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# Bethany Christian Services

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**Consolidated Financial Report  
with Additional Information  
December 31, 2019**

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## Independent Auditor's Report

To the Board of Directors  
Bethany Christian Services

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Bethany Christian Services and its subsidiaries (the "Organization"), which comprise the consolidated statement of financial position as of December 31, 2019 and 2018 and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

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

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

#### ***Auditor's Responsibility***

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

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

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

#### ***Opinion***

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Bethany Christian Services and its subsidiaries as of December 31, 2019 and 2018 and the changes in their net assets, functional expenses, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Emphasis of Matter***

As described in Note 3 to the consolidated financial statements, the Organization adopted the provisions of Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, and ASU No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, as of January 1, 2019, with a modified retrospective application for ASU No. 2014-09 and a prospective application for ASU No. 2018-08, as allowed by the ASUs. Our opinion is not modified with respect to this matter.

To the Board of Directors  
Bethany Christian Services

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2020 on our consideration of Bethany Christian Services' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Bethany Christian Services' internal control over financial reporting and compliance.

*Plante & Moran, PLLC*

March 18, 2020

## Bethany Christian Services

# Consolidated Statement of Financial Position

December 31, 2019 and 2018

	2019	2018
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 4,707,346	\$ 4,143,637
Investments (Note 5)	32,913,104	28,958,055
Receivables - Net of allowances	14,596,939	13,517,067
Prepaid expenses and other current assets:		
Prepaid expenses	1,124,646	1,360,722
Deposits	203,608	189,629
Total current assets	53,545,643	48,169,110
<b>Property and Equipment - Net (Note 6)</b>	25,535,466	18,587,682
<b>Other Assets</b>	198,000	220,000
<b>Investment in Unconsolidated Affiliate (Note 5)</b>	515,658	561,518
Total assets	<b>\$ 79,794,767</b>	<b>\$ 67,538,310</b>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 4,094,358	\$ 3,089,442
Accrued employee compensation and benefits	7,762,099	6,366,302
Deferred revenue	2,584,151	2,219,169
Other liabilities	-	856,187
Current portion of long-term debt (Note 9)	2,401,840	635,865
Total current liabilities	16,842,448	13,166,965
<b>Long-term Debt - Net of current portion (Note 9)</b>	9,445,462	6,029,583
<b>Annuities Payable (Note 7)</b>	235,248	245,625
Total liabilities	26,523,158	19,442,173
<b>Net Assets</b>		
Without donor restrictions:		
Undesignated	29,966,528	27,700,384
Board designated (Note 12)	20,205,398	17,529,809
Total without donor restrictions	50,171,926	45,230,193
With donor restrictions (Notes 12 and 13)	3,099,683	2,865,944
Total net assets	53,271,609	48,096,137
Total liabilities and net assets	<b>\$ 79,794,767</b>	<b>\$ 67,538,310</b>

## Bethany Christian Services

# Consolidated Statement of Activities and Changes in Net Assets

Years Ended December 31, 2019 and 2018

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue, Gains, and Other Support</b>						
Contributions	\$ 15,430,864	\$ 1,569,009	\$ 16,999,873	\$ 17,126,491	\$ 1,937,674	\$ 19,064,165
Child support	96,662,890	-	96,662,890	82,531,401	-	82,531,401
Service fees	17,943,627	-	17,943,627	20,657,512	-	20,657,512
Investment income (loss)	5,198,082	123,209	5,321,291	(2,347,409)	(55,089)	(2,402,498)
Other income	1,570,246	-	1,570,246	1,382,237	-	1,382,237
Total revenue, gains, and other support	136,805,709	1,692,218	138,497,927	119,350,232	1,882,585	121,232,817
<b>Net Assets Released from Restrictions</b>	1,458,479	(1,458,479)	-	826,334	(826,334)	-
Total revenue, gains, other support, and net assets released from restrictions	138,264,188	233,739	138,497,927	120,176,566	1,056,251	121,232,817
<b>Expenses</b>						
Program services:						
Adoption	19,844,893	-	19,844,893	22,281,764	-	22,281,764
Foster care	35,665,774	-	35,665,774	33,988,537	-	33,988,537
Youth services	2,368,584	-	2,368,584	2,572,251	-	2,572,251
International social services	1,763,523	-	1,763,523	1,671,937	-	1,671,937
Refugee and immigrant services	35,946,709	-	35,946,709	28,178,008	-	28,178,008
Counseling	9,629,023	-	9,629,023	10,753,754	-	10,753,754
Residential treatment	2,208,263	-	2,208,263	2,117,116	-	2,117,116
Sponsorship	701,711	-	701,711	882,244	-	882,244
Other programs	2,740,028	-	2,740,028	2,832,585	-	2,832,585
Total program services	110,868,508	-	110,868,508	105,278,196	-	105,278,196
Support services:						
Management and general	15,093,782	-	15,093,782	11,625,750	-	11,625,750
Fundraising	6,252,476	-	6,252,476	6,376,039	-	6,376,039
Total support services	21,346,258	-	21,346,258	18,001,789	-	18,001,789
Total expenses	132,214,766	-	132,214,766	123,279,985	-	123,279,985
<b>Increase (Decrease) in Net Assets - Before transfer of assets</b>	6,049,422	233,739	6,283,161	(3,103,419)	1,056,251	(2,047,168)
<b>Transfer of Assets (Note 2)</b>	-	-	-	(856,187)	-	(856,187)
<b>Increase (Decrease) in Net Assets</b>	6,049,422	233,739	6,283,161	(3,959,606)	1,056,251	(2,903,355)
<b>Net Position - Beginning of year, as previously reported</b>	45,230,193	2,865,944	48,096,137	49,189,799	1,809,693	50,999,492
<b>Cumulative Effect of Change in Accounting</b>	(1,107,689)	-	(1,107,689)	-	-	-
<b>Net Assets - Beginning of year, as restated</b>	44,122,504	2,865,944	46,988,448	49,189,799	1,809,693	50,999,492
<b>Net Assets - End of year</b>	<u>\$ 50,171,926</u>	<u>\$ 3,099,683</u>	<u>\$ 53,271,609</u>	<u>\$ 45,230,193</u>	<u>\$ 2,865,944</u>	<u>\$ 48,096,137</u>

See notes to consolidated financial statements.

## Bethany Christian Services

# Consolidated Statement of Functional Expenses

Year Ended December 31, 2019

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

## Bethany Christian Services

# Consolidated Statement of Functional Expenses

Year Ended December 31, 2018

	Adoption	Foster Care	Youth Services	International Social Services	Refugee and Immigrant Services	Counseling	Residential Treatment	Sponsorship	Other Programs	Management and General	Fundraising	Total
Salaries	\$ 11,952,625	\$ 12,972,755	\$ 1,048,471	\$ 146,694	\$ 11,819,404	\$ 5,593,399	\$ 1,286,932	\$ 161,405	\$ 1,248,964	\$ 6,321,108	\$ 2,604,548	\$ 55,156,305
Fringes	2,294,950	2,512,973	310,900	34,173	2,419,164	1,008,487	247,663	45,825	249,815	1,068,276	492,965	10,685,191
Taxes	876,600	951,311	75,089	10,484	872,432	411,363	95,611	11,437	91,788	444,186	189,992	4,030,293
Professional fees	637,377	239,016	254,210	53,272	1,348,733	347,074	978	143,162	117,007	1,212,182	880,492	5,233,503
Supplies	168,635	136,346	63,832	1,168	174,409	62,489	26,567	511	36,112	60,180	11,431	741,680
Telephone	313,172	294,154	9,994	2,752	261,224	142,768	5,709	1,973	19,011	49,357	26,320	1,126,434
Postage	171,690	42,301	1,602	620	18,819	26,850	1,008	2,480	3,354	68,866	135,826	473,416
Occupancy	1,591,886	1,251,728	161,422	6,581	1,237,227	643,001	63,700	604	13,143	273,233	143,042	5,385,567
Printing	149,092	43,563	1,779	274	25,733	95,577	469	9,082	35,428	38,297	403,291	802,585
Information technology	438,192	479,180	43,698	10,155	489,694	177,286	44,778	4,358	29,078	20,142	64,204	1,800,765
Equipment and furnishings	252,494	142,531	16,167	-	167,372	46,374	17,346	304	32,200	71,528	26,766	773,082
Travel	787,243	1,146,289	35,169	49,236	756,273	483,663	27,016	52,372	139,659	527,996	290,447	4,295,363
Conferences and meetings	220,259	221,964	17,591	1,643	170,498	75,388	6,773	300	50,587	209,384	32,982	1,007,369
Advertising	694,623	348,851	7,396	-	114,982	569,884	448	24,953	32,646	383,760	29,014	2,206,557
Special assistance	835,342	12,859,015	495,003	-	8,015,223	937,264	212,255	2,690	120,047	-	11	23,476,850
Global operations support	111,753	-	-	1,200,479	-	-	-	332,549	201,887	-	-	1,846,668
Program development	57	-	-	-	617	-	-	-	7,533	-	74	8,281
Payment processing fees	268,327	2,331	11	1,505	579	21,359	-	5,241	42,897	2,808	2,992	348,050
Educational and promotional materials	9,860	9,193	29	827	5,912	9,970	541	83	19,274	183,639	6,822	246,150
Miscellaneous fundraising	-	-	-	-	-	-	-	-	67,714	-	952,747	1,020,461
Bad debt	45,672	22,058	-	-	-	14,141	10,677	-	(1)	-	-	92,547
Miscellaneous	323,438	172,166	7,912	151,317	70,179	43,715	15,500	1,310	137,932	228,146	48,853	1,200,468
Depreciation	138,477	140,812	21,976	757	209,534	43,702	53,145	81,605	136,510	462,662	33,220	1,322,400
<b>Total functional expenses</b>	<b>\$ 22,281,764</b>	<b>\$ 33,988,537</b>	<b>\$ 2,572,251</b>	<b>\$ 1,671,937</b>	<b>\$ 28,178,008</b>	<b>\$ 10,753,754</b>	<b>\$ 2,117,116</b>	<b>\$ 882,244</b>	<b>\$ 2,832,585</b>	<b>\$ 11,625,750</b>	<b>\$ 6,376,039</b>	<b>\$ 123,279,985</b>



**Consolidated Statement of Cash Flows**

**Years Ended December 31, 2019 and 2018**

	2019	2018
<b>Cash Flows from Operating Activities</b>		
Increase (decrease) in net assets	\$ 6,283,161	\$ (2,903,355)
Adjustments to reconcile increase (decrease) in net assets to net cash and cash equivalents from operating activities:		
Depreciation	1,427,899	1,322,400
(Gain) loss on disposal of property and equipment	(270,044)	3,230
Bad debt expense	69,927	92,547
Net realized and unrealized (gains) losses on investments	(4,355,820)	3,793,400
Earnings on unconsolidated affiliate	(46,140)	(92,370)
Distributions from unconsolidated affiliate	92,000	69,000
Net present value adjustment of annuities payable	18,553	(21,081)
Contributions restricted for long-term investment	(625)	(4,577)
Changes in operating assets and liabilities that (used) provided cash and cash equivalents:		
Receivables	(1,149,799)	535,091
Prepaid expenses and other assets	222,097	46,740
Accounts payable	1,004,916	250,278
Accrued and other liabilities	539,610	769,327
Deferred revenue	(742,707)	(324,917)
Net cash and cash equivalents provided by operating activities	3,093,028	3,535,713
<b>Cash Flows from Investing Activities</b>		
Purchase of property and equipment	(8,884,038)	(2,198,537)
Proceeds from disposition of property and equipment	800,399	1,120
Purchases of investments	(17,741,883)	(795,946)
Proceeds from sales and maturities of investments	18,142,654	1,737,336
Net cash and cash equivalents used in investing activities	(7,682,868)	(1,256,027)
<b>Cash Flows from Financing Activities</b>		
Proceeds from debt	6,885,000	1,654,670
Payments on debt	(1,703,146)	(3,327,468)
Payments on annuities payable	(28,930)	(30,529)
Draws on revolving credit facilities	5,550,000	8,500,000
Payments on revolving credit facilities	(5,550,000)	(8,500,000)
Contributions restricted for long-term investment	625	4,577
Net cash and cash equivalents provided by (used in) financing activities	5,153,549	(1,698,750)
<b>Net Increase in Cash and Cash Equivalents</b>	563,709	580,936
<b>Cash and Cash Equivalents - Beginning of year</b>	4,143,637	3,562,701
<b>Cash and Cash Equivalents - End of year</b>	<b>\$ 4,707,346</b>	<b>\$ 4,143,637</b>
<b>Supplemental Cash Flow Information - Cash paid for interest</b>	\$ 256,871	\$ 237,553

**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 38 home offices in 36 states plus Washington, D.C., with the central business office located in Grand Rapids, Michigan. Approximately 70 and 68 percent of operating revenue in 2019 and 2018, 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, 2019 and 2018, 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.

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

***Receivables***

Receivables are stated at invoice amounts. An allowance for doubtful accounts is established based on a specific assessment of all invoices that remain unpaid following normal payment periods. In addition, a general valuation allowance is established for other accounts receivable based on historical loss experience. All amounts deemed uncollectible are charged against the allowance for doubtful accounts in the period that determination is made. The allowance was \$197,804 and \$203,031 at December 31, 2019 and 2018, respectively.

***Property and Equipment***

Property and equipment are recorded at cost when purchased or at fair value at the date of donation and are being depreciated on a straight-line basis over their estimated useful lives. Costs of maintenance and repairs are charged to expense when incurred. Estimated useful lives are 40 years for buildings, 20 years for land improvements (or the lease term, whichever is shorter), 10 years for furniture and fixtures, and three to five 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, 2019 and 2018.

***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, whereby 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 into, 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 gift is received are both reported as contributions without donor restrictions.

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

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

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

***Grant Revenue***

During 2019, the Organization recognized revenue from exchange grant contracts of \$85,684,728.

**Disaggregation of Revenue**

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

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

**Contract Balances**

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

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

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

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

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

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

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

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

**Significant Payment Terms**

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

**Allocating the Transaction Price**

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

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

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

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

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

**Adoption Revenue**

During 2019, the Organization recognized revenue from adoption contracts of \$16,131,811, 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 postplacement 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 \$16,131,811 of revenue recognized from adoption contracts with prospective parents during 2019, revenue recognized over time amounted to \$6,748,118, while the remainder was recognized at a point in time.

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

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

**Contract Balances**

In some situations, the Organization receives cash prior to the satisfaction of the performance obligation, which results in the Organization recognizing contract liabilities. Deferred revenue consists primarily of adoption fees billed to prospective parents and collected in advance of providing adoption services. For the year ended 2019, the beginning balances of the Organization's receivables and contract liabilities from adoption contracts were \$1,139,443 and \$3,181,094, respectively, and the closing balances were \$943,990 and \$2,254,800, respectively.

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

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

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

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

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

**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.



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

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 Company's contracts have a significant financing component.

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

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

***Functional Allocation of Expenses***

Costs of providing the program and support services have been reported on a functional basis in the consolidated statement of functional expenses. The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses required 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 programs 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.

***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 2019 and 2018 was \$2,558,694 and \$2,206,557, respectively.

***Transfer of Assets***

On November 1, 2018, Bethany Christian Services of Mississippi (BCSM) entered into an assignment and assumption agreement with a third-party nonprofit based in Alabama that provides adoption-related services in Alabama and Mississippi. The agreement transfers certain assets and liabilities of BCSM to this third-party organization. Operating revenue and expenses are those directly related to the purpose and primary mission of the Organization; therefore, the transfer of assets was reported as nonoperating expenses.

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

***Risks and Uncertainties***

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

The Organization's child support revenue category is made up of approximately 39 percent of contracts with state and federal agencies for international refugee services as of December 31, 2019 and 2018.

***Upcoming Accounting Pronouncement***

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-02, *Leases*, which will supersede the current lease requirements in Accounting Standards Codification (ASC) 840. The ASU requires lessees to recognize a right-of-use asset and related lease liability for all leases, with a limited exception for short-term leases. Leases will be classified as either finance or operating, with the classification affecting the pattern of expense recognition in the statement of operations. Currently, leases are classified as either capital or operating, with only capital leases recognized on the balance sheet. The reporting of lease-related expenses in the statements of operations and cash flows will be generally consistent with the current guidance. The new lease guidance will be effective for the Organization's year ending December 31, 2021 and will be applied using a modified retrospective transition method to either the beginning of the earliest period presented or the beginning of the year of adoption. Upon implementation, the Organization's lease payment obligations will be recognized at their estimated present value along with a corresponding right-of-use asset. Lease expense recognition will be generally consistent with current practice.

***Subsequent Events***

The consolidated financial statements and related disclosures include evaluation of events up through and including March 18, 2020, which is the date the consolidated financial statements were available to be issued.

Subsequent to year end, the fair value of the Organization's investment portfolio declined by approximately \$7.5 million, or approximately 22.7 percent, consistent with the general decline in financial markets as a result of the COVID-19 pandemic. However, because the values of individual investments fluctuate with market conditions, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined.



**Notes to Consolidated Financial Statements**

**December 31, 2019 and 2018**

**Note 3 - Adoption of New Accounting Pronouncements**

As of January 1, 2019, the Organization adopted Financial Accounting Standards Board Accounting Standards Update No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The ASU is based on the principle that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The ASU also requires additional disclosure about the nature, amount, timing, and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. The Organization adopted the new standard using the modified retrospective method to all open contracts effective January 1, 2019 and is using a portfolio approach to group contracts with similar characteristics. Modified retrospective adoption requires entities to apply the standard retrospectively to the most current period presented in the financial statements, requiring the cumulative effect of the retrospective application as an adjustment to the opening balance of net assets at the date of initial application. Prior periods have not been adjusted. A cumulative-effect adjustment in net assets was recorded for \$1,107,689, also impacting deferred revenue. Revenue from adoption contracts with customers would have been \$15,140,368 for the year ended December 31, 2019 if the Organization had not been required to adopt ASU No. 2014-09.

As of January 1, 2019, the Organization adopted Financial Accounting Standards Board Accounting Standards Update No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which provides enhanced guidance to assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal transactions) and (2) determining whether a contribution is conditional. The Organization adopted the new standard on a modified prospective basis, and it impacted the recognition of certain contribution and grant agreements. Certain government grants now meet the criteria of a nonreciprocal (contribution) transaction, typically with conditions to be met before revenue is recognized. The standard did not require a restatement of prior year amounts.

**Note 4 - Liquidity and Availability of Resources**

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

	2019	2018
Cash and cash equivalents	\$ 4,707,346	\$ 4,143,637
Accounts receivable - Net	14,596,939	13,517,067
Investments	32,913,104	28,958,055
Financial assets - At year end	52,217,389	46,618,759
Less those unavailable for general expenditures within one year due to contractual or donor-imposed restrictions:		
Restricted by donor with time or purpose restrictions	993,409	1,424,941
Restricted by donors in perpetuity	192,819	188,723
Less amounts unavailable to management without board approval - Board-designated endowments	19,195,128	16,653,319
Financial assets available to meet cash needs for general expenditures within one year	\$ 31,836,033	\$ 28,351,776

**Notes to Consolidated Financial Statements**

**December 31, 2019 and 2018**

**Note 4 - Liquidity and Availability of Resources (Continued)**

The Organization’s endowment funds consist of donor-restricted endowments and board-designated quasi endowments. Income from donor-restricted endowments is not restricted for specific purposes and is available for general expenditure. As described in Note 12, the Organization applies a spending rate of 5 percent; therefore, \$1,010,270 and \$876,490 of appropriations from the endowment will be available within the next 12 months as of December 31, 2019 and 2018, 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 a \$5 million unsecured line of credit that can be drawn upon to manage liquidity needs.

**Note 5 - Investments**

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

	<u>2019</u>	<u>2018</u>
Mutual funds	\$ 27,921,706	\$ 22,504,415
Pooled funds	289,442	264,853
Exchange-traded funds	<u>4,701,956</u>	<u>6,188,787</u>
Subtotal	32,913,104	28,958,055
Investment in unconsolidated affiliate	<u>515,658</u>	<u>561,518</u>
Total	<u>\$ 33,428,762</u>	<u>\$ 29,519,573</u>

Investment income (loss) consists of the following:

	<u>2019</u>	<u>2018</u>
Interest and dividends	\$ 965,471	\$ 1,390,902
Realized and unrealized gains (losses)	<u>4,355,820</u>	<u>(3,793,400)</u>
Total	<u>\$ 5,321,291</u>	<u>\$ (2,402,498)</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 \$46,000 and \$93,000 and received a distribution of \$92,000 and \$69,000 for the years ended December 31, 2019 and 2018, respectively. The Organization is the sole tenant of the real estate limited liability company and has incurred lease expenses of \$184,727 in 2019 and \$179,346 in 2018 related to an operating lease entered into in conjunction with the investment.

**Notes to Consolidated Financial Statements**

**December 31, 2019 and 2018**

**Note 6 - Property and Equipment**

Property and equipment are summarized as follows:

	2019	2018
Land	\$ 1,794,359	\$ 1,456,935
Land improvements	1,508,181	1,516,713
Buildings and improvements	26,396,706	22,073,129
Transportation equipment	771,767	591,794
Furniture and fixtures	8,084,760	8,586,070
Construction in progress	2,499,418	553,785
Total cost	41,055,191	34,778,426
Accumulated depreciation	15,519,725	16,190,744
Net property and equipment	<u>\$ 25,535,466</u>	<u>\$ 18,587,682</u>

Depreciation expense for 2019 and 2018 was \$1,427,899 and \$1,322,400, respectively.

**Note 7 - Annuities Payable**

The Organization sponsors a program in which donors may transfer assets to the Organization for the right to receive a predetermined return during their lifetimes (an annuity). Based upon the terms of each annuity agreement, the Organization determines its liability under the agreement using the estimated present value of future payments to the annuitant. Such future payments are determined utilizing the life expectancy of the annuitant (based on Annuity 2012 Table for males and females) and the interest rate (discount rate), the applicable federal midterm rate for U.S. Treasury bills, in effect at the time of the gift. At December 31, 2019 and 2018, the Organization recorded \$235,248 and \$245,625, respectively, in annuities payable relating to such program.

**Note 8 - Operating Leases**

The Organization is obligated under operating leases primarily for office space and certain equipment and vehicles that expire through 2025.

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

Years Ending December 31	Amount
2020	\$ 3,603,682
2021	2,483,645
2022	1,663,127
2023	988,199
2024	370,859
Thereafter	707,814
Total	<u>\$ 9,817,326</u>

Total rent expense on these leases for 2019 and 2018 was \$3,872,875 and \$3,470,409, respectively.

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

The Organization has a \$5,000,000 line of credit from a bank. There were no outstanding borrowings at December 31, 2019 and 2018. The line of credit bears interest at the London Interbank Offered Rate (LIBOR) plus 1.75 percent (an effective rate of 3.51 and 4.25 percent at December 31, 2019 and 2018, respectively). The line of credit is collateralized by the Organization's brokerage accounts and expires on May 9, 2020.

**Notes to Consolidated Financial Statements**

**December 31, 2019 and 2018**

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

As of December 31, 2019 and 2018, the Organization had outstanding notes payable as follows:

	2019	2018
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, 2019 and 2018. The loan matures on June 21, 2020 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	4,300,000	-
Grand Rapids building (660 Burton) promissory note payable in monthly principal installments of \$6,055, including interest at a fixed rate of 3.93 percent. The loan matures on December 19, 2026 and is collateralized by the property	1,000,000	-
Kalamazoo building promissory note payable in monthly principal installments of \$4,930, including interest at a fixed rate of 3.64 percent. The loan matures on August 20, 2026 and is collateralized by the property	824,259	-
Holland building promissory note payable in monthly principal installments of \$10,860, including interest at a fixed rate of 5.0 percent. The loan matures on July 5, 2023 and is collateralized by the Holland property	526,704	1,635,898
Term loan payable in monthly principal installments of \$57,350 plus interest at LIBOR plus 1.75 percent (an effective rate of 3.51 and 4.25 percent at December 31, 2019 and 2018, respectively). The loan matures on February 29, 2023 and is unsecured	2,226,339	2,809,550
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	-
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	11,847,302	6,665,448
Less current portion	2,401,840	635,865
Long-term portion	\$ 9,445,462	\$ 6,029,583

**Notes to Consolidated Financial Statements**

**December 31, 2019 and 2018**

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

The balance of the above debt matures as follows:

<u>Years Ending</u>	<u>Amount</u>
2020	\$ 2,401,840
2021	955,530
2022	993,559
2023	721,547
2024	222,093
Thereafter	<u>6,552,733</u>
Total	<u>\$ 11,847,302</u>

Interest expense for the line of credit and long-term debt totaled \$256,871 and \$237,553 for 2019 and 2018, 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 10 - Employee Benefit Plan**

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

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

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

In addition, the Organization can make a discretionary contribution up to 2 percent of salary for each participant employed at the end of the year, with at least two years of service, and who has worked at least 1,000 hours during the year. A discretionary contribution of 1.25 percent was made for 2019. The contribution was not made for 2018.

The Organization made contributions of \$2,256,043 and \$1,669,456 to the plan for the years ended December 31, 2019 and 2018, respectively.

**Note 11 - Fair Value Measurements**

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

The following tables present information about the Organization's assets measured at fair value on a recurring basis at December 31, 2019 and 2018 and the valuation techniques used by the Organization to determine those fair values.

**Notes to Consolidated Financial Statements**

**December 31, 2019 and 2018**

**Note 11 - Fair Value Measurements (Continued)**

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

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

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

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

Notes to Consolidated Financial Statements

December 31, 2019 and 2018

Note 11 - Fair Value Measurements (Continued)

	Assets Measured at Fair Value on a Recurring Basis at December 31, 2018			
	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, 2018
<b>Assets</b>				
Investments:				
Mutual funds - Domestic stock	\$ 6,534,384	\$ -	\$ -	\$ 6,534,384
Mutual funds - Foreign stock	4,469,797	-	-	4,469,797
Mutual funds - Bonds	10,906,220	-	-	10,906,220
Mutual funds - Real estate	594,014	-	-	594,014
Exchange-traded funds - Domestic stock	3,430,312	-	-	3,430,312
Exchange-traded funds - Foreign stock	1,719,140	-	-	1,719,140
Exchange-traded funds - Real estate	1,039,335	-	-	1,039,335
Pooled funds - Balanced	-	80,375	-	80,375
Pooled funds - Domestic stock	-	37,005	-	37,005
Pooled funds - Foreign equity	-	56,748	-	56,748
Pooled funds - Bonds	-	45,101	-	45,101
Equity securities measured at net asset value				45,624
Total investments	<u>\$ 28,693,202</u>	<u>\$ 219,229</u>	<u>\$ -</u>	<u>\$ 28,958,055</u>

The fair value of pooled funds at December 31, 2019 and 2018 was determined primarily based on Level 2 inputs. The Organization estimates the fair value of these investments using quoted prices for similar assets in active markets and other inputs, such as interest rates and yield curves.

The Organization's policy is to recognize transfers in and transfers between levels of the fair value hierarchy as of the end of the reporting period. For the years ended December 31, 2019 and 2018, there were no transfers between levels of the fair value hierarchy.

Note 12 - Donor-restricted and Board-designated Endowments

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

**Notes to Consolidated Financial Statements**

**December 31, 2019 and 2018**

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

***Interpretation of Relevant Law***

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

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

Endowment Net Asset Composition by Type of Fund  
as of December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	\$ 20,205,398	\$ -	\$ 20,205,398
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by the donor	-	192,819	192,819
Accumulated investment gains	-	96,414	96,414
Term endowment	-	454,705	454,705
Total	<u>\$ 20,205,398</u>	<u>\$ 743,938</u>	<u>\$ 20,949,336</u>



**Notes to Consolidated Financial Statements**

**December 31, 2019 and 2018**

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

	Changes in Endowment Net Assets for the Fiscal Year Ended December 31, 2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets - Beginning of year	\$ 17,529,809	\$ 633,121	\$ 18,162,930
Investment return:			
Investment income	574,925	-	574,925
Net appreciation	2,526,017	113,192	2,639,209
Total investment return	3,100,942	113,192	3,214,134
Contributions	230,264	625	230,889
Appropriation of endowment assets for expenditure	(530,617)	(3,000)	(533,617)
Other changes - Transfers to net assets without donor restrictions - Undesignated	(125,000)	-	(125,000)
Endowment net assets - End of year	<u>\$ 20,205,398</u>	<u>\$ 743,938</u>	<u>\$ 20,949,336</u>
	Endowment Net Asset Composition by Type of Fund as of December 31, 2018		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	\$ 17,529,809	\$ -	\$ 17,529,809
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by the donor	-	188,723	188,723
Accumulated investment gains	-	58,752	58,752
Term endowment	-	385,646	385,646
Total	<u>\$ 17,529,809</u>	<u>\$ 633,121</u>	<u>\$ 18,162,930</u>
	Changes in Endowment Net Assets for the Fiscal Year Ended December 31, 2018		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets - Beginning of year	\$ 19,569,081	\$ 712,594	\$ 20,281,675
Investment return:			
Investment income	834,368	-	834,368
Net depreciation	(2,347,971)	(55,820)	(2,403,791)
Total investment return	(1,513,603)	(55,820)	(1,569,423)
Contributions	612,604	4,573	617,177
Appropriation of endowment assets for expenditure	(878,997)	(28,226)	(907,223)
Other changes - Transfers to net assets without donor restrictions - Undesignated	(259,276)	-	(259,276)
Endowment net assets - End of year	<u>\$ 17,529,809</u>	<u>\$ 633,121</u>	<u>\$ 18,162,930</u>

**Notes to Consolidated Financial Statements**

**December 31, 2019 and 2018**

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

***Return Objectives and Risk Parameters***

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

***Strategies Employed for Achieving Objectives***

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

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

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

**Note 13 - Net Assets**

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

	<u>2019</u>	<u>2018</u>
Subject to expenditures for a specified purpose:		
Term endowments	\$ 513,477	\$ 440,954
Accumulated earnings on donor endowments	96,414	58,752
Washington Foster Care	-	158,375
Unaccompanied Children Crisis	<u>786,817</u>	<u>1,082,099</u>
Total subject to expenditures for a specified purpose	1,396,708	1,740,180
Subject to the passage of time - Pledges	1,510,156	937,041
Subject to the Organization's spending policy and appropriation - Donor endowment	<u>192,819</u>	<u>188,723</u>
Total	<u>\$ 3,099,683</u>	<u>\$ 2,865,944</u>

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## Additional Information

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### **Independent Auditor's Report on Additional Information**

To the Board of Directors  
Bethany Christian Services

We have audited the consolidated financial statements of Bethany Christian Services and its subsidiaries as of and for the year ended December 31, 2019 and have issued our report thereon dated March 18, 2020, which contained an unmodified opinion on those consolidated financial statements. Our audit was performed for the purpose of forming an opinion on the 2019 consolidated financial statements as a whole. The consolidating statements of financial position and activities and the St. Louis and St. Charles schedule 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 2019 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2019 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 2019 consolidated financial statements as a whole.

*Plante & Moran, PLLC*

March 18, 2020

# Bethany Christian Services

## Consolidating Statement of Financial Position

December 31, 2019

	Total	Arkansas	Northern California	Southern California	Colorado	Florida
<b>Assets</b>						
<b>Current Assets:</b>						
Cash and cash equivalents	\$ 4,707,346	\$ 3,800	\$ 9,825	\$ (819,925)	\$ (51,997)	\$ (60,077)
Investments	32,913,104	697,567	636,784	-	-	-
Receivables - Net of allowances	14,596,939	10,743	193,440	245,300	127,474	272,272
Prepaid expenses and other:	0					
Prepaid expenses	1,124,646	2,214	3,078	16,934	4,608	14,727
Deposits	203,608	-	2,140	17,083	3,185	13,017
Total current assets	53,545,643	714,324	845,267	(540,608)	83,270	239,939
<b>Property and equipment</b>						
Land and land improvements	\$ 3,302,540	-	-	-	-	-
Buildings and improvements	26,396,705	8,388	83,846	-	-	-
Furniture and fixtures	8,084,761	9,865	136,399	16,847	-	3,805
Transportation equipment	771,767	46,368	26,460	-	-	-
Construction in progress	2,499,417	-	-	-	-	-
Total property and equipment	41,055,190	64,621	246,705	16,847	-	3,805
Less accumulated depreciation	\$ (15,519,724)	(17,394)	(234,766)	(12,347)	-	(3,297)
Net property and equipment	25,535,466	47,227	11,939	4,500	-	508
Other Assets, net of amortization	198,000	-	-	198,000	-	-
Investment in unconsolidated affiliate	515,658	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 79,794,767</b>	<b>\$ 761,551</b>	<b>\$ 857,206</b>	<b>\$ (338,108)</b>	<b>\$ 83,270</b>	<b>\$ 240,447</b>
<b>Liabilities and Net Assets (Deficit)</b>						
<b>Liabilities</b>						
<b>Current liabilities:</b>						
Accounts payable	\$ 4,094,358	\$ 9,463	\$ 620	\$ 7,000	\$ -	\$ 48,683
Accrued employee compensation and benefits	7,762,099	37,981	157,846	96,267	70,878	117,585
Deferred revenue	2,584,151	65,288	20,538	63,282	5,567	79,863
Current maturities of long-term debt	2,401,840	-	-	-	-	-
Total current liabilities	16,842,448	112,732	179,004	166,549	76,445	246,131
Long-term Debt - Net of current portion	9,445,462	-	-	-	-	-
Annuities Payable	235,248	-	-	-	-	-
<b>Total Liabilities</b>	26,523,158	112,732	179,004	166,549	76,445	246,131
<b>Net Assets (Deficit) - Beginning of year</b>	48,096,137	786,856	25,994	(22,688)	(47,745)	715
<b>Cumulative Effect of Change in Accounting</b>	(1,107,689)	(35,743)	(30,914)	(39,819)	(7,857)	(43,422)
<b>Change in net assets</b>	6,283,161	(102,294)	683,122	(442,150)	62,427	37,023
<b>Net Assets (Deficit) - End of year</b>	53,271,609	648,819	678,202	(504,657)	6,825	(5,684)
<b>Total Liabilities and Net Assets (Deficit)</b>	<b>\$ 79,794,767</b>	<b>\$ 761,551</b>	<b>\$ 857,206</b>	<b>\$ (338,108)</b>	<b>\$ 83,270</b>	<b>\$ 240,447</b>

# Bethany Christian Services

## Consolidating Statement of Financial Position (Continued)

December 31, 2019

	Georgia	Illinois	Central Indiana	Northwest Iowa	South Central Iowa	Maryland
<b>Assets</b>						
<b>Current Assets:</b>						
Cash and cash equivalents	\$ 10,100	\$ 2,200	\$ 11,600	\$ (40,823)	\$ 3,100	\$ 2,500
Investments	448,012	132,232	838,034	-	528,794	728,409
Receivables - Net of allowances	1,455,072	31,834	411,834	(7,627)	66,642	276,148
Prepaid expenses and other:						
Prepaid expenses	23,198	2,900	13,915	2,145	4,194	24,702
Deposits	4,000	2,650	13,943	650	-	21,379
Total current assets	1,940,382	171,816	1,289,326	(45,655)	602,730	1,053,138
<b>Property and equipment</b>						
Land and land improvements	-	-	-	-	-	-
Buildings and improvements	111,800	-	-	-	27,021	46,555
Furniture and fixtures	24,357	30,162	6,060	11,605	-	85,054
Transportation equipment	187,041	-	-	-	-	-
Construction in progress	-	12,872	-	-	-	-
Total property and equipment	323,198	43,034	6,060	11,605	27,021	131,609
Less accumulated depreciation	(180,407)	(28,251)	(4,040)	(11,605)	(21,614)	(94,191)
Net property and equipment	142,791	14,783	2,020	-	5,407	37,418
Other Assets, net of amortization	-	-	-	-	-	-
Investment in unconsolidated affiliate	515,658	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 2,598,831</b>	<b>\$ 186,599</b>	<b>\$ 1,291,346</b>	<b>\$ (45,655)</b>	<b>\$ 608,137</b>	<b>\$ 1,090,556</b>
<b>Liabilities and Net Assets (Deficit)</b>						
<b>Liabilities</b>						
<b>Current liabilities:</b>						
Accounts payable	\$ 56,230	\$ 1,650	\$ 125	\$ -	\$ -	\$ -
Accrued employee compensation and benefits	383,789	65,007	219,262	33,656	30,340	126,383
Deferred revenue	398,343	46,550	111,855	25,884	43,579	100,262
Current maturities of long-term debt	-	-	-	-	-	-
Total current liabilities	838,362	113,207	331,242	59,540	73,919	226,645
Long-term Debt - Net of current portion	-	-	-	-	-	-
Annuities Payable	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>838,362</b>	<b>113,207</b>	<b>331,242</b>	<b>59,540</b>	<b>73,919</b>	<b>226,645</b>
<b>Net Assets (Deficit) - Beginning of year</b>	<b>1,389,078</b>	<b>31,313</b>	<b>591,355</b>	<b>9,421</b>	<b>555,737</b>	<b>936,783</b>
<b>Cumulative Effect of Change in Accounting</b>	<b>(68,600)</b>	<b>(23,324)</b>	<b>(41,119)</b>	<b>(31,552)</b>	<b>(32,410)</b>	<b>(38,357)</b>
<b>Change in net assets</b>	<b>439,991</b>	<b>65,403</b>	<b>409,868</b>	<b>(83,064)</b>	<b>10,891</b>	<b>(34,515)</b>
<b>Net Assets (Deficit) - End of year</b>	<b>1,760,469</b>	<b>73,392</b>	<b>960,104</b>	<b>(105,195)</b>	<b>534,218</b>	<b>863,911</b>
<b>Total Liabilities and Net Assets (Deficit)</b>	<b>\$ 2,598,831</b>	<b>\$ 186,599</b>	<b>\$ 1,291,346</b>	<b>\$ (45,655)</b>	<b>\$ 608,137</b>	<b>\$ 1,090,556</b>

# Bethany Christian Services

## Consolidating Statement of Financial Position (Continued)

	December 31, 2019				
	Michigan	Minnesota	Missouri	Southern New England	Northern New England
<b>Assets</b>					
<b>Current Assets:</b>					
Cash and cash equivalents	\$ 311,788	\$ (1,255,652)	\$ 5,040	\$ (359,934)	\$ (18,586)
Investments	6,890,494	-	133,855	-	-
Receivables - Net of allowances	6,655,662	147,513	325,201	85,219	29,672
<b>Prepaid expenses and other:</b>					
Prepaid expenses	105,468	550	11,079	5,361	100
Deposits	39,791	434	6,311	2,861	-
<b>Total current assets</b>	<b>14,003,203</b>	<b>(1,107,155)</b>	<b>481,486</b>	<b>(266,493)</b>	<b>11,186</b>
<b>Property and equipment</b>					
Land and land improvements	-	-	-	-	-
Buildings and improvements	951,493	8,350	87,344	-	-
Furniture and fixtures	2,310,135	30,441	104,006	15,591	-
Transportation equipment	415,683	-	96,215	-	-
Construction in progress	296,754	1,171	-	-	-
<b>Total property and equipment</b>	<b>3,974,065</b>	<b>39,962</b>	<b>287,565</b>	<b>15,591</b>	<b>-</b>
Less accumulated depreciation	(2,174,239)	(14,485)	(61,031)	(7,055)	-
<b>Net property and equipment</b>	<b>1,799,826</b>	<b>25,477</b>	<b>226,534</b>	<b>8,536</b>	<b>-</b>
Other Assets, net of amortization	-	-	-	-	-
Investment in unconsolidated affiliate	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 15,803,029</b>	<b>\$ (1,081,678)</b>	<b>\$ 708,020</b>	<b>\$ (257,957)</b>	<b>\$ 11,186</b>
<b>Liabilities and Net Assets (Deficit)</b>					
<b>Liabilities</b>					
<b>Current liabilities:</b>					
Accounts payable	\$ 61,945	\$ -	\$ 285	\$ -	\$ -
Accrued employee compensation and benefits	3,013,075	62,997	100,439	55,809	28,361
Deferred revenue	244,202	20,928	46,593	8,050	16,629
Current maturities of long-term debt	-	-	-	-	-
<b>Total current liabilities</b>	<b>3,319,222</b>	<b>83,925</b>	<b>147,317</b>	<b>63,859</b>	<b>44,990</b>
Long-term Debt - Net of current portion	-	-	-	-	-
Annuities Payable	-	-	-	-	-
<b>Total Liabilities</b>	<b>3,319,222</b>	<b>83,925</b>	<b>147,317</b>	<b>63,859</b>	<b>44,990</b>
<b>Net Assets (Deficit) - Beginning of year</b>	<b>10,107,942</b>	<b>(735,900)</b>	<b>430,014</b>	<b>(78,954)</b>	<b>39,312</b>
<b>Cumulative Effect of Change in Accounting</b>	<b>(99,310)</b>	<b>(14,105)</b>	<b>(6,917)</b>	<b>(629)</b>	<b>(11,124)</b>
<b>Change in net assets</b>	<b>2,475,175</b>	<b>(415,598)</b>	<b>137,606</b>	<b>(242,233)</b>	<b>(61,992)</b>
<b>Net Assets (Deficit) - End of year</b>	<b>12,483,807</b>	<b>(1,165,603)</b>	<b>560,703</b>	<b>(321,816)</b>	<b>(33,804)</b>
<b>Total Liabilities and Net Assets (Deficit)</b>	<b>\$ 15,803,029</b>	<b>\$ (1,081,678)</b>	<b>\$ 708,020</b>	<b>\$ (257,957)</b>	<b>\$ 11,186</b>

# Bethany Christian Services

## Consolidating Statement of Financial Position (Continued)

December 31, 2019

	New Jersey	North Carolina	Central Pennsylvania	Greater Delaware Valley	Western Pennsylvania	South Carolina
<b>Assets</b>						
<b>Current Assets:</b>						
Cash and cash equivalents	\$ (373,009)	\$ 4,000	\$ (96,267)	\$ (1,659,043)	\$ (153,832)	\$ 4,500
Investments	-	306,372	-	-	-	871,782
Receivables - Net of allowances	100,061	37,622	891,354	1,352,373	240,799	7,752
Prepaid expenses and other:						
Prepaid expenses	1,395	8,874	21,611	23,390	6,672	4,500
Deposits	1,100	6,719	7,452	18,753	1,500	800
Total current assets	(270,453)	363,587	824,150	(264,527)	95,139	889,334
<b>Property and equipment</b>						
Land and land improvements	-	-	-	-	-	-
Buildings and improvements	-	-	26,637	487,880	-	-
Furniture and fixtures	-	7,808	32,075	49,075	23,014	2,307
Transportation equipment	-	-	-	-	-	-
Construction in progress	-	-	-	-	-	-
Total property and equipment	-	7,808	58,712	536,955	23,014	2,307
Less accumulated depreciation	-	(7,808)	(43,171)	(106,722)	(21,300)	(2,307)
Net property and equipment	-	-	15,541	430,233	1,714	-
<b>Other Assets, net of amortization</b>						
Investment in unconsolidated affiliate	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ (270,453)</b>	<b>\$ 363,587</b>	<b>\$ 839,691</b>	<b>\$ 165,706</b>	<b>\$ 96,853</b>	<b>\$ 889,334</b>
<b>Liabilities and Net Assets (Deficit)</b>						
<b>Liabilities</b>						
<b>Current liabilities:</b>						
Accounts payable	\$ -	\$ 7,183	\$ 11,299	\$ 27,340	\$ -	\$ -
Accrued employee compensation and benefits	82,685	63,455	280,728	299,830	119,464	54,197
Deferred revenue	72,615	155,909	55,811	74,546	121,518	86,946
Current maturities of long-term debt	-	-	-	-	-	-
Total current liabilities	155,300	226,547	347,838	401,716	240,982	141,143
Long-term Debt - Net of current portion	-	-	-	-	-	-
Annuities Payable	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>155,300</b>	<b>226,547</b>	<b>347,838</b>	<b>401,716</b>	<b>240,982</b>	<b>141,143</b>
<b>Net Assets (Deficit) - Beginning of year</b>	<b>(126,866)</b>	<b>354,436</b>	<b>633,945</b>	<b>255,527</b>	<b>(230,556)</b>	<b>613,319</b>
<b>Cumulative Effect of Change in Accounting</b>	<b>(81,819)</b>	<b>(102,219)</b>	<b>(3,333)</b>	<b>(40,181)</b>	<b>(26,114)</b>	<b>(74,231)</b>
<b>Change in net assets</b>	<b>(217,068)</b>	<b>(115,177)</b>	<b>(138,759)</b>	<b>(451,356)</b>	<b>112,541</b>	<b>209,103</b>
<b>Net Assets (Deficit) - End of year</b>	<b>(425,753)</b>	<b>137,040</b>	<b>491,853</b>	<b>(236,010)</b>	<b>(144,129)</b>	<b>748,191</b>
<b>Total Liabilities and Net Assets (Deficit)</b>	<b>\$ (270,453)</b>	<b>\$ 363,587</b>	<b>\$ 839,691</b>	<b>\$ 165,706</b>	<b>\$ 96,853</b>	<b>\$ 889,334</b>



# Bethany Christian Services

## Consolidating Statement of Financial Position (Continued)

December 31, 2019

	Eastern South Dakota	Western South Dakota	Greater Chattanooga	East Tennessee	Middle Tennessee	West Tennessee
<b>Assets</b>						
<b>Current Assets:</b>						
Cash and cash equivalents	\$ (83,414)	\$ 2,500	\$ (143,318)	\$ 4,000	\$ (553,299)	\$ (407,577)
Investments	-	373,010	-	486,941	-	-
Receivables - Net of allowances	18,765	48,907	32,667	14,798	228,439	17,082
Prepaid expenses and other:						
Prepaid expenses	2,205	3,000	3,150	3,135	10,565	-
Deposits	-	-	2,750	2,000	10,054	3,454
Total current assets	<u>(62,444)</u>	<u>427,417</u>	<u>(104,751)</u>	<u>510,874</u>	<u>(304,241)</u>	<u>(387,041)</u>
<b>Property and equipment</b>						
Land and land improvements	-	-	-	-	-	-
Buildings and improvements	-	-	34,847	-	-	-
Furniture and fixtures	-	-	-	5,659	12,009	10,087
Transportation equipment	-	-	-	-	-	-
Construction in progress	-	-	-	-	-	-
Total property and equipment	<u>-</u>	<u>-</u>	<u>34,847</u>	<u>5,659</u>	<u>12,009</u>	<u>10,087</u>
Less accumulated depreciation	<u>-</u>	<u>-</u>	<u>(16,895)</u>	<u>(5,659)</u>	<u>(11,504)</u>	<u>(10,087)</u>
Net property and equipment	<u>-</u>	<u>-</u>	<u>17,952</u>	<u>-</u>	<u>505</u>	<u>-</u>
Other Assets, net of amortization	-	-	-	-	-	-
Investment in unconsolidated affiliate	-	-	-	-	-	-
<b>Total Assets</b>	<u>\$ (62,444)</u>	<u>\$ 427,417</u>	<u>\$ (86,799)</u>	<u>\$ 510,874</u>	<u>\$ (303,736)</u>	<u>\$ (387,041)</u>
<b>Liabilities and Net Assets (Deficit)</b>						
<b>Liabilities</b>						
<b>Current liabilities:</b>						
Accounts payable	\$ -	\$ 165	\$ 10	\$ 2,165	\$ -	\$ 190
Accrued employee compensation and benefits	18,815	25,719	25,236	29,384	81,957	34,437
Deferred revenue	17,057	18,586	52,139	26,851	100,804	53,183
Current maturities of long-term debt	-	-	-	-	-	-
Total current liabilities	<u>35,872</u>	<u>44,470</u>	<u>77,385</u>	<u>58,400</u>	<u>182,761</u>	<u>87,810</u>
Long-term Debt - Net of current portion	-	-	-	-	-	-
Annuities Payable	-	-	-	-	-	-
Total Liabilities	<u>35,872</u>	<u>44,470</u>	<u>77,385</u>	<u>58,400</u>	<u>182,761</u>	<u>87,810</u>
<b>Net Assets (Deficit) - Beginning of year</b>	(80,098)	406,075	(167,913)	577,382	(532,501)	(373,154)
<b>Cumulative Effect of Change in Accounting</b>	(17,298)	(5,600)	(34,675)	(20,038)	(40,581)	(34,962)
<b>Change in net assets</b>	<u>(920)</u>	<u>(17,528)</u>	<u>38,404</u>	<u>(104,870)</u>	<u>86,585</u>	<u>(66,735)</u>
<b>Net Assets (Deficit) - End of year</b>	<u>(98,316)</u>	<u>382,947</u>	<u>(164,184)</u>	<u>452,474</u>	<u>(486,497)</u>	<u>(474,851)</u>
<b>Total Liabilities and Net Assets (Deficit)</b>	<u>\$ (62,444)</u>	<u>\$ 427,417</u>	<u>\$ (86,799)</u>	<u>\$ 510,874</u>	<u>\$ (303,736)</u>	<u>\$ (387,041)</u>

# Bethany Christian Services

## Consolidating Statement of Financial Position (Continued)

December 31, 2019

	Virginia	Washington	Wisconsin	Bethany Christian Services Global LLC	Bethany's Thrift Store	Corporate	Bethany Christian Foundation LLC
<b>Assets</b>							
<b>Current Assets:</b>							
Cash and cash equivalents	\$ 2,000	\$ (1,626,655)	\$ 3,575	\$ (167,761)	\$ 4,761	\$ 11,966,975	\$ 226,251
Investments	42,046	-	297,044	-	247,384	(1,394,670)	20,649,014
Receivables - Net of allowances	17,428	85,928	61,301	82,911	-	958,282	74,071
Prepaid expenses and other:							
Prepaid expenses	8,649	10,139	9,095	9,012	12,543	751,538	-
Deposits	7,579	10,600	3,403	-	-	-	-
Total current assets	77,702	(1,519,988)	374,418	(75,838)	264,688	12,282,125	20,949,336
<b>Property and equipment</b>							
Land and land improvements	-	-	-	-	-	3,302,540	-
Buildings and improvements	6,433	14,670	-	23,099	35,475	24,442,867	-
Furniture and fixtures	5,462	29,603	31,333	393,542	52,438	4,646,022	-
Transportation equipment	-	-	-	-	-	-	-
Construction in progress	-	-	-	-	450	2,188,170	-
Total property and equipment	11,895	44,273	31,333	416,641	88,363	34,579,599	-
Less accumulated depreciation	(8,670)	(31,212)	(23,220)	(264,228)	(50,540)	(12,051,679)	-
Net property and equipment	3,225	13,061	8,113	152,413	37,823	22,527,920	-
Other Assets, net of amortization	-	-	-	-	-	-	-
Investment in unconsolidated affiliate	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 80,927</b>	<b>\$ (1,506,927)</b>	<b>\$ 382,531</b>	<b>\$ 76,575</b>	<b>\$ 302,511</b>	<b>\$ 34,810,045</b>	<b>\$ 20,949,336</b>
<b>Liabilities and Net Assets (Deficit)</b>							
<b>Liabilities</b>							
<b>Current liabilities:</b>							
Accounts payable	\$ 3,602	\$ 230	\$ 1,000	\$ 395,081	\$ 6,316	\$ 3,453,776	\$ -
Accrued employee compensation and benefits	54,158	48,259	49,910	90,121	19,775	1,784,294	-
Deferred revenue	145,383	40,014	90,917	162,977	-	11,482	-
Current maturities of long-term debt	-	-	-	-	-	2,401,840	-
Total current liabilities	203,143	88,503	141,827	648,179	26,091	7,651,392	-
Long-term Debt - Net of current portion	-	-	-	-	-	9,445,462	-
Annuities Payable	-	-	-	-	-	235,248	-
<b>Total Liabilities</b>	<b>203,143</b>	<b>88,503</b>	<b>141,827</b>	<b>648,179</b>	<b>26,091</b>	<b>17,332,102</b>	<b>-</b>
<b>Net Assets (Deficit) - Beginning of year</b>	<b>(81,877)</b>	<b>(1,083,656)</b>	<b>270,568</b>	<b>133,815</b>	<b>232,325</b>	<b>15,113,203</b>	<b>18,162,930</b>
<b>Cumulative Effect of Change in Accounting</b>	<b>(65,069)</b>	<b>(7,800)</b>	<b>(28,567)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Change in net assets</b>	<b>24,730</b>	<b>(503,974)</b>	<b>(1,297)</b>	<b>(705,419)</b>	<b>44,095</b>	<b>2,364,740</b>	<b>2,786,406</b>
<b>Net Assets (Deficit) - End of year</b>	<b>(122,216)</b>	<b>(1,595,430)</b>	<b>240,704</b>	<b>(571,604)</b>	<b>276,420</b>	<b>17,477,943</b>	<b>20,949,336</b>
<b>Total Liabilities and Net Assets (Deficit)</b>	<b>\$ 80,927</b>	<b>\$ (1,506,927)</b>	<b>\$ 382,531</b>	<b>\$ 76,575</b>	<b>\$ 302,511</b>	<b>\$ 34,810,045</b>	<b>\$ 20,949,336</b>

# Bethany Christian Services

## Consolidating Statement of Activities

Year Ended December 31, 2019

	Total	Arkansas	Northern California	Southern California	Colorado	Florida
<b>Operating Revenues and Other Support</b>						
Contributions	16,999,873	\$ 215,033	\$ 853,600	\$ 197,710	\$ 184,081	\$ 149,334
Child support	96,662,890	-	1,695,008	1,654,735	1,539,720	2,010,959
Service fees	17,943,627	442,754	272,039	436,230	(26,398)	639,686
Investment (loss) income	5,321,291	1	-	-	-	-
Investments and other	1,570,246	7,185	2,973	19,321	4,650	40,758
Total operating revenue and other support	138,497,927	664,973	2,823,620	2,307,996	1,702,053	2,840,737
<b>Operating Expenses</b>						
Salaries	59,214,946	331,593	981,784	1,063,941	460,383	1,261,464
Fringes	11,431,878	44,684	152,603	141,075	97,786	149,383
Taxes	4,356,827	24,653	72,737	79,167	33,073	93,645
Professional fees	5,071,721	3,496	42,126	35,574	30,681	69,498
Supplies	836,432	3,584	15,056	12,399	5,579	23,441
Telephone	1,153,711	10,298	25,823	28,835	9,850	29,568
Postage	409,045	2,436	6,015	6,110	1,501	6,991
Occupancy	6,278,663	26,564	160,134	200,138	49,361	244,758
Printing	740,876	3,252	5,873	5,402	5,855	6,947
Information technology	2,378,303	11,223	87,622	31,408	17,296	76,166
Equipment & furnishings	1,083,283	4,647	14,474	6,828	7,652	31,927
Travel	4,275,445	18,526	57,748	46,691	21,142	133,105
Conferences & meetings	1,189,005	9,419	7,220	15,234	5,213	16,331
Advertising	2,558,694	13,893	31,068	57,049	38,526	32,390
Special assistance	25,091,705	66,632	74,334	643,817	698,804	192,236
Global operations support	2,160,808	-	-	-	-	-
Payment processing fees	298,746	7,658	5,246	9,318	1,290	13,412
Educational & promotional materials	298,532	924	5,969	58	-	174
Miscellaneous fund raising	937,110	62,250	84,039	277	184	12,188
Bad debt	69,926	-	-	(2,100)	-	-
Interest expense	256,871	1,309	2,592	784	565	216
Miscellaneous	694,340	3,929	15,575	23,655	13,382	14,119
Depreciation and amortization	1,427,899	13,056	8,810	24,000	-	761
Support services	-	103,241	283,650	320,486	141,503	394,994
Total Operating Expenses	132,214,766	767,267	2,140,498	2,750,146	1,639,626	2,803,714
<b>Increase (Decrease) in Net Assets</b>	<b>\$ 6,283,161</b>	<b>\$ (102,294)</b>	<b>\$ 683,122</b>	<b>\$ (442,150)</b>	<b>\$ 62,427</b>	<b>\$ 37,023</b>

# Bethany Christian Services

## Consolidating Statement of Activities (Continued)

Year Ended December 31, 2019

	Georgia	Illinois	Central Indiana	Northwest Iowa	South Central Iowa	Maryland
<b>Operating Revenues and Other Support</b>						
Contributions	\$ 525,478	\$ 383,793	\$ 255,275	\$ 230,857	\$ 354,370	\$ 157,299
Child support	8,538,792	38,077	3,325,574	-	3,000	2,655,576
Service fees	969,157	418,626	581,756	180,739	318,750	336,550
Investment (loss) income	46,140	-	3	-	-	-
Investments and other	16,694	2,436	25	24,321	39,072	18,945
Total operating revenue and other support	10,096,261	842,932	4,162,633	435,917	715,192	3,168,370
<b>Operating Expenses</b>						
Salaries	3,037,969	322,345	1,490,722	237,747	280,062	1,255,689
Fringes	638,586	71,343	305,214	32,386	67,751	190,607
Taxes	221,360	23,673	108,342	17,805	19,860	93,150
Professional fees	359,799	6,363	11,884	16,485	40,418	50,035
Supplies	80,937	4,700	15,403	2,555	1,469	21,425
Telephone	73,887	4,298	36,595	10,657	13,797	35,919
Postage	40,019	2,571	3,443	1,966	969	2,595
Occupancy	362,911	39,034	180,275	25,782	42,621	332,205
Printing	18,576	4,322	6,570	5,168	315	5,477
Information technology	139,028	15,771	83,221	10,473	10,641	75,663
Equipment & furnishings	29,616	4,736	18,839	6,983	2,556	23,089
Travel	214,545	22,393	119,002	25,800	16,621	95,037
Conferences & meetings	108,821	3,376	12,232	4,591	7,709	13,941
Advertising	42,329	36,451	88,956	15,372	18,224	86,238
Special assistance	3,128,332	68,203	805,173	8,316	51,726	443,789
Global operations support	-	-	-	-	-	-
Payment processing fees	10,578	7,339	9,564	3,136	5,488	9,990
Educational & promotional materials	972	-	-	524	48	120
Miscellaneous fund raising	85,031	21,585	384	11,301	21,029	17,067
Bad debt	24,728	992	754	-	190	9,900
Interest expense	3,582	2,021	2,220	1,131	877	1,365
Miscellaneous	23,820	6,876	15,920	3,256	3,019	6,758
Depreciation and amortization	27,032	2,463	1,212	-	766	7,670
Support services	983,812	106,674	436,840	77,547	98,145	425,156
Total Operating Expenses	9,656,270	777,529	3,752,765	518,981	704,301	3,202,885
<b>Increase (Decrease) in Net Assets</b>	<u>\$ 439,991</u>	<u>\$ 65,403</u>	<u>\$ 409,868</u>	<u>\$ (83,064)</u>	<u>\$ 10,891</u>	<u>\$ (34,515)</u>

## Bethany Christian Services

# Consolidating Statement of Activities (Continued)

Year Ended December 31, 2019

	Michigan	Minnesota	Missouri	Southern New England	Northern New England
<b>Operating Revenues and Other Support</b>					
Contributions	\$ 3,562,217	\$ 97,566	\$ 191,922	\$ 159,248	\$ 191,533
Child support	58,063,958	1,236,482	1,305,173	580,744	115,426
Service fees	2,749,256	193,291	300,961	31,626	167,059
Investment (loss) income	3	-	-	-	-
Investments and other	581,853	3,012	13,727	1,965	173
Total operating revenue and other support	64,957,287	1,530,351	1,811,783	773,583	474,191
<b>Operating Expenses</b>					
Salaries	25,078,315	672,719	740,417	500,743	270,718
Fringes	5,391,930	78,697	127,848	81,531	56,944
Taxes	1,851,719	50,418	55,504	37,447	19,632
Professional fees	831,544	18,516	20,617	42,454	5,277
Supplies	387,254	7,733	20,048	3,234	827
Telephone	480,626	14,522	19,711	8,549	7,566
Postage	52,669	3,300	3,112	1,446	1,145
Occupancy	2,944,103	108,989	93,945	36,937	2,650
Printing	71,941	6,844	6,831	2,771	477
Information technology	994,439	29,686	44,025	21,217	8,489
Equipment & furnishings	573,454	12,808	24,687	6,493	1,092
Travel	1,737,307	43,362	77,545	56,286	18,705
Conferences & meetings	456,167	27,120	11,736	2,402	1,411
Advertising	493,353	23,159	30,363	19,604	23,133
Special assistance	12,996,453	584,339	101,215	23,269	16,793
Global operations support	500	-	-	-	-
Payment processing fees	32,293	4,124	5,490	1,823	2,920
Educational & promotional materials	34,483	1,149	-	199	-
Miscellaneous fund raising	144,593	19,940	15,359	5,027	10,272
Bad debt	12,093	16,547	-	-	3,500
Interest expense	51,285	530	499	1,752	550
Miscellaneous	153,731	9,397	8,381	9,398	3,852
Depreciation and amortization	271,185	5,519	31,994	1,627	-
Support services	7,440,675	206,531	234,850	151,607	80,230
Total Operating Expenses	62,482,112	1,945,949	1,674,177	1,015,816	536,183
<b>Increase (Decrease) in Net Assets</b>	<b>\$ 2,475,175</b>	<b>\$ (415,598)</b>	<b>\$ 137,606</b>	<b>\$ (242,233)</b>	<b>\$ (61,992)</b>

# Bethany Christian Services

## Consolidating Statement of Activities (Continued)

Year Ended December 31, 2019

	New Jersey	North Carolina	Central Pennsylvania	Greater Delaware Valley	Western Pennsylvania	South Carolina
<b>Operating Revenues and Other Support</b>						
Contributions	\$ 278,268	\$ 180,580	\$ 555,250	\$ 523,895	\$ 160,707	\$ 353,298
Child support	565,642	256,415	4,096,899	6,401,432	342,199	13,614
Service fees	486,929	751,617	1,519,870	917,733	1,839,660	694,257
Investment (loss) income	2	-	2	9	-	4
Investments and other	8,862	24,627	23,885	14,154	9,643	5
Total operating revenue and other support	1,339,703	1,213,239	6,195,906	7,857,223	2,352,209	1,061,178
<b>Operating Expenses</b>						
Salaries	768,135	541,583	2,385,192	2,484,480	1,007,235	399,564
Fringes	131,137	116,599	475,045	448,872	142,367	95,742
Taxes	56,810	39,266	176,027	184,156	75,267	29,522
Professional fees	9,670	55,777	33,097	1,074,353	11,809	13,285
Supplies	7,573	3,988	34,379	22,442	9,455	1,752
Telephone	19,603	11,145	69,138	52,514	24,870	9,542
Postage	5,063	3,395	9,876	7,544	3,780	3,497
Occupancy	43,883	103,646	188,585	361,362	77,023	64,027
Printing	3,103	2,770	8,260	5,013	6,558	2,301
Information technology	36,833	17,915	112,371	134,825	41,763	17,621
Equipment & furnishings	9,765	8,382	43,382	52,637	17,730	6,714
Travel	58,454	36,529	182,096	137,478	81,534	22,013
Conferences & meetings	5,569	6,771	25,661	34,749	30,278	2,664
Advertising	77,168	45,472	78,502	98,808	38,902	11,256
Special assistance	54,730	126,127	1,718,623	2,287,623	335,684	29,958
Global operations support	-	-	-	-	-	-
Payment processing fees	9,056	11,806	7,758	4,792	10,659	8,290
Educational & promotional materials	56	998	4,601	1,159	648	-
Miscellaneous fund raising	21,415	7,327	40,067	78,506	22,769	12,195
Bad debt	1,787	-	1,397	660	43	(5,013)
Interest expense	1,836	2,370	366	4,901	1,909	786
Miscellaneous	3,443	4,229	21,384	25,347	8,582	3,600
Depreciation and amortization	-	-	4,517	55,045	1,210	-
Support services	231,682	182,321	714,341	751,313	289,593	122,759
Total Operating Expenses	1,556,771	1,328,416	6,334,665	8,308,579	2,239,668	852,075
<b>Increase (Decrease) in Net Assets</b>	<u>\$ (217,068)</u>	<u>\$ (115,177)</u>	<u>\$ (138,759)</u>	<u>\$ (451,356)</u>	<u>\$ 112,541</u>	<u>\$ 209,103</u>

# Bethany Christian Services

## Consolidating Statement of Activities (Continued)

Year Ended December 31, 2019

	Eastern South Dakota	Western South Dakota	Greater Chattanooga	East Tennessee	Middle Tennessee	West Tennessee
<b>Operating Revenues and Other Support</b>						
Contributions	\$ 208,803	\$ 208,610	\$ 224,717	\$ 351,685	\$ 106,388	\$ 132,898
Child support	25,850	28,300	69,023	34,750	1,404,777	39,953
Service fees	205,987	107,049	294,596	351,576	440,167	282,306
Investment (loss) income	-	12	1	-	-	-
Investments and other	765	3,000	1,540	2,395	4,189	687
Total operating revenue and other support	441,405	346,971	589,877	740,406	1,955,521	455,844
<b>Operating Expenses</b>						
Salaries	186,128	181,252	235,817	367,559	733,514	207,202
Fringes	41,643	28,655	33,701	63,775	79,418	54,722
Taxes	13,070	13,561	17,675	27,402	54,826	15,035
Professional fees	17,495	5,660	10,332	20,529	38,207	30,099
Supplies	922	2,755	2,075	6,067	43,823	2,798
Telephone	3,575	4,803	5,403	5,781	16,122	3,887
Postage	1,934	1,828	1,324	2,444	4,264	1,647
Occupancy	27,343	13,104	44,527	45,168	162,065	52,779
Printing	2,172	2,090	2,110	3,156	10,032	906
Information technology	6,896	9,729	9,160	13,986	82,803	11,004
Equipment & furnishings	1,760	2,791	2,858	5,280	67,694	7,908
Travel	20,552	8,435	15,243	26,401	63,450	10,148
Conferences & meetings	2,940	2,619	12,131	10,413	24,973	1,754
Advertising	22,068	11,412	12,256	22,565	33,381	7,928
Special assistance	2,812	6,095	35,401	67,628	159,524	17,286
Global operations support	-	-	-	-	-	-
Payment processing fees	4,038	2,789	5,291	7,240	9,001	2,857
Educational & promotional materials	131	134	915	227	2,541	336
Miscellaneous fund raising	16,909	10,086	19,703	20,547	9,607	12,127
Bad debt	-	-	-	300	3,880	(1,249)
Interest expense	112	241	2,257	394	316	1,069
Miscellaneous	3,213	2,257	5,221	10,482	10,125	4,418
Depreciation and amortization	-	-	851	-	1,211	1,292
Support services	66,612	54,203	77,222	117,932	258,159	76,626
Total Operating Expenses	442,325	364,499	551,473	845,276	1,868,936	522,579
<b>(Decrease) Increase in Net Assets</b>	<u>\$ (920)</u>	<u>\$ (17,528)</u>	<u>\$ 38,404</u>	<u>\$ (104,870)</u>	<u>\$ 86,585</u>	<u>\$ (66,735)</u>

# Bethany Christian Services

## Consolidating Statement of Activities (Continued)

Year Ended December 31, 2019

	Virginia	Washington	Wisconsin	Bethany Christian Services Global LLC	Bethany's Thrift Store	Corporate	Bethany Christian Foundation LLC
<b>Operating Revenues and Other Support</b>							
Contributions	\$ 171,755	\$ 218,016	\$ 279,734	\$ 2,201,001	\$ -	\$ 3,029,063	\$ 105,889
Child support	20,401	381,748	218,663	-	-	-	-
Service fees	870,137	132,413	520,675	519,685	-	(3,112)	-
Investment (loss) income	-	2	-	-	-	2,012,398	3,262,714
Investments and other	4,913	9,677	39,257	35,269	530,243	613,609	(533,584)
Total operating revenue and other support	1,067,206	741,856	1,058,329	2,755,955	530,243	5,651,958	2,835,019
<b>Operating Expenses</b>							
Salaries	434,701	466,326	487,004	776,737	210,827	9,355,079	-
Fringes	86,612	63,715	132,261	158,767	43,686	1,606,793	-
Taxes	31,421	34,116	34,782	56,431	15,820	679,455	-
Professional fees	3,522	40,922	6,780	41,086	6,424	2,019,294	48,613
Supplies	6,007	4,430	6,028	8,423	6,150	61,721	-
Telephone	11,448	15,176	5,615	16,124	2,085	66,379	-
Postage	3,790	4,173	4,113	38,583	22	175,480	-
Occupancy	86,584	136,791	64,039	53,236	69,595	(165,501)	-
Printing	6,908	4,461	5,052	7,276	113	511,974	-
Information technology	17,064	14,752	20,091	55,451	4,823	114,848	-
Equipment & furnishings	9,768	6,601	7,380	4,970	-	57,782	-
Travel	45,316	27,250	42,301	95,973	18,851	679,606	-
Conferences & meetings	9,043	3,301	7,156	12,292	839	292,929	-
Advertising	74,663	26,775	13,042	394	16,178	917,816	-
Special assistance	18,602	208,380	12,641	22,996	-	84,164	-
Global operations support	-	-	-	1,759,511	-	400,797	-
Payment processing fees	16,368	4,151	8,881	22,511	13,562	20,027	-
Educational & promotional materials	437	18	2,148	834	-	238,729	-
Miscellaneous fund raising	7,879	20,005	30,231	3,174	-	94,037	-
Bad debt	600	17	900	-	-	-	-
Interest expense	3,846	2,297	3,015	5,468	8,324	146,086	-
Miscellaneous	10,489	4,983	6,111	28,564	541	226,283	-
Depreciation and amortization	156	1,583	2,052	37,726	8,718	917,443	-
Support services	157,252	155,607	158,003	254,847	59,590	(15,214,003)	-
Total Operating Expenses	1,042,476	1,245,830	1,059,626	3,461,374	486,148	3,287,218	48,613
<b>Increase (Decrease) in Net Assets</b>	<b>\$ 24,730</b>	<b>\$ (503,974)</b>	<b>\$ (1,297)</b>	<b>\$ (705,419)</b>	<b>\$ 44,095</b>	<b>\$ 2,364,740</b>	<b>\$ 2,786,406</b>



## Bethany Christian Services

### St. Louis and St. Charles Schedule of Project Unit Cost

	<b>Year Ended December 31, 2019</b>		
	Total Expenses	St. Louis County Expenses	St. Charles County Expenses
<b>Project Expenses</b>			
Salaries	\$ 53,650	\$ 40,621	5,865
Fringes	12,960	9,813	1,417
Outside Services, Contracted	1,353	1,024	148
Supplies	2,702	2,046	295
Telephone	1,308	990	143
Telephone, Internet Access	389	295	43
Printing	1,980	1,499	216
Postage	170	129	19
Rent	6,509	4,928	712
Utilities	1,090	825	119
Advertising	1,718	1,301	188
Computers, Hardware	188	142	21
Computers, Software	880	666	96
Travel	7,115	5,387	778
Client Assistance	374	283	41
Conferences	295	223	32
Staff, Board, and Group Meetings	1,790	1,355	196
Special Events	-	-	-
Memberships & Dues	4,224	3,198	462
Equipment & Furnishings	1,464	1,108	160
Support Services-Nonbillable	6,656	5,040	728
Miscellaneous	(751)	(569)	(82)
<b>Total Program Services</b>	<b>106,064</b>	<b>80,304</b>	<b>11,597</b>
<i>Less: Not applicable to County: Support Services-Nonbillable</i>	6,656	5,040	728
<i>Less: Not applicable to County: Branch Fundraising</i>	-	-	-
<b>Total Direct Project Expenses</b>	<b>99,408</b>	<b>75,264</b>	<b>10,869</b>
<i>Add: Indirect (Administrative) Expenses: Support Services - Billable</i>	10,860	8,223	1,187
<b>Total Project Expenses</b>	<b>\$ 110,268</b>	<b>\$ 83,487</b>	<b>\$ 12,056</b>
<b>Total Units Served</b>	<b>1,363</b>	<b>1,032</b>	<b>149</b>
<b>Cost Per Unit</b>	<b>\$ 80.90</b>	<b>\$ 80.90</b>	<b>\$ 80.90</b>