred revenue	12,214	55,118	29,121	25,001	333	-
Accrued employee compensation and other liabilities						
Accrued employee compensation and benefits	65,858	236,598	327,196	75,321	9,863	2,512
Accrued insurance liability	5,112	6,368	24,657	4,070	8,421	739
Current maturities of long-term debt	-	-	-	-	-	-
Current portion of lease liabilities - operating	243,839	210,785	164,214	137,700	12,903	-
Total current liabilities	327,023	524,081	641,064	242,092	31,520	3,251
Long-term Debt - Net of current portion	-	-	-	-	-	-
Lease liabilities - operating	359,801	416,811	1,011,973	243,394	12,573	-
Annuities Payable	-	-	-	-	-	-
Total Liabilities	686,824	940,892	1,653,037	485,486	44,093	3,251
Net Assets (Deficit) - Beginning of year	58,402	633,424	1,009,858	(103,045)	813,203	(34,065)
Change in Net Assets	(152,542)	(142,808)	778,166	1,571	(174,385)	(154,640)
Net Assets (Deficit) - End of year	(94,140)	490,616	1,788,024	(101,474)	638,818	(188,705)
Total Liabilities and Net Assets (Deficit)	\$ 592,684	\$ 1,431,508	\$ 3,441,061	\$ 384,012	\$ 682,911	\$ (185,454)

Bethany Christian Services

Consolidating Statement of Financial Position (Continued)

Year Ended December 31, 2021

	Western South Dakota	Tennessee	Texas	Virginia	Wisconsin
Assets					
Current Assets:					
Cash and cash equivalents	\$ 2,500	\$ (1,523,815)	\$ -	\$ (351,437)	\$ (750,180)
Restricted cash and cash equivalents	-	-	-	-	-
Investments	188,265	-	8,009	-	-
Receivables - Net of allowances	37,326	394,168	-	35,006	109,204
Prepaid expenses and other:					
Prepaid expenses	3,000	30,992	3,750	4,033	23,364
Deposits	-	28,383	-	3,620	14,403
Total current assets	231,091	(1,070,272)	11,759	(308,778)	(603,209)
Property and equipment					
Land and land improvements	-	-	-	-	-
Buildings and improvements	-	34,847	-	6,435	13,178
Furniture and fixtures	-	27,755	-	5,462	31,333
Transportation equipment	-	-	-	-	-
Construction in progress	-	-	-	-	-
Total property and equipment	-	62,602	-	11,897	44,511
Less accumulated depreciation	-	(46,353)	-	(8,982)	(28,211)
Net property and equipment	-	16,249	-	2,915	16,300
Right-of use operating lease assets	-	842,063	-	85,448	341,654
Other Assets, net of amortization	-	-	-	-	-
Investment in unconsolidated affiliate	-	-	-	-	-
Total Assets	\$ 231,091	\$ (211,960)	\$ 11,759	\$ (220,415)	\$ (245,255)
Liabilities and Net Assets (Deficit)					
Current Liabilities					
Accounts payable	\$ -	\$ 462	\$ -	\$ 752	\$ -
Bank line of credit	-	-	-	-	-
Deferred revenue	-	18,721	-	52,678	4,250
Accrued employee compensation and other liabilities					
Accrued employee compensation and benefits	7,327	117,235	12,963	31,707	61,099
Accrued insurance liability	-	12,816	-	8,813	6,564
Current maturities of long-term debt	-	-	-	-	-
Current portion of lease liabilities - operating	-	317,336	-	46,584	187,314
Total current liabilities	7,327	466,570	12,963	140,534	259,227
Long-term Debt - Net of current portion	-	-	-	-	-
Lease liabilities - operating	-	541,640	-	41,130	178,347
Annuities Payable	-	-	-	-	-
Total Liabilities	7,327	1,008,210	12,963	181,664	437,574
Net Assets (Deficit) - Beginning of year	400,771	(562,282)	-	(179,288)	97,106
Change in Net Assets	(177,007)	(657,888)	(1,204)	(222,791)	(779,935)
Net Assets (Deficit) - End of year	223,764	(1,220,170)	(1,204)	(402,079)	(682,829)
Total Liabilities and Net Assets (Deficit)	\$ 231,091	\$ (211,960)	\$ 11,759	\$ (220,415)	\$ (245,255)

Bethany Christian Services

Consolidating Statement of Financial Position (Continued)

Year Ended December 31, 2021

	Bethany Christian Services Global LLC	Corporate	Bethany Christian Foundation LLC
Assets			
Current Assets:			
Cash and cash equivalents	\$ (2,097,342)	\$ 11,982,252	\$ 326,974
Restricted cash and cash equivalents	-	3,000,000	-
Investments	-	4,293,057	24,445,715
Receivables - Net of allowances	(1,895)	1,884,159	-
Prepaid expenses and other:			
Prepaid expenses	36,613	1,667,127	-
Deposits	-	-	-
Total current assets	(2,062,624)	22,826,595	24,772,689
Property and equipment			
Land and land improvements	-	2,765,188	-
Buildings and improvements	23,099	23,572,924	-
Furniture and fixtures	211,181	5,336,446	-
Transportation equipment	-	-	-
Construction in progress	-	324,924	-
Total property and equipment	234,280	31,999,482	-
Less accumulated depreciation	(152,173)	(13,294,799)	-
Net property and equipment	82,107	18,704,683	-
Right-of use operating lease assets	-	1,184,608	-
Other Assets, net of amortization	-	-	-
Investment in unconsolidated affiliate	-	-	-
Total Assets	\$ (1,980,517)	\$ 42,715,886	\$ 24,772,689
Liabilities and Net Assets (Deficit)			
Current Liabilities			
Accounts payable	\$ (16,706)	\$ 4,122,567	\$ -
Bank line of credit	-	5,750,000	-
Deferred revenue	37,298	-	-
Accrued employee compensation and other liabilities			
Accrued employee compensation and benefits	13,384	1,292,141	-
Accrued insurance liability	17,287	1,228,155	-
Current maturities of long-term debt	-	2,451,430	-
Current portion of lease liabilities - operating	-	294,708	-
Total current liabilities	51,263	15,139,001	-
Long-term Debt - Net of current portion	-	9,382,969	-
Lease liabilities - operating	-	879,559	-
Annuities Payable	-	187,557	-
Total Liabilities	51,263	25,589,086	-
Net Assets (Deficit) - Beginning of year	(1,434,001)	16,549,068	22,168,076
Change in Net Assets	(597,779)	577,732	2,604,613
Net Assets (Deficit) - End of year	(2,031,780)	17,126,800	24,772,689
Total Liabilities and Net Assets (Deficit)	\$ (1,980,517)	\$ 42,715,886	\$ 24,772,689

Bethany Christian Services

Consolidating Statement of Activities

Year Ended December 31, 2021

	Total	Arkansas	Northern California	Southern California	Colorado	Florida
Operating Revenues and Other Support						
Contributions	\$ 15,429,493	\$ 76,372	\$ 468,113	\$ 353,829	\$ 116,841	\$ 300,863
Contract and other earned revenue	120,674,302	76	2,157,635	2,388,793	1,545,415	3,224,367
Service fees	8,562,495	(51,675)	85,322	144,502	9,833	148,902
Investment (loss) income	4,346,706	2	-	290		
Other income	491,596	(1,881)	-	19,496	12,150	21,251
Total operating revenue and other support	149,504,592	22,894	2,711,070	2,906,910	1,684,239	3,695,383
Operating Expenses						
Salaries	72,408,233	95,026	1,501,248	1,280,743	457,209	1,814,659
Fringes	13,854,864	29,998	202,100	209,407	106,526	270,204
Taxes	5,339,588	6,863	110,954	95,088	33,331	134,984
Professional fees	7,781,489	10,849	72,189	70,691	20,206	125,391
Supplies	813,064	2,579	12,980	10,829	1,460	30,212
Telephone and internet	1,330,348	7,473	29,338	26,472	6,920	35,907
Postage	284,714	1,160	5,129	3,373	665	5,474
Occupancy	7,343,611	6,218	138,578	224,061	34,921	281,552
Printing	416,999	18	1,411	3,333	492	5,975
Information Technology	3,539,419	9,127	62,401	40,196	23,161	118,991
Equipment & furnishings	1,021,467	1,171	7,682	14,402	2,154	40,524
Travel	2,562,077	9,289	42,955	24,713	8,622	89,236
Conferences & meetings	691,138	934	4,268	6,315	5,038	15,328
Advertising	1,706,104	10,672	39,804	56,493	34,966	25,318
Client assistance	24,474,937	18,714	145,289	684,034	668,873	192,467
Global operations support	2,199,394	-	-	-	-	-
Payment processing fees	138,960	833	4,494	3,376	850	6,638
Educational & promotional materials	161,521	-	1,446	46	-	316
Miscellaneous fund raising	313,017	1,498	17,198	199	62	8,478
Bad debt	132,177	-	-	(1,600)	600	8,250
Interest expense	356,766	652	1,409	426	307	118
Miscellaneous	841,552	5,292	17,203	18,604	7,402	21,684
Depreciation and amortization	1,765,689	8,942	661	24,000	-	-
Support services	-	38,462	282,040	352,414	128,249	400,696
Total Operating Expenses	149,477,128	265,770	2,700,777	3,147,615	1,542,014	3,632,402
Increase (decrease) in Net Assets	\$ 27,464	\$ (242,876)	\$ 10,293	\$ (240,705)	\$ 142,225	\$ 62,981

Bethany Christian Services

Consolidating Statement of Activities (Continued)

Year Ended December 31, 2021

	Georgia	Illinois	Central Indiana	Northwest Iowa	South Central Iowa	Maryland
Operating Revenues and Other Support						
Contributions	\$ 364,672	\$ 195,950	\$ 339,375	\$ 160,438	\$ 201,884	\$ 124,668
Contract and other earned revenue	10,456,256	1,182,478	3,469,481	-	-	3,648,089
Service fees	933,900	211,294	241,954	87,616	120,219	165,145
Investment (loss) income	45,348	-	2	-	-	-
Other income	140,756	-	17,836	23,393	39,063	-
Total operating revenue and other support	11,940,932	1,589,722	4,068,648	271,447	361,166	3,937,902
Operating Expenses						
Salaries	4,545,294	788,120	1,788,371	147,048	175,658	1,617,318
Fringes	804,974	134,022	385,549	37,334	37,398	210,869
Taxes	334,413	58,513	129,790	10,470	12,910	122,455
Professional fees	400,297	36,676	94,213	11,928	55,064	89,602
Supplies	59,791	9,937	10,225	777	2,616	12,299
Telephone and internet	93,911	14,182	36,644	9,397	8,749	45,600
Postage	17,823	1,751	5,225	472	528	2,353
Occupancy	543,050	46,611	198,054	16,367	35,650	334,998
Printing	12,462	2,946	1,365	1,911	-	3,479
Information Technology	290,483	37,619	82,288	6,529	8,876	56,276
Equipment & furnishings	160,416	4,942	24,935	1,607	824	19,511
Travel	111,793	44,978	96,213	7,584	1,564	49,547
Conferences & meetings	60,916	6,606	7,493	2,046	-	3,958
Advertising	78,731	28,419	46,313	11,773	11,457	45,317
Client assistance	3,069,072	91,067	943,721	13,665	7,137	246,494
Global operations support	-	-	-	-	-	-
Payment processing fees	10,562	4,012	4,959	617	2,182	7,555
Educational & promotional materials	9,573	-	83	-	-	446
Miscellaneous fund raising	647	583	255	26	10	7,883
Bad debt	83,710	438	2,053	-	-	-
Interest expense	1,948	1,099	1,207	615	477	743
Miscellaneous	32,191	5,498	11,723	3,599	3,993	55,174
Depreciation and amortization	30,795	12,303	808	5,309	766	5,385
Support services	1,341,866	199,366	446,725	49,094	62,859	461,169
Total Operating Expenses	12,094,718	1,529,688	4,318,212	338,168	428,718	3,398,431
Increase (decrease) in Net Assets	<u>\$ (153,786)</u>	<u>\$ 60,034</u>	<u>\$ (249,564)</u>	<u>\$ (66,721)</u>	<u>\$ (67,552)</u>	<u>\$ 539,471</u>

Bethany Christian Services

Consolidating Statement of Activities (Continued)

Year Ended December 31, 2021

	Michigan	Minnesota	Missouri	Southern New England	Northern New England	New Jersey
Operating Revenues and Other Support						
Contributions	\$ 4,904,083	\$ 144,977	\$ 246,728	\$ 112,669	\$ 162,262	\$ 186,827
Contract and other earned revenue	63,888,543	682,522	3,181,057	826,423	116,000	1,055,869
Service fees	1,935,343	87,367	82,072	26,869	92,336	49,925
Investment (loss) income	1	-	-	-	-	7
Other income	437,036	-	450	2,082	-	9,815
Total operating revenue and other support	71,165,006	914,866	3,510,307	968,043	370,598	1,302,443
Operating Expenses						
Salaries	29,040,892	488,738	1,752,274	685,371	192,433	830,193
Fringes	6,055,567	85,933	361,169	99,275	54,139	104,856
Taxes	2,149,102	36,055	128,131	51,459	13,664	62,139
Professional fees	2,865,835	21,689	79,489	51,933	8,544	43,076
Supplies	413,286	3,476	29,470	4,472	583	3,765
Telephone and internet	573,342	12,307	44,278	9,603	4,114	18,132
Postage	45,394	1,046	2,236	1,008	717	2,103
Occupancy	3,766,833	90,490	143,886	55,850	2,153	33,188
Printing	38,506	1,834	4,057	593	603	2,036
Information Technology	1,543,963	21,466	79,012	37,225	5,236	31,005
Equipment & furnishings	452,757	4,625	16,237	6,234	535	6,787
Travel	1,154,721	11,102	136,301	14,601	7,124	17,572
Conferences & meetings	270,456	4,018	13,545	2,686	3,005	1,149
Advertising	367,943	10,756	33,320	3,732	13,536	17,169
Client assistance	12,490,969	348,154	47,774	3,421	20,588	68,108
Global operations support	-	-	-	-	-	-
Payment processing fees	30,569	546	1,940	1,001	2,779	2,968
Educational & promotional materials	7,670	8,100	405	124	-	-
Miscellaneous fund raising	79,368	34,535	30	273	155	186
Bad debt	13,615	7,626	443	-	-	550
Interest expense	26,025	288	272	953	299	998
Miscellaneous	537,326	8,489	14,688	13,577	3,400	21,315
Depreciation and amortization	441,756	6,016	67,705	897	-	(14)
Support services	8,646,243	144,838	518,652	168,695	55,573	189,679
Total Operating Expenses	71,012,138	1,352,127	3,475,314	1,212,983	389,180	1,456,960
Increase (decrease) in Net Assets	<u>\$ 152,868</u>	<u>\$ (437,261)</u>	<u>\$ 34,993</u>	<u>\$ (244,940)</u>	<u>\$ (18,582)</u>	<u>\$ (154,517)</u>

Bethany Christian Services

Consolidating Statement of Activities (Continued)

Year Ended December 31, 2021

	North Carolina	Central Pennsylvania	Greater Delaware Valley	Western Pennsylvania	South Carolina	Eastern South Dakota
Operating Revenues and Other Support						
Contributions	\$ 143,426	\$ 588,440	\$ 416,066	\$ 314,598	\$ 187,745	\$ 51,226
Contract and other earned revenue	1,427,786	5,189,005	10,196,384	984,509	74,509	182,184
Service fees	197,420	1,199,322	561,886	1,003,415	28,527	(58,007)
Investment (loss) income	-	-	10	-	1	-
Other income	26,863	23,676	660	3,879	57,585	725
Total operating revenue and other support	1,795,495	7,000,443	11,175,006	2,306,401	348,367	176,128
Operating Expenses						
Salaries	853,908	2,938,638	3,590,496	996,665	249,093	156,674
Fringes	139,218	539,321	608,921	124,607	61,827	47,573
Taxes	62,733	218,647	266,743	75,216	18,274	11,053
Professional fees	68,502	143,860	1,217,280	48,081	24,152	6,947
Supplies	12,989	29,064	26,702	4,524	866	2,533
Telephone and internet	13,732	66,149	65,264	21,591	4,105	3,163
Postage	2,154	8,145	5,937	4,335	1,877	502
Occupancy	195,766	278,986	295,094	96,809	33,760	16,864
Printing	1,450	8,478	2,208	6,309	1,119	1,771
Information Technology	103,058	205,187	168,239	79,577	9,864	4,705
Equipment & furnishings	33,454	46,027	24,785	8,516	484	2,100
Travel	40,782	91,051	74,473	49,419	10,909	6,248
Conferences & meetings	3,367	18,169	8,546	11,806	790	2,161
Advertising	22,714	67,809	94,355	21,232	7,381	9,951
Client assistance	164,982	1,545,403	2,867,401	434,814	19,813	1,885
Global operations support	-	-	-	-	-	-
Payment processing fees	3,353	6,329	5,272	1,714	2,976	1,618
Educational & promotional materials	1,330	6,392	185	-	-	299
Miscellaneous fund raising	263	33,030	29,187	21,793	56	3,246
Bad debt	387	2,762	4,500	4,643	-	-
Interest expense	1,289	199	2,665	1,038	391	56
Miscellaneous	5,489	30,583	73,733	10,728	2,454	1,617
Depreciation and amortization	-	9,120	55,187	504	-	-
Support services	217,117	849,902	909,667	280,909	72,561	49,802
Total Operating Expenses	1,948,037	7,143,251	10,396,840	2,304,830	522,752	330,768
Increase (decrease) in Net Assets	<u>\$ (152,542)</u>	<u>\$ (142,808)</u>	<u>\$ 778,166</u>	<u>\$ 1,571</u>	<u>\$ (174,385)</u>	<u>\$ (154,640)</u>

Bethany Christian Services

Consolidating Statement of Activities (Continued)

Year Ended December 31, 2021

	Western South Dakota	Tennessee	Texas	Virginia	Wisconsin
Operating Revenues and Other Support					
Contributions	\$ (29,520)	\$ 591,225	\$ -	\$ 218,736	\$ 399,977
Contract and other earned revenue	219,166	2,503,581	413,059	101,484	259,600
Service fees	(73,836)	432,764	-	305,428	441,412
Investment (loss) income	-	-	-	-	-
Other income	50,283	34,765	-	5,094	38,004
Total operating revenue and other support	166,093	3,562,335	413,059	630,742	1,138,993
Operating Expenses					
Salaries	181,931	1,953,493	225,963	407,547	821,402
Fringes	29,110	314,237	26,420	63,500	115,467
Taxes	13,615	145,214	16,552	30,343	60,295
Professional fees	8,748	158,721	10,169	28,305	79,705
Supplies	2,349	40,710	4,415	4,037	33,662
Telephone and internet	5,528	41,809	3,206	9,986	9,140
Postage	1,026	4,505	1,223	2,874	2,163
Occupancy	9,670	373,387	34,746	59,188	359,687
Printing	2,056	11,150	334	1,950	4,630
Information Technology	5,748	164,424	23,611	27,492	48,448
Equipment & furnishings	54	97,121	1,402	4,520	7,254
Travel	4,651	79,716	22,640	13,243	19,870
Conferences & meetings	1,361	25,345	90	2,281	11,699
Advertising	11,423	85,896	146	19,237	18,571
Client assistance	5,116	159,586	-	39,810	14,601
Global operations support	-	-	-	-	-
Payment processing fees	488	6,739	-	5,996	3,433
Educational & promotional materials	6,447	1,448	-	31	766
Miscellaneous fund raising	-	17,474	-	202	7,590
Bad debt	-	4,025	-	-	-
Interest expense	120	2,194	-	2,091	1,640
Miscellaneous	2,464	32,292	1,543	5,852	7,767
Depreciation and amortization	-	851	-	156	2,789
Support services	51,195	499,886	41,803	124,892	288,349
Total Operating Expenses	343,100	4,220,223	414,263	853,533	1,918,928
Increase (decrease) in Net Assets	<u>\$ (177,007)</u>	<u>\$ (657,888)</u>	<u>\$ (1,204)</u>	<u>\$ (222,791)</u>	<u>\$ (779,935)</u>

Bethany Christian Services

Consolidating Statement of Activities (Continued)

Year Ended December 31, 2021

	Bethany Christian Services Global LLC	Corporate	Bethany Christian Foundation LLC
Operating Revenues and Other Support			
Contributions	\$ 1,353,465	\$ 1,563,887	\$ 1,169,671
Contract and other earned revenue	-	1,300,031	-
Service fees	449,997	1,243	(298,000)
Investment (loss) income	-	1,607,677	2,693,368
Other income	185,781	252,990	(910,156)
Total operating revenue and other support	1,989,243	4,725,828	2,654,883
Operating Expenses			
Salaries	215,144	12,616,684	-
Fringes	52,267	2,543,076	-
Taxes	16,086	914,496	-
Professional fees	21,128	1,857,949	50,270
Supplies	313	42,143	-
Telephone and internet	3,832	106,474	-
Postage	20,246	133,270	-
Occupancy	25,287	(388,093)	-
Printing	995	293,528	-
Information Technology	65,529	179,683	-
Equipment & furnishings	4,508	25,899	-
Travel	15,421	305,739	-
Conferences & meetings	11,218	186,544	-
Advertising	30,963	480,707	-
Client assistance	148,422	13,557	-
Global operations support	1,760,509	438,885	-
Payment processing fees	2,934	12,227	-
Educational & promotional materials	845	115,569	-
Miscellaneous fund raising	239	48,551	-
Bad debt	175	-	-
Interest expense	2,974	304,273	-
Miscellaneous	33,086	(147,214)	-
Depreciation and amortization	52,656	1,039,097	-
Support services	102,245	(16,974,948)	-
Total Operating Expenses	2,587,022	4,148,096	50,270
Increase (decrease) in Net Assets	<u>\$ (597,779)</u>	<u>\$ 577,732</u>	<u>\$ 2,604,613</u>

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

	Year Ended December 31, 2021		
	Total Expenses	St. Louis County Expenses	St. Charles County Expenses
Project Expenses			
Salaries	\$ 51,155	\$ 45,211	\$ 5,944
Fringes	20,668	18,266	2,402
Outside Services, Contracted	148	131	17
Professional Liability Insurance	1,742	1,540	202
Supplies	233	206	27
Telephone	829	733	96
Telephone, Internet Access	424	375	49
Printing	137	121	16
Postage	165	146	19
Rent	8,735	7,720	1,015
Utilities	-	-	-
Advertising	4,599	4,065	534
Computers, Hardware	-	-	-
Computers, Software	1,401	1,238	163
Travel	1,906	1,684	221
Client Assistance	90	80	10
Conferences	278	246	32
Staff, Board, and Group Meetings	-	-	-
Memberships & Dues	4,080	3,606	474
Equipment & Furnishings	1,604	1,418	186
Support Services-Nonbillable	6,677	5,901	776
Miscellaneous	40	35	5
Total Program Services	104,912	92,722	12,191
<i>Less: Not applicable to County: Support Services-Nonbillable</i>	6,677	5,901	776
<i>Less: Not applicable to County: Branch Fundraising</i>	-	-	-
Total Direct Project Expenses	98,235	86,821	11,415
<i>Add: Indirect (Administrative) Expenses: Support Services - Billable</i>	10,847	9,587	1,260
Total Project Expenses	\$ 109,082	\$ 96,408	\$ 12,675
Total Units Served	1,463	1,293	170
Cost Per Unit	\$ 74.56	\$ 74.56	\$ 74.56

Boone Schedule of Project Unit Cost

Year Ended December 31, 2021

	Total Expenses	Boone County Expenses
Project Expenses		
Salaries	\$ 71,780	\$ 71,780
Fringes	15,155	15,155
Outside Services, Contracted	332	332
Professional Liability Insurance	2,908	2,908
Supplies	825	825
Telephone	1,327	1,327
Telephone, Internet Access	-	-
Printing	70	70
Postage	37	37
Rent	3,180	3,180
Utilities	-	-
Advertising	-	-
Computers, Hardware	-	-
Computers, Software	1,966	1,966
Travel	907	907
Client Assistance	135	135
Conferences	726	726
Staff, Board, and Group Meetings	-	-
Memberships & Dues	2,978	2,978
Equipment & Furnishings	-	-
Support Services-Nonbillable	6,925	6,925
Miscellaneous	57	57
	<u>109,306</u>	<u>109,306</u>
Total Program Services	109,306	109,306
 <i>Less: Not applicable to County: Support Services-Nonbillable</i>	 6,925	 6,925
<i>Less: Not applicable to County: Branch Fundraising</i>	<u>-</u>	<u>-</u>
Total Direct Project Expenses	102,381	102,381
 <i>Add: Indirect (Administrative) Expenses: Support Services - Billable</i>	 <u>11,331</u>	 <u>11,331</u>
Total Project Expenses	<u>\$ 113,712</u>	<u>\$ 113,712</u>
 Total Units Served	 <u>245</u>	 <u>245</u>
 Cost Per Unit	 <u>\$ 464.13</u>	 <u>\$ 464.13</u>