

Bethany Christian Services

**Consolidated Financial Report
with Additional Information
December 31, 2015**

Bethany Christian Services

Contents

Report Letter	1-2
Consolidated Financial Statements	
Statement of Financial Position	3
Statement of Activities and Changes in Net Assets	4
Statement of Functional Expenses	5-6
Statement of Cash Flows	7
Notes to Consolidated Financial Statements	8-22
Additional Information	23
Report Letter	24
Consolidating Statement of Financial Position	25-29
Consolidating Statement of Activities	30-34
St. Louis and St. Charles Schedule of Project Unit Cost	35

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, 2015 and 2014 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.

To the Board of Directors
Bethany Christian Services

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, 2015 and 2014 and the changes in net assets, functional expenses, and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 22, 2016 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 22, 2016

Bethany Christian Services

Consolidated Statement of Financial Position

	December 31, 2015	December 31, 2014
Assets		
Current Assets		
Cash and cash equivalents	\$ 2,990,483	\$ 3,154,991
Investments (Note 2)	28,702,551	29,705,562
Receivables - Net	12,052,980	10,242,440
Prepaid expenses and other current assets:		
Prepaid expenses	1,141,724	908,485
Deposits	290,091	250,912
Total current assets	45,177,829	44,262,390
Property and Equipment - Net (Note 3)	15,152,226	14,808,669
Investment in Unconsolidated Affiliate (Note 2)	585,351	607,351
Total assets	\$ 60,915,406	\$ 59,678,410
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	\$ 2,499,265	\$ 3,278,526
Bank line of credit (Note 6)	1,200,000	-
Current portion of long-term debt (Note 6)	646,216	605,602
Deferred revenue	2,472,916	2,612,039
Accrued employee compensation and benefits	5,075,479	4,927,350
Total current liabilities	11,893,876	11,423,517
Annuities Payable (Note 4)	303,613	323,259
Long-term Debt - Net of current portion (Note 6)	6,081,282	6,697,706
Total liabilities	18,278,771	18,444,482
Net Assets		
Unrestricted:		
Undesignated	24,751,797	22,561,555
Board-designated (Note 9)	17,222,314	17,860,092
Temporarily restricted (Note 9)	489,850	546,879
Permanently restricted (Note 9)	172,674	265,402
Total net assets	42,636,635	41,233,928
Total liabilities and net assets	\$ 60,915,406	\$ 59,678,410

Bethany Christian Services

Consolidated Statement of Activities and Changes in Net Assets

	Year Ended							
	December 31, 2015				December 31, 2014			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue and Support								
Contributions	\$ 16,353,107	\$ -	\$ 7,590	\$ 16,360,697	\$ 15,172,603	\$ -	\$ 1,975	\$ 15,174,578
Child support	58,009,703	-	-	58,009,703	54,825,742	-	-	54,825,742
Service fees	22,657,150	-	-	22,657,150	23,496,774	-	-	23,496,774
Investments and other	657,484	(7,234)	(318)	649,932	1,615,883	29,281	713	1,645,877
Total revenue and support	97,677,444	(7,234)	7,272	97,677,482	95,111,002	29,281	2,688	95,142,971
Net Assets Released from Restrictions	149,795	(49,795)	(100,000)	-	57,602	(57,602)	-	-
Total revenue, support, and net assets released from restrictions	97,827,239	(57,029)	(92,728)	97,677,482	95,168,604	(28,321)	2,688	95,142,971
Expenses								
Program services:								
Adoption	23,628,286	-	-	23,628,286	23,543,081	-	-	23,543,081
Foster care	25,847,924	-	-	25,847,924	22,157,517	-	-	22,157,517
International social services	1,229,699	-	-	1,229,699	633,748	-	-	633,748
Refugee services	15,607,613	-	-	15,607,613	14,405,557	-	-	14,405,557
Counseling	10,328,045	-	-	10,328,045	9,811,412	-	-	9,811,412
Residential treatment	1,822,481	-	-	1,822,481	2,686,193	-	-	2,686,193
Sponsorship	363,421	-	-	363,421	396,819	-	-	396,819
Other programs	2,993,678	-	-	2,993,678	4,701,080	-	-	4,701,080
Total program services	81,821,147	-	-	81,821,147	78,335,407	-	-	78,335,407
Support services:								
Management and general	9,384,727	-	-	9,384,727	9,486,145	-	-	9,486,145
Fundraising	5,068,901	-	-	5,068,901	4,929,251	-	-	4,929,251
Total expenses	96,274,775	-	-	96,274,775	92,750,803	-	-	92,750,803
Net Increase (Decrease) in Net Assets	1,552,464	(57,029)	(92,728)	1,402,707	2,417,801	(28,321)	2,688	2,392,168
Net Assets - Beginning of year	40,421,647	546,879	265,402	41,233,928	38,003,846	575,200	262,714	38,841,760
Net Assets - End of year	\$ 41,974,111	\$ 489,850	\$ 172,674	\$ 42,636,635	\$ 40,421,647	\$ 546,879	\$ 265,402	\$ 41,233,928

Bethany Christian Services

Consolidated Statement of Functional Expenses Year Ended December 31, 2015

	<u>Adoption</u>	<u>Foster Care</u>	<u>International Social Services</u>	<u>Refugee Services</u>	<u>Counseling</u>	<u>Residential Treatment</u>	<u>Sponsorship</u>	<u>Other Programs</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Operating Expenses											
Salaries	\$ 11,884,951	\$ 9,558,235	\$ 194,126	\$ 6,599,236	\$ 5,427,658	\$ 1,064,477	\$ 44,692	\$ 1,423,991	\$ 4,796,012	\$ 1,706,869	\$ 42,700,247
Fringes	2,630,429	2,130,968	25,982	1,526,467	1,069,912	246,243	11,238	415,568	908,152	291,152	9,256,111
Taxes	875,181	700,616	13,832	485,424	396,239	78,327	3,253	105,196	345,502	123,760	3,127,330
Professional fees	1,001,509	301,789	62,532	226,275	326,573	34,802	201	176,930	948,339	1,279,070	4,358,020
Supplies	191,673	215,639	3,098	139,630	72,350	30,622	21	24,412	55,975	16,933	750,353
Telephone	405,666	227,804	1,829	125,143	155,475	6,246	32	38,954	40,868	23,451	1,025,468
Postage	236,617	40,855	138	12,479	24,033	496	2,260	12,691	89,786	56,784	476,139
Occupancy	1,743,163	989,335	10,090	753,893	515,334	67,722	-	169,876	309,140	108,478	4,667,031
Printing	152,231	42,536	1,291	15,761	42,021	311	345	21,180	38,089	78,816	392,581
Information technology	328,662	291,248	5,194	189,716	102,424	22,260	498	48,059	131,587	26,447	1,146,095
Equipment and furnishings	41,724	51,331	404	145,722	11,312	10,791	-	16,106	35,399	4,175	316,964
Travel	873,651	914,344	65,128	422,616	443,601	23,352	531	124,104	356,626	200,410	3,424,363
Conferences and meetings	385,321	129,547	1,100	74,627	44,406	2,398	74	40,723	134,465	123,516	936,177
Advertising	664,887	521,217	2,568	63,883	472,249	546	1,388	41,161	327,591	15,044	2,110,534
Special assistance	744,324	9,390,878	12,105	4,636,474	1,105,857	172,485	2,344	102,396	25	123	16,167,011
Overseas contributions	663,555	-	723,326	-	-	-	291,798	27,256	-	-	1,705,935
Program development	12,597	5,651	6,703	1,342	5,102	11	-	4,461	11,750	1,000	48,617
Payment processing fees	288,573	1,055	926	272	14,261	58	3,808	54,340	1,654	20	364,967
Educational and promotional materials	36,336	27,790	119	12,037	8,713	2,538	-	3,815	173,765	14,801	279,914
Miscellaneous fund raising	-	-	-	-	-	-	-	-	-	915,989	915,989
Bad debt	55,012	67,708	-	850	41,706	-	-	-	-	-	165,276
Miscellaneous	227,664	124,806	95,839	68,989	20,055	10,937	938	2,460	311,854	51,861	915,403
Depreciation	184,560	114,572	3,369	106,777	28,764	47,859	-	139,999	368,148	30,202	1,024,250
Total operating expenses	\$ 23,628,286	\$ 25,847,924	\$ 1,229,699	\$ 15,607,613	\$ 10,328,045	\$ 1,822,481	\$ 363,421	\$ 2,993,678	\$ 9,384,727	\$ 5,068,901	\$ 96,274,775

Bethany Christian Services

Consolidated Statement of Functional Expenses Year Ended December 31, 2014

	Adoption	Foster Care	International Social Services	Refugee Services	Counseling	Residential Treatment	Sponsorship	Other Programs	Management and General	Fundraising	Total
Operating Expenses											
Salaries	\$ 11,987,775	\$ 8,196,800	\$ 52,664	\$ 6,120,297	\$ 5,107,216	\$ 1,535,878	\$ 42,638	\$ 2,203,413	\$ 4,684,505	\$ 1,516,865	\$ 41,448,051
Fringes	2,706,932	1,887,251	7,318	1,475,933	1,074,907	370,764	9,635	534,818	822,985	331,969	9,222,512
Taxes	947,485	577,558	3,887	439,246	344,616	110,845	3,220	197,798	333,129	110,027	3,067,811
Professional fees	890,698	244,699	4,292	189,503	348,657	32,553	12,450	330,868	1,088,701	1,187,549	4,329,970
Supplies	238,988	154,295	2,516	113,696	82,981	37,124	133	43,043	67,966	18,938	759,680
Telephone	402,123	185,884	759	115,027	134,424	18,399	32	78,097	48,405	20,185	1,003,335
Postage	242,452	39,645	33	8,693	20,258	1,374	692	26,590	105,446	77,020	522,203
Occupancy	1,652,200	849,068	9,245	682,499	399,344	93,575	-	265,885	335,416	74,426	4,361,658
Printing	154,804	40,933	991	14,689	28,313	1,467	561	12,944	63,241	103,769	421,712
Information technology	250,541	163,084	1,436	148,331	65,938	22,620	959	67,716	380,986	13,805	1,115,416
Equipment and furnishings	45,253	34,426	11	66,260	10,970	13,333	-	8,683	17,012	1,665	197,613
Travel	932,907	838,579	33,545	466,998	506,577	48,064	57	269,187	328,235	118,929	3,543,078
Conferences and meetings	157,238	131,787	921	76,043	50,906	7,408	-	141,136	189,123	207,188	961,750
Advertising	676,497	507,534	-	62,991	418,554	36	-	65,557	244,011	50,547	2,025,727
Special assistance	803,215	8,017,796	6,185	4,317,693	1,110,256	318,568	1,789	132,582	1,415	9	14,709,508
Overseas contributions	643,805	-	445,627	-	-	-	313,252	52,732	-	-	1,455,416
Program development	36,673	7,724	11,228	2,737	3,343	-	6,613	8,262	70,674	395	147,649
Payment processing fees	281,206	330	514	177	5,953	-	3,627	55,210	2,102	1,991	351,110
Educational and promotional materials	32,463	12,988	12	8,383	13,616	233	-	8,178	90,472	4,300	170,645
Miscellaneous fund raising	-	-	-	-	-	-	-	-	-	932,465	932,465
Bad debt	30,396	4,567	-	85	47,340	-	-	192	-	-	82,580
Miscellaneous	202,646	135,812	48,203	23,045	14,199	9,727	1,083	78,842	319,224	32,730	865,511
Depreciation	226,784	126,757	4,361	73,231	23,044	64,225	78	119,347	293,097	124,479	1,055,403
Total operating expenses	\$ 23,543,081	\$ 22,157,517	\$ 633,748	\$ 14,405,557	\$ 9,811,412	\$ 2,686,193	\$ 396,819	\$ 4,701,080	\$ 9,486,145	\$ 4,929,251	\$ 92,750,803

Bethany Christian Services

Consolidated Statement of Cash Flows

	Year Ended	
	December 31, 2015	December 31, 2014
Cash Flows from Operating Activities		
Increase in net assets	\$ 1,402,707	\$ 2,392,168
Adjustments to reconcile increase in net assets to net cash from operating activities:		
Depreciation	1,024,250	1,055,403
Loss on sale of property and equipment	11,502	20,574
Permanently restricted contributions received	(7,590)	(1,975)
Bad debt expense	(165,276)	(82,580)
Net realized and unrealized losses (gains) on investments	1,208,609	(30,959)
Earnings on unconsolidated investment	(42,000)	(54,393)
Distributions from unconsolidated affiliate	64,000	64,000
Net present value adjustment of annuities payable	22,047	23,417
Changes in operating assets and liabilities which (used) provided cash:		
Receivables	(1,645,264)	(1,441,287)
Prepaid expenses and other	(272,418)	167,145
Accounts payable and accrued expenses	(779,262)	896,596
Accrued employee compensation and benefits	148,130	473,070
Deferred revenue	(139,123)	66,941
Net cash provided by operating activities	830,312	3,548,120
Cash Flows from Investing Activities		
Purchase of property and equipment	(1,379,308)	(2,048,104)
Purchases of investments	(1,476,709)	(3,124,853)
Proceeds from sales of investments	1,271,110	1,661,211
Net cash used in investing activities	(1,584,907)	(3,511,746)
Cash Flows from Financing Activities		
Payments on annuities payable	(41,693)	(42,203)
Payments on long-term debt	(872,060)	(1,585,231)
Proceeds from long-term debt	296,250	-
Net draws from revolving credit facilities	1,200,000	-
Permanently restricted contributions received	7,590	1,975
Net cash provided by (used in) financing activities	590,087	(1,625,459)
Net Decrease in Cash and Cash Equivalents	(164,508)	(1,589,085)
Cash and Cash Equivalents - Beginning of year	3,154,991	4,744,076
Cash and Cash Equivalents - End of year	\$ 2,990,483	\$ 3,154,991
Supplemental Disclosure of Cash Flow Information - Cash paid for interest	\$ 132,718	\$ 142,560

Bethany Christian Services

Notes to Consolidated Financial Statements December 31, 2015 and 2014

Note I - Nature of Activities and Significant Accounting Policies

Nature of Organization - Bethany Christian Services and its subsidiaries (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 37 states plus Washington D.C., with the central business office located in Grand Rapids, Michigan. Approximately 59 and 58 percent of operating revenue in 2015 and 2014, respectively, was derived from services provided under contract with governmental units.

Significant accounting policies are as follows:

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. All material intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates - The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America 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, expenses, and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Basis of Presentation - The Organization prepares its consolidated financial statements in accordance with the accounting principles outlined in the American Institute of Certified Public Accountants' *Audit and Accounting Guide for Not-for-Profit Entities* and accounting standards for financial statements of not-for-profit organizations.

Cash Equivalents - The Organization considers all highly liquid investments purchased with a maturity of three months or less 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, 2015 and 2014, the Organization had depository accounts with a financial institution in excess of federally insured limits.

Bethany Christian Services

Notes to Consolidated Financial Statements December 31, 2015 and 2014

Note 1 - Nature of Activities and Significant Accounting Policies (Continued)

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 unrestricted net assets unless their use is temporarily or permanently restricted by explicit donor stipulations or by law.

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.

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 \$164,050 and \$133,500 at December 31, 2015 and 2014, 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, three to six years for machinery and equipment, 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. Absent explicit donor stipulations about how long the property and equipment must be maintained, the Organization reports expirations of donor restrictions over time based on an estimate of the useful lives of the donated or acquired property and equipment.

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, 2015 and 2014.

Bethany Christian Services

Notes to Consolidated Financial Statements December 31, 2015 and 2014

Note 1 - Nature of Activities and Significant Accounting Policies (Continued)

Deferred Revenue - Deferred revenue consists primarily of adoption fees billed to prospective parents and collected in advance of providing adoption services and grant revenue received in advance of expenditures.

Classification of Net Assets - Net assets of the Organization are classified as unrestricted, temporarily restricted, or permanently restricted depending on the presence and characteristics of donor-imposed restrictions limiting the Organization's ability to use or dispose of contributed assets or the economic benefits embodied in those assets.

Donor-imposed restrictions that expire with the passage of time or can be removed by meeting certain requirements result in temporarily restricted net assets. Temporarily restricted net assets include accumulated endowment earnings for December 31, 2015 and only accumulated endowment earnings for December 31, 2014. Permanently restricted net assets result from donor-imposed restrictions that limit the use of net assets in perpetuity. Earnings, gains, and losses on restricted net assets are classified as unrestricted unless specifically restricted by the donor or by applicable state law.

During 2015, the Organization received communication from a donor to release the restriction of a gift in permanently restricted net assets for \$100,000.

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 same period as the gift are both reported as unrestricted support. Other restricted gifts are reported as restricted support and temporarily or permanently restricted net assets.

Grant Revenue - Grant revenue received for grants determined to be exchange transactions is recognized as services are provided. Grant money received in excess of that earned is recorded as deferred revenue. Grant revenue is primarily received for child support services.

Bethany Christian Services

Notes to Consolidated Financial Statements December 31, 2015 and 2014

Note I - Nature of Activities and Significant Accounting Policies (Continued)

Service Fee Revenue - Prospective parents involved in the domestic infant and international adoption process are charged a fee for services, which consists of the home study, placement of the child, and supervision during the post-placement probationary time period. The international adoption process also includes fees charged by the Organization for acting as a liaison with the international agency. These fees are billed at the time the home study is complete. The Organization's policy is to recognize a portion of the fee as revenue at the time of home study completion and record a deferred revenue related to the remaining balance. A portion of the deferred revenue is recognized at the time of placement, with the remainder balance being recognized when the adoption is closed.

Functional Allocation of Expenses - The costs of providing the program and support services have been reported on a functional basis in the statement of activities and changes in net assets. Indirect costs have been allocated between the various programs and support services based on estimates, as determined by management. Although the methods of allocation used are considered reasonable, other methods could be used that would produce a different amount.

Federal Income Taxes - The Organization is exempt from income tax under provisions of Internal Revenue Code Section 501(c)(3).

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Organization and recognize a tax liability if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS or other applicable taxing authorities. Management has analyzed the tax positions taken by the Organization and has concluded that as of December 31, 2015 and 2014, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the consolidated financial statements. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

Advertising - Advertising costs are expensed as incurred and amounted to \$2,110,534 and \$2,025,727 in 2015 and 2014, respectively.

Bethany Christian Services

Notes to Consolidated Financial Statements December 31, 2015 and 2014

Note 1 - Nature of Activities and Significant Accounting Policies (Continued)

Revenue Recognition - In May 2014, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which will supersede the current revenue recognition requirements in Topic 605, *Revenue Recognition*. 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 new guidance will be effective for the Organization's year ending December 31, 2019. The ASU permits application of the new revenue recognition guidance to be applied using one of two retrospective application methods. The Organization has not yet determined which application method it will use or the potential effects of the new standard on the consolidated financial statements, if any.

Lease Recognition - In February 2016, the Financial Accounting Standards Board issued ASU 2016-02, *Leases*, which will supersede the current lease requirements in 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 consolidated statement of financial position. The reporting of lease-related expenses in the consolidated statements of activities and changes in net assets and cash flows will be generally consistent with the current guidance. The lease new guidance will be effective for the Company's year ending December 31, 2020 and will be applied using a modified retrospective transition method to the beginning of the earliest period presented. The effect of applying the new lease guidance on the consolidated financial statements has not yet been determined.

Reclassification - Certain reclassifications were made to amounts in the 2014 consolidated financial statements conform to the classifications used in 2015.

Subsequent Events - The consolidated financial statements and related disclosures include evaluation of events up through and including March 22, 2016, which is the date the consolidated financial statements were available to be issued.

Bethany Christian Services

Notes to Consolidated Financial Statements December 31, 2015 and 2014

Note 2 - Investments

Investments consisted of the following at December 31:

	<u>2015</u>	<u>2014</u>
Mutual funds	\$ 22,433,691	\$ 23,266,441
Pooled funds	347,140	390,898
Exchange traded funds	<u>5,921,720</u>	<u>6,048,223</u>
Subtotal	28,702,551	29,705,562
Investment in unconsolidated affiliate	<u>585,351</u>	<u>607,351</u>
Total	<u>\$ 29,287,902</u>	<u>\$ 30,312,913</u>

Investment income consists of the following:

	<u>2015</u>	<u>2014</u>
Interest and dividends	\$ 947,846	\$ 1,028,190
Realized and unrealized gains	<u>(1,208,609)</u>	<u>30,959</u>
Total	<u>\$ (260,763)</u>	<u>\$ 1,059,149</u>

During 2005, the Organization purchased a 40 percent minority interest in a limited liability company for \$802,060. This investment is accounted for using the equity method of accounting. The Organization recognized income of approximately \$42,000 and \$54,400 and received a distribution of \$64,000 for each of the years ended December 31, 2015 and 2014. The Organization is the sole tenant of the real estate limited liability company and has incurred lease expenses of \$164,928 in 2015 and 2014 related to an operating lease entered into in conjunction with the investment.

Note 3 - Property and Equipment

The cost of property and equipment is summarized as follows:

	<u>2015</u>	<u>2014</u>
Land	\$ 1,440,054	\$ 1,336,676
Land improvements	1,450,028	1,280,033
Buildings and improvements	18,042,518	17,952,824
Transportation equipment	528,989	383,974
Furniture and fixtures	6,646,760	6,791,599
Construction in progress	<u>238,334</u>	<u>186,904</u>
Total cost	28,346,683	27,932,010
Accumulated depreciation	<u>(13,194,457)</u>	<u>(13,123,341)</u>
Net carrying amount	<u>\$ 15,152,226</u>	<u>\$ 14,808,669</u>

Bethany Christian Services

Notes to Consolidated Financial Statements December 31, 2015 and 2014

Note 3 - Property and Equipment (Continued)

Depreciation expense was \$1,024,250 for 2015 and \$1,055,403 for 2014.

As of December 31, 2015, the Organization has no significant commitments related to capital improvements.

Note 4 - 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 2000 Table for Males & Females) and the interest rate (discount rate), the applicable federal mid-term rate for U.S. Treasury bills, in effect at the time of the gift. At December 31, 2015 and 2014, the Organization recorded \$303,613 and \$323,259, respectively, in annuities payable relating to such program.

Note 5 - Operating Leases

The Organization leases office space and certain equipment and vehicles under operating lease agreements that expire through 2020. The following is a schedule of future minimum rental payments for the years ending December 31:

2016	\$ 2,687,844
2017	2,057,280
2018	1,546,499
2019	1,069,306
2020	<u>602,606</u>
Total	<u>\$ 7,963,535</u>

Total rent expense on these leases for 2015 and 2014 was \$2,591,840 and \$2,468,570, respectively.

Note 6 - Debt

The Organization has a \$3,000,000 line of credit available from a bank. There were outstanding borrowings of \$1,200,000 at December 31, 2015. There were no outstanding amounts at December 31, 2014. The line of credit bears interest at LIBOR, plus 1.7 percent (an effective rate of 1.94 percent at December 31, 2015). The line of credit is collateralized by the Organization's brokerage accounts and expires on May 31, 2016.

Bethany Christian Services

Notes to Consolidated Financial Statements December 31, 2015 and 2014

Note 6 - Debt (Continued)

As of December 31, 2015 and 2014, the Organization had outstanding notes payable as follows:

	<u>2015</u>	<u>2014</u>
Thrift store mortgage, payable in monthly installments of \$1,919, increasing to \$2,058 in 2017, including interest of LIBOR plus 2.05 percent (an effective rate of 2.29 and 2.20 percent at December 31, 2015 and 2014, respectively). The loan matures on March 20, 2018 and is collateralized by the thrift store building	\$ 355,025	\$ 377,855
Term loan payable in monthly installments of \$49,523, increasing to \$53,000 in 2017, including interest of LIBOR plus 1.7 percent (an effective rate of 1.94 and 1.85 percent at December 31, 2015 and 2014, respectively). The loan matures on July 20, 2018 and the note is collateralized by all investment assets held by Charles Schwab	3,872,681	4,705,453
Barnabas Foundation note payable with principal payable upon the termination of the loan and interest due quarterly. Interest is a fixed rate of LIBOR plus 1 percent (an effective rate of 1.24 and 1.15 percent at December 31, 2015 and 2014, respectively). The loan matures on June 21, 2018 and is unsecured	1,500,000	1,500,000
Girls Group Home mortgage payable in monthly principal installments of \$1,646 plus interest of LIBOR plus 2.65 percent (an effective rate of 2.89 percent at December 31, 2015). The loan matures on February 28, 2020 and is collateralized by the property	279,792	-
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 secured by the housing units associated with the loan	<u>720,000</u>	<u>720,000</u>
Total	6,727,498	7,303,308
Less current portion	<u>646,216</u>	<u>605,602</u>
Long-term portion	<u>\$ 6,081,282</u>	<u>\$ 6,697,706</u>

Bethany Christian Services

Notes to Consolidated Financial Statements December 31, 2015 and 2014

Note 6 - Debt (Continued)

The debt service requirements are as follows:

<u>Years Ending December 31</u>	<u>Principal</u>
2016	\$ 646,216
2017	667,879
2018	4,472,861
2019	19,750
2020	19,750
Thereafter	<u>901,042</u>
Total	<u>\$ 6,727,498</u>

Interest expense for the line of credit and long-term debt totaled \$132,718 and \$142,560 for 2015 and 2014, respectively.

The Organization is required to meet quarterly debt covenants that include liquidity and minimum net asset ratio requirements in relation to the term loan payable and line of credit.

Note 7 - Employee Benefit Plans

403(b) Retirement 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

Bethany Christian Services

Notes to Consolidated Financial Statements December 31, 2015 and 2014

Note 7 - Employee Benefit Plans (Continued)

In addition, the Organization can make a discretionary contribution of 2 percent of salary for each participant employed at the end of the year, with at least two years of service, and who has worked at least 1,000 hours during the year. The discretionary contribution was made for 2015 and 2014.

The Organization made contributions of \$1,634,891 and \$1,483,752 to the plan for the years ended December 31, 2015 and 2014, respectively.

Note 8 - 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, 2015 and 2014 and the valuation techniques used by the Organization to determine those fair values.

In general, 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.

Bethany Christian Services

Notes to Consolidated Financial Statements December 31, 2015 and 2014

Note 8 - Fair Value Measurements (Continued)

Assets Measured at Fair Value on a Recurring Basis at December 31, 2015

	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, 2015
Investments:				
Mutual funds - Domestic stock	\$ 6,462,673	\$ -	\$ -	\$ 6,462,673
Mutual funds - Foreign stock	4,276,458	-	-	4,276,458
Mutual funds - Bonds	11,151,475	-	-	11,151,475
Mutual funds - Real estate	543,085	-	-	543,085
Exchange traded funds - Domestic stock	3,071,531	-	-	3,071,531
Exchange traded funds - Foreign stock	1,567,944	-	-	1,567,944
Exchange traded funds - Real estate	985,377	-	-	985,377
Exchange traded funds - Bonds	296,868	-	-	296,868
Pooled funds - Balanced	-	97,188	-	97,188
Pooled funds - Domestic stock	-	51,747	11,988	63,735
Pooled funds - Foreign equity	-	77,044	-	77,044
Pooled funds - Global allocation	-	25,571	-	25,571
Pooled funds - Bonds	-	59,117	-	59,117
Pooled funds - Alternatives	-	-	24,485	24,485
Total investments	<u>\$ 28,355,411</u>	<u>\$ 310,667</u>	<u>\$ 36,473</u>	<u>\$ 28,702,551</u>

Assets Measured at Fair Value on a Recurring Basis at December 31, 2014

	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, 2014
Investments:				
Mutual funds - Domestic stocks	\$ 6,807,576	\$ -	\$ -	\$ 6,807,576
Mutual funds - Foreign stock	4,434,624	-	-	4,434,624
Mutual funds - Bonds	11,311,868	-	-	11,311,868
Mutual funds - Real estate	712,373	-	-	712,373
Exchange traded funds - Domestic stock	3,281,018	-	-	3,281,018
Exchange traded funds - Foreign stock	1,594,937	-	-	1,594,937
Exchange traded funds - Real estate	874,108	-	-	874,108
Exchange traded funds - Bonds	298,160	-	-	298,160
Pooled funds - Domestic stocks	-	107,412	-	107,412
Pooled funds - REIT	-	60,786	14,761	75,547
Pooled funds - Bonds	-	83,846	-	83,846
Pooled funds - Global allocation	-	28,438	-	28,438
Pooled funds - Bonds	-	67,424	-	67,424
Pooled funds - Alternatives	-	-	28,231	28,231
Total investments	<u>\$ 29,314,664</u>	<u>\$ 347,906</u>	<u>\$ 42,992</u>	<u>\$ 29,705,562</u>

Bethany Christian Services

Notes to Consolidated Financial Statements December 31, 2015 and 2014

Note 8 - Fair Value Measurements (Continued)

The fair value of pooled funds, corporate bonds, and U.S. Treasury and U.S. agency notes at December 31, 2015 and 2014 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 between levels of the fair value hierarchy as of the end of the reporting period. For the years ended December 31, 2015 and 2014, there were no transfers between levels of the fair value hierarchy.

Note 9 - 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 trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The board of directors of the Organization has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the Organization and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Organization
- (7) The investment policies of the Organization

Bethany Christian Services

Notes to Consolidated Financial Statements December 31, 2015 and 2014

Note 9 - Donor-restricted and Board-designated Endowments (Continued)

Endowment Net Asset Composition by Type of Fund as of December 31, 2015

	Unrestricted - Board- designated	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	\$ -	\$ 427,923	\$ 172,674	\$ 600,597
Board-designated endowment funds	17,222,314	-	-	17,222,314
Total funds	<u>\$ 17,222,314</u>	<u>\$ 427,923</u>	<u>\$ 172,674</u>	<u>\$ 17,822,911</u>

Changes in Endowment Net Assets for the Fiscal Year Ended December 31, 2015

	Unrestricted - Board- designated	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets - Beginning of year	\$ 17,860,092	\$ 480,338	\$ 265,402	\$ 18,605,832
Investment return:				
Investment income	614,229	-	-	614,229
Net depreciation (realized and unrealized)	(873,539)	(11,378)	(318)	(885,235)
Total investment return	(259,310)	(11,378)	(318)	(271,006)
Contributions	416,546	-	7,590	424,136
Appropriation of endowment assets for expenditure	(823,214)	(41,037)	-	(864,251)
Net assets reclassified - Permanently restricted released from restriction	100,000	-	(100,000)	-
Other changes - Transfers from unrestricted - Undesignated net assets	(71,800)	-	-	(71,800)
Endowment net assets - End of year	<u>\$ 17,222,314</u>	<u>\$ 427,923</u>	<u>\$ 172,674</u>	<u>\$ 17,822,911</u>

Endowment Net Asset Composition by Type of Fund as of December 31, 2014

	Unrestricted - Board- designated	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	\$ -	\$ 480,338	\$ 265,402	\$ 745,740
Board-designated endowment funds	17,860,092	-	-	17,860,092
Total funds	<u>\$ 17,860,092</u>	<u>\$ 480,338</u>	<u>\$ 265,402</u>	<u>\$ 18,605,832</u>

Bethany Christian Services

Notes to Consolidated Financial Statements December 31, 2015 and 2014

Note 9 - Donor-restricted and Board-designated Endowments (Continued)

Changes in Endowment Net Assets for the Fiscal Year Ended December 31, 2014

	Unrestricted - Board- designated	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets - Beginning of year	\$ 17,678,689	\$ 575,200	\$ 262,714	\$ 18,516,603
Investment return:				
Investment income	635,580	20,616	713	656,909
Net depreciation	(18,975)	-	-	(18,975)
Total investment return	616,605	20,616	713	637,934
Contributions	-	-	1,975	1,975
Appropriation of endowment assets for expenditure	(765,322)	(115,478)	-	(880,800)
Other changes - Transfers from unrestricted - Undesignated net assets	330,120	-	-	330,120
Endowment net assets - End of year	\$ 17,860,092	\$ 480,338	\$ 265,402	\$ 18,605,832

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.

Bethany Christian Services

Notes to Consolidated Financial Statements December 31, 2015 and 2014

Note 9 - Donor-restricted and Board-designated Endowments (Continued)

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 return on its endowment. Accordingly, over the long term, the Organization expects the current spending policy to allow its endowment to grow at an average of 3 percent annually. This is consistent with the Organization's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

Additional Information

Independent Auditor's Report on Additional Information

To the Board of Directors
Bethany Christian Services

We have audited the consolidated financial statements of Bethany Christian Services as of and for the year ended December 31, 2015, and have issued our report thereon dated March 22, 2016, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statements of financial position, 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, results of operations, 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Plante & Moran, PLLC

March 22, 2015

Bethany Christian Services

Consolidating Statement of Financial Position December 31, 2015

	Total	Arkansas	Northern California	Southern California	Colorado	Florida	Gulf Coast
Assets							
Current Assets:							
Cash and cash equivalents	\$ 2,990,483	\$ 2,550	\$ (86,571)	\$ 3,617	\$ 5,133	\$ 4,670	\$ (191,668)
Investments	28,702,551	1,103,824	-	485,351	203,333	82,122	-
Receivables - Net	12,052,980	3,950	58,308	93,888	117,655	279,573	38,908
Prepaid expenses and other:							
Prepaid expenses	1,141,724	1,095	4,085	6,136	5,739	1,790	286
Deposits	290,091	-	2,139	5,371	1,600	-	-
Total current assets	45,177,829	1,111,419	(22,039)	594,363	333,460	368,155	(152,474)
Property and equipment:							
Land and land improvements	2,890,082	-	-	-	-	-	-
Buildings and improvements	18,042,518	-	70,623	-	-	-	-
Furniture and fixtures	6,646,760	-	117,400	6,847	-	5,176	3,805
Transportation equipment	528,989	-	45,460	-	-	-	-
Construction in progress	238,334	-	-	-	-	-	-
Total property and equipment	28,346,683	-	233,483	6,847	-	5,176	3,805
Less accumulated depreciation	(13,194,457)	-	(172,685)	(3,328)	-	(2,804)	(254)
Net property and equipment	15,152,226	-	60,798	3,519	-	2,372	3,551
Investment in unconsolidated affiliate	585,351	-	-	-	-	-	-
Total assets	\$ 60,915,406	\$ 1,111,419	\$ 38,759	\$ 597,882	\$ 333,460	\$ 370,527	\$ (148,923)
Liabilities and Net Assets (Deficit)							
Liabilities							
Current liabilities:							
Accounts payable and accrued expenses	\$ 2,499,264	\$ 42,537	\$ 832	\$ 2,107	\$ 5,154	\$ 11,460	\$ 4,918
Bank line of credit	1,200,000	-	-	-	-	-	-
Current portion of long-term debt	646,216	-	-	-	-	-	-
Deferred revenue	2,472,916	30,106	48,196	37,186	37,495	46,608	18,957
Accrued employee compensation and benefits	5,075,480	30,651	61,478	41,967	44,151	53,808	13,790
Total current liabilities	11,893,876	103,294	110,506	81,260	86,800	111,876	37,665
Annuities payable	303,613	-	-	-	-	-	-
Other long-term liabilities:							
Long-term note payable - Net of current maturities	6,081,282	-	-	-	-	-	-
Intercompany obligation	-	13,928	37,330	28,852	29,015	7,776	-
Total long-term liabilities	6,384,895	13,928	37,330	28,852	29,015	7,776	-
Total liabilities	18,278,771	117,222	147,836	110,112	115,815	119,652	37,665
Net Assets (Deficit) - Beginning of year	41,233,928	872,618	(30,140)	360,694	230,374	185,386	(161,857)
Change in Net Assets	1,402,707	121,579	(78,937)	127,076	(12,729)	65,489	(24,731)
Net Assets (Deficit) - End of year	42,636,635	994,197	(109,077)	487,770	217,645	250,875	(186,588)
Total Liabilities and Net Assets (Deficit)	\$ 60,915,406	\$ 1,111,419	\$ 38,759	\$ 597,882	\$ 333,460	\$ 370,527	\$ (148,923)

Bethany Christian Services

Consolidating Statement of Financial Position (Continued)

December 31, 2015

	Georgia	Illinois	Central Indiana	Northwest Iowa	South Central Iowa	Maryland	Michigan
Assets							
Current Assets:							
Cash and cash equivalents	\$ 15,100	\$ (203,795)	\$ 11,600	\$ (75,693)	\$ 3,100	\$ 2,100	\$ 128,824
Investments	190,441	-	71,842	-	446,742	79,521	4,380,243
Receivables - Net	977,674	54,572	387,705	3,079	28,680	191,698	5,830,977
Prepaid expenses and other:							
Prepaid expenses	16,763	1,900	4,903	2,465	3,197	10,536	142,832
Deposits	800	1,650	13,943	-	1,000	8,411	21,082
Total current assets	1,200,778	(145,673)	489,993	(70,149)	482,719	292,266	10,503,958
Property and equipment:							
Land and land improvements	-	-	-	-	-	-	-
Buildings and improvements	111,800	-	-	-	19,356	19,670	570,520
Furniture and fixtures	47,349	32,954	11,240	11,605	-	20,960	1,771,468
Transportation equipment	164,202	-	-	-	-	-	310,109
Construction in progress	34,170	-	-	-	-	-	4,843
Total property and equipment	357,521	32,954	11,240	11,605	19,356	40,630	2,656,940
Less accumulated depreciation	(112,145)	(25,417)	(9,054)	(11,605)	(19,356)	(17,518)	(1,652,143)
Net property and equipment	245,376	7,537	2,186	-	-	23,112	1,004,797
Investment in unconsolidated affiliate	585,351	-	-	-	-	-	-
Total assets	<u>\$ 2,031,505</u>	<u>\$ (138,136)</u>	<u>\$ 492,179</u>	<u>\$ (70,149)</u>	<u>\$ 482,719</u>	<u>\$ 315,378</u>	<u>\$ 11,508,755</u>
Liabilities and Net Assets (Deficit)							
Liabilities							
Current liabilities:							
Accounts payable and accrued expenses	\$ 7,066	\$ 12,636	\$ 29,805	\$ 255	\$ 8,303	\$ (87)	\$ 49,991
Bank line of credit	-	-	-	-	-	-	-
Current portion of long-term debt	-	-	-	-	-	-	-
Deferred revenue	89,893	44,850	112,849	31,557	30,537	71,500	96,400
Accrued employee compensation and benefits	223,794	55,259	107,152	33,439	32,954	55,292	2,048,501
Total current liabilities	320,753	112,745	249,806	65,251	71,794	126,705	2,194,892
Annuities payable	-	-	-	-	-	-	-
Other long-term liabilities:							
Long-term note payable - Net of current maturities	-	-	-	-	-	-	-
Intercompany obligation	97,199	48,486	41,196	22,153	18,172	22,322	667,905
Total long-term liabilities	97,199	48,486	41,196	22,153	18,172	22,322	667,905
Total liabilities	417,952	161,231	291,002	87,404	89,966	149,027	2,862,797
Net Assets (Deficit) - Beginning of year	1,480,718	(368,320)	168,314	(241,381)	491,869	156,687	7,462,829
Change in Net Assets	132,835	68,953	32,863	83,828	(99,116)	9,664	1,183,129
Net Assets (Deficit) - End of year	1,613,553	(299,367)	201,177	(157,553)	392,753	166,351	8,645,958
Total Liabilities and Net Assets (Deficit)	<u>\$ 2,031,505</u>	<u>\$ (138,136)</u>	<u>\$ 492,179</u>	<u>\$ (70,149)</u>	<u>\$ 482,719</u>	<u>\$ 315,378</u>	<u>\$ 11,508,755</u>

Bethany Christian Services

Consolidating Statement of Financial Position (Continued) December 31, 2015

Assets	Minnesota	Mississippi	Missouri	New England	New Jersey	North Carolina	Central Pennsylvania
Current Assets:							
Cash and cash equivalents	\$ (554,540)	\$ 7,837	\$ 3,580	\$ 4,300	\$ (28,596)	\$ 8,500	\$ (317,486)
Investments	-	656,301	292,647	150,129	-	499,071	-
Receivables - Net	225,987	4,500	35,387	68,859	102,096	25,943	1,208,852
Prepaid expenses and other:							
Prepaid expenses	5,699	3,328	4,463	100	9,997	4,815	11,450
Deposits	434	-	2,963	-	1,357	5,844	5,845
Total current assets	(322,420)	671,966	339,040	223,388	84,854	544,173	908,661
Property and equipment:							
Land and land improvements	-	-	-	-	-	-	-
Buildings and improvements	-	-	-	-	-	-	12,334
Furniture and fixtures	14,939	14,197	77,431	6,624	18,212	11,939	25,000
Transportation equipment	-	-	-	-	-	-	-
Construction in progress	-	-	-	-	-	-	-
Total property and equipment	14,939	14,197	77,431	6,624	18,212	11,939	37,334
Less accumulated depreciation	(1,801)	(12,151)	(5,807)	(2,116)	(16,926)	(11,939)	(36,580)
Net property and equipment	13,138	2,046	71,624	4,508	1,286	-	754
Investment in unconsolidated affiliate	-	-	-	-	-	-	-
Total assets	\$ (309,282)	\$ 674,012	\$ 410,664	\$ 227,896	\$ 86,140	\$ 544,173	\$ 909,415
Liabilities and Net Assets (Deficit)							
Liabilities							
Current liabilities:							
Accounts payable and accrued expenses	\$ 972	\$ 5,944	\$ 8,406	\$ 17,038	\$ 2,079	\$ (5,840)	\$ 24,728
Bank line of credit	-	-	-	-	-	-	-
Current portion of long-term debt	-	-	-	-	-	-	-
Deferred revenue	27,346	19,268	43,095	92,462	55,616	50,313	48,496
Accrued employee compensation and benefits	44,504	47,976	33,449	72,623	65,411	35,090	150,104
Total current liabilities	72,822	73,188	84,950	182,123	123,106	79,563	223,328
Annuities payable	-	-	-	-	-	-	-
Other long-term liabilities:							
Long-term note payable - Net of current maturities	-	-	-	-	-	-	-
Intercompany obligation	14,577	20,850	15,184	15,694	18,549	19,708	22,991
Total long-term liabilities	14,577	20,850	15,184	15,694	18,549	19,708	22,991
Total liabilities	87,399	94,038	100,134	197,817	141,655	99,271	246,319
Net Assets (Deficit) - Beginning of year	(267,937)	534,188	303,363	(121,115)	(132,070)	529,011	508,788
Change in Net Assets	(128,744)	45,786	7,167	151,194	76,555	(84,109)	154,308
Net Assets (Deficit) - End of year	(396,681)	579,974	310,530	30,079	(55,515)	444,902	663,096
Total Liabilities and Net Assets (Deficit)	\$ (309,282)	\$ 674,012	\$ 410,664	\$ 227,896	\$ 86,140	\$ 544,173	\$ 909,415

Bethany Christian Services

Consolidating Statement of Financial Position (Continued) December 31, 2015

	Greater Delaware Valley	Western Pennsylvania	South Carolina	Eastern South Dakota	Western South Dakota	Greater Chattanooga	East Tennessee	Middle Tennessee
Assets								
Current Assets:								
Cash and cash equivalents	\$ (142,722)	\$ (494,436)	\$ 4,000	\$ 3,050	\$ 2,500	\$ (261,811)	\$ 4,000	\$ (630,554)
Investments	-	-	465,463	199,457	244,815	-	472,976	-
Receivables - Net	834,923	300,900	50,147	59,649	63,125	61,963	12,368	50,243
Prepaid expenses and other:								
Prepaid expenses	1,631	4,895	4,375	1,750	-	2,627	3,135	2,519
Deposits	850	1,000	800	-	-	2,550	2,000	2,466
Total current assets	694,682	(187,641)	524,785	263,906	310,440	(194,671)	494,479	(575,326)
Property and equipment:								
Land and land improvements	-	-	-	-	-	-	-	-
Buildings and improvements	20,695	-	-	-	-	34,847	-	-
Furniture and fixtures	90,501	23,528	7,384	-	4,115	-	12,474	12,009
Transportation equipment	-	-	-	-	-	9,218	-	-
Construction in progress	-	-	-	-	-	-	-	-
Total property and equipment	111,196	23,528	7,384	-	4,115	44,065	12,474	12,009
Less accumulated depreciation	(76,383)	(19,814)	(7,384)	-	(3,601)	(15,794)	(10,109)	(3,399)
Net property and equipment	34,813	3,714	-	-	514	28,271	2,365	8,610
Investment in unconsolidated affiliate	-	-	-	-	-	-	-	-
Total assets	\$ 729,495	\$ (183,927)	\$ 524,785	\$ 263,906	\$ 310,954	\$ (166,400)	\$ 496,844	\$ (566,716)
Liabilities and Net Assets (Deficit)								
Liabilities								
Current liabilities:								
Accounts payable and accrued expenses	\$ 17,875	\$ 30	\$ (3,462)	\$ 6,691	\$ 196	\$ 2,378	\$ 13,737	\$ 577
Bank line of credit	-	-	-	-	-	-	-	-
Current portion of long-term debt	-	-	-	-	-	-	-	-
Deferred revenue	69,715	41,500	97,411	19,224	18,467	24,000	79,860	40,402
Accrued employee compensation and benefits	123,315	50,429	61,260	11,060	27,413	20,140	29,158	22,504
Total current liabilities	210,905	91,959	155,209	36,975	46,076	46,518	122,755	63,483
Annuities payable	-	-	-	-	-	-	-	-
Other long-term liabilities:								
Long-term note payable - Net of current maturities	-	-	-	-	-	-	-	-
Intercompany obligation	90,360	14,633	32,625	5,733	4,087	12,616	9,962	9,776
Total long-term liabilities	90,360	14,633	32,625	5,733	4,087	12,616	9,962	9,776
Total liabilities	301,265	106,592	187,834	42,708	50,163	59,134	132,717	73,259
Net Assets (Deficit) - Beginning of year	(68,985)	(148,665)	187,901	108,452	212,744	(198,988)	150,270	(713,556)
Change in Net Assets	497,215	(141,854)	149,050	112,746	48,047	(26,546)	213,857	73,581
Net Assets (Deficit) - End of year	428,230	(290,519)	336,951	221,198	260,791	(225,534)	364,127	(639,975)
Total Liabilities and Net Assets (Deficit)	\$ 729,495	\$ (183,927)	\$ 524,785	\$ 263,906	\$ 310,954	\$ (166,400)	\$ 496,844	\$ (566,716)

Bethany Christian Services

Consolidating Statement of Financial Position (Continued) December 31, 2015

	West Tennessee	Virginia	Washington	Wisconsin	Bethany Christian Services Global LLC	Bethany's Thrift Store	Corporate	Bethany Christian Foundation LLC
Assets								
Current Assets:								
Cash and cash equivalents	\$ (520,532)	\$ (161,840)	\$ (1,106,929)	\$ 3,625	\$ 3,250	\$ (48,097)	\$ 7,529,588	\$ 64,829
Investments	-	-	-	77,501	1,867,386	-	(1,024,695)	17,758,081
Receivables - Net	62,951	158,421	261,050	122,905	373,719	-	(97,675)	-
Prepaid expenses and other:								
Prepaid expenses	4,021	8,246	6,818	4,917	23,333	11,899	819,979	-
Deposits	3,454	8,821	5,568	3,403	-	-	186,740	-
Total current assets	(450,106)	13,648	(833,493)	212,351	2,267,688	(36,198)	7,413,937	17,822,910
Property and equipment:								
Land and land improvements	-	-	-	-	-	-	2,890,082	-
Buildings and improvements	-	6,435	14,670	-	-	30,203	17,131,365	-
Furniture and fixtures	17,804	12,768	48,678	38,041	231,073	42,410	3,908,829	-
Transportation equipment	-	-	-	-	-	-	-	-
Construction in progress	-	-	-	-	-	-	199,321	-
Total property and equipment	17,804	19,203	63,348	38,041	231,073	72,613	24,129,597	-
Less accumulated depreciation	(9,629)	(14,745)	(56,838)	(28,033)	(210,069)	(17,190)	(10,607,840)	-
Net property and equipment	8,175	4,458	6,510	10,008	21,004	55,423	13,521,757	-
Investment in unconsolidated affiliate	-	-	-	-	-	-	-	-
Total assets	\$ (441,931)	\$ 18,106	\$ (826,983)	\$ 222,359	\$ 2,288,692	\$ 19,225	\$ 20,935,694	\$ 17,822,910
Liabilities and Net Assets (Deficit)								
Liabilities								
Current liabilities:								
Accounts payable and accrued expenses	\$ 247	\$ 1,485	\$ 87	\$ 5,948	\$ 602,404	\$ 2,355	\$ 1,620,412	\$ -
Bank line of credit	-	-	-	-	-	-	1,200,000	-
Current portion of long-term debt	-	-	-	-	-	-	646,216	-
Deferred revenue	9,360	112,256	69,348	89,271	760,158	-	9,214	-
Accrued employee compensation and benefits	19,661	58,747	52,330	63,580	84,998	9,441	1,190,051	-
Total current liabilities	29,268	172,488	121,765	158,799	1,447,560	11,796	4,665,893	-
Annuities payable	-	-	-	-	-	-	303,613	-
Other long-term liabilities:								
Long-term note payable - Net of current maturities	-	-	-	-	-	-	6,081,282	-
Intercompany obligation	18,106	47,781	43,755	36,314	69,589	-	(1,557,224)	-
Total long-term liabilities	18,106	47,781	43,755	36,314	69,589	-	4,827,671	-
Total liabilities	47,374	220,269	165,520	195,113	1,517,149	11,796	9,493,564	-
Net Assets (Deficit) - Beginning of year	(389,398)	(162,018)	(1,060,886)	(12,491)	706,059	(12,676)	12,068,314	18,605,832
Change in Net Assets	(99,907)	(40,145)	68,383	39,737	65,484	20,105	(626,184)	(782,922)
Net Assets (Deficit) - End of year	(489,305)	(202,163)	(992,503)	27,246	771,543	7,429	11,442,130	17,822,910
Total Liabilities and Net Assets (Deficit)	\$ (441,931)	\$ 18,106	\$ (826,983)	\$ 222,359	\$ 2,288,692	\$ 19,225	\$ 20,935,694	\$ 17,822,910

Bethany Christian Services

Consolidating Statement of Activities Year Ended December 31, 2015

	Total	Arkansas	Northern California	Southern California	Colorado	Florida	Gulf Coast
Operating Revenue and Other Support							
Contributions	\$16,360,697	\$ 237,975	\$1,067,838	\$ 346,649	\$ 93,849	\$ 162,001	\$ 85,772
Child support	58,009,703	-	-	-	872,808	358,689	-
Service fees	22,657,150	378,467	347,514	454,668	353,992	773,441	240,737
Investments and other	649,932	7,937	(934)	14,691	20,625	65,669	21,300
Total operating revenue and other support	97,677,482	624,379	1,414,418	816,008	1,341,274	1,359,800	347,809
Operating Expenses							
Salaries	42,700,247	198,612	680,777	264,674	395,326	497,492	145,631
Fringes	9,256,111	52,379	131,316	48,132	65,467	75,946	50,342
Taxes	3,127,330	14,553	50,124	19,053	29,416	37,082	9,780
Professional fees	4,358,020	4,683	22,995	10,216	40,319	141,865	17,101
Supplies	750,353	2,068	8,990	3,663	4,203	7,113	1,342
Telephone	1,025,468	14,442	28,282	17,689	15,766	13,284	6,585
Postage	476,139	4,408	8,596	6,736	3,459	5,571	1,728
Occupancy	4,667,031	17,564	91,139	76,876	48,623	29,256	22,625
Printing	392,581	2,964	7,089	3,558	3,214	5,491	2,034
Information technology	1,146,095	5,131	12,183	8,334	10,900	11,536	6,884
Equipment and furnishings	316,964	783	5,271	525	3,116	721	-
Travel	3,424,363	15,388	35,883	14,344	39,854	88,984	11,126
Conferences and meetings	936,177	3,324	4,910	6,149	4,087	12,274	1,981
Advertising	2,110,534	9,366	8,277	45,665	25,120	23,024	8,489
Special assistance	16,167,011	43,433	62,920	34,169	521,281	105,556	24,850
Overseas contributions	1,705,935	-	-	-	-	-	-
Program development	48,617	-	500	-	136	694	-
Payment processing fees	364,967	7,280	9,731	9,286	7,485	14,049	3,546
Educational and promotional materials	279,914	1,024	551	95	25	1,570	57
Fund raising event costs	915,989	33,783	73,613	3,174	1,175	25,434	4,500
Bad debt	165,276	-	5,447	4,000	4,000	3,000	-
Miscellaneous	915,403	1,588	7,671	11,476	4,325	14,199	3,760
Depreciation	1,024,250	-	23,126	1,141	143	863	254
Support services	-	70,027	213,964	99,977	126,563	179,307	49,925
Total operating expenses	96,274,775	502,800	1,493,355	688,932	1,354,003	1,294,311	372,540
Change in Net Assets From							
Operating Activities	\$1,402,707	\$121,579	\$ (78,937)	\$127,076	\$(12,729)	\$ 65,489	\$(24,731)

Bethany Christian Services

Consolidating Statement of Activities (Continued) Year Ended December 31, 2015

	Georgia	Illinois	Central Indiana	Northwest Iowa	South Central Iowa	Maryland	Michigan
Operating Revenue and Other Support							
Contributions	\$ 565,220	\$352,265	\$ 215,261	\$ 456,969	\$ 278,347	\$ 272,312	\$ 3,482,791
Child support	5,307,484	23,471	1,241,661	37,714	3,167	402,064	43,706,186
Service fees	1,455,285	456,538	560,993	234,841	395,475	529,984	3,692,049
Investments and other	112,174	2,880	15,364	2,230	40,765	7,567	632,221
Total operating revenue and other support	7,440,163	835,154	2,033,279	731,754	717,754	1,211,927	51,513,247
Operating Expenses							
Salaries	2,488,722	325,627	788,916	309,602	313,396	546,517	19,857,513
Fringes	450,542	84,218	160,917	66,032	88,389	67,510	4,759,313
Taxes	183,620	23,671	57,526	22,775	22,054	40,685	1,458,763
Professional fees	575,038	5,453	16,036	6,972	34,054	12,882	645,825
Supplies	32,267	4,451	4,591	2,222	1,234	5,447	442,979
Telephone	72,469	6,364	25,874	11,403	16,562	21,172	402,983
Postage	25,447	4,649	6,302	3,738	2,480	4,281	73,718
Occupancy	310,766	26,009	85,670	31,357	42,091	134,875	2,211,525
Printing	18,796	5,310	9,713	7,423	2,174	5,112	80,451
Information technology	80,717	5,059	27,899	7,738	3,649	6,117	535,805
Equipment and furnishings	8,523	4,445	370	823	229	1,340	212,493
Travel	156,045	32,774	82,698	27,566	22,615	40,802	1,474,527
Conferences and meetings	264,717	2,480	1,454	2,218	2,805	9,544	240,144
Advertising	154,712	23,249	39,457	12,243	9,925	62,695	492,677
Special assistance	1,476,377	74,624	415,237	15,120	127,487	22,446	10,818,132
Overseas contributions	-	-	-	-	-	-	2,000
Program development	6,100	-	-	250	32	-	13,182
Payment processing fees	8,180	7,433	14,509	4,036	8,891	10,370	41,700
Educational and promotional materials	13,955	689	71	445	158	156	46,488
Fund raising event costs	46,503	14,693	6,756	10,998	14,256	18,968	166,210
Bad debt	28,876	(300)	2,687	3,158	(2,165)	-	12,710
Miscellaneous	17,716	5,885	10,563	4,808	1,690	3,088	131,446
Depreciation	12,224	2,412	1,956	-	-	9,121	222,483
Support services	875,016	107,006	241,214	96,999	104,864	179,135	5,987,051
Total operating expenses	7,307,328	766,201	2,000,416	647,926	816,870	1,202,263	50,330,118
Change in Net Assets From							
Operating Activities	\$132,835	\$ 68,953	\$ 32,863	\$ 83,828	\$ (99,116)	\$ 9,664	\$1,183,129

Bethany Christian Services

Consolidating Statement of Activities (Continued) Year Ended December 31, 2015

	Minnesota	Mississippi	Missouri	New England	New Jersey	North Carolina	Central Pennsylvania
Operating Revenue and Other Support							
Contributions	\$ 251,624	\$ 579,744	\$ 142,931	\$ 533,529	\$ 266,755	\$ 148,307	\$ 376,176
Child support	409,662	8,500	158,841	192,580	138,264	74,716	1,832,099
Service fees	271,631	230,531	561,844	522,296	907,110	630,327	1,204,684
Investments and other	(4,726)	16,770	4,230	24,561	(3,765)	22,495	49,392
Total operating revenue and other support	928,191	835,545	867,846	1,272,966	1,308,364	875,845	3,462,351
Operating Expenses							
Salaries	421,498	326,601	353,882	521,483	620,659	381,574	1,411,805
Fringes	38,736	88,659	72,220	98,478	87,407	105,400	278,523
Taxes	32,339	23,597	26,317	38,512	46,156	27,603	104,885
Professional fees	9,695	6,184	3,045	25,531	16,869	35,254	33,919
Supplies	4,212	2,391	8,366	5,795	9,511	2,816	25,130
Telephone	13,457	11,619	12,272	21,281	20,808	15,728	38,216
Postage	4,787	4,508	4,668	4,114	7,001	4,715	10,627
Occupancy	74,594	50,956	56,043	30,441	65,629	70,631	150,355
Printing	7,653	5,339	8,315	7,683	4,363	3,743	12,278
Information technology	13,428	9,695	8,854	10,377	10,580	10,034	39,122
Equipment and furnishings	2,582	1,104	1,204	539	846	1,143	8,096
Travel	33,318	15,408	33,560	65,115	40,434	29,286	86,774
Conferences and meetings	5,498	3,526	11,040	8,280	1,620	3,509	12,661
Advertising	13,878	41,756	40,157	23,272	36,940	29,238	62,662
Special assistance	194,774	25,128	68,086	36,902	44,591	54,552	557,308
Overseas contributions	-	-	-	-	-	-	-
Program development	-	153	465	-	450	-	310
Payment processing fees	7,122	3,944	8,583	10,985	7,855	8,975	11,502
Educational and promotional materials	3,417	52	9,413	30	570	214	2,073
Fund raising event costs	23,939	51,786	(487)	37,240	23,920	27,533	31,520
Bad debt	16,893	1,550	-	-	675	-	(15)
Miscellaneous	2,581	1,243	9,158	10,517	2,396	6,886	19,677
Depreciation	1,801	910	5,807	1,104	1,286	773	2,004
Support services	130,733	113,650	119,711	164,093	181,243	140,347	408,611
Total operating expenses	1,056,935	789,759	860,679	1,121,772	1,231,809	959,954	3,308,043
Change in Net Assets From Operating Activities	\$(128,744)	\$ 45,786	\$ 7,167	\$151,194	\$ 76,555	\$(84,109)	\$ 154,308

Bethany Christian Services

Consolidating Statement of Activities (Continued) Year Ended December 31, 2015

	Greater Delaware Valley	Western Pennsylvania	South Carolina	Eastern South Dakota	Western South Dakota	Greater Chattanooga	East Tennessee	Middle Tennessee
Operating Revenue and Other Support								
Contributions	\$ 1,015,998	\$ 166,514	\$ 260,181	\$ 375,883	\$ 215,039	\$ 151,110	\$ 289,417	\$ 103,225
Child support	1,618,187	259,637	1,250	3,000	1,450	-	-	5,617
Service fees	976,599	596,589	810,748	135,763	174,026	276,549	497,705	387,334
Investments and other	(4,315)	(2,100)	1,843	741	3,400	15,746	899	319
Total operation revenue and other support	3,606,469	1,020,640	1,074,022	515,387	393,915	443,405	788,021	496,495
Operating Expenses								
Salaries	1,041,411	489,160	408,982	177,018	175,493	160,431	251,122	157,302
Fringes	218,765	65,313	102,270	40,365	10,449	48,979	32,637	27,047
Taxes	76,212	36,656	29,671	12,945	13,425	11,455	18,844	11,563
Professional fees	9,228	19,909	13,245	13,282	10,114	11,972	3,099	20,303
Supplies	16,264	13,589	2,951	2,799	3,570	5,131	4,337	5,500
Telephone	25,148	12,781	17,842	4,749	7,160	4,219	14,184	9,079
Postage	13,295	6,934	6,986	2,632	2,402	2,515	4,336	4,025
Occupancy	155,886	72,187	67,660	26,367	17,258	39,029	45,968	42,161
Printing	6,329	9,567	6,529	4,157	2,957	3,332	2,946	4,967
Information technology	27,508	20,060	9,911	5,375	2,745	3,677	10,305	4,401
Equipment and furnishings	8,777	1,268	775	375	1,092	1,535	-	1,211
Travel	52,645	61,672	21,448	11,081	11,017	14,731	19,464	17,120
Conferences and meetings	11,374	10,963	2,448	5,634	2,047	8,585	3,429	7,412
Advertising	101,080	52,192	25,196	12,815	10,259	13,987	11,302	11,333
Special assistance	816,066	87,027	53,961	3,178	5,492	27,926	40,032	8,496
Overseas contributions	-	-	-	-	-	-	-	-
Program development	-	-	100	-	-	599	1,000	45
Payment processing fees	6,994	8,407	10,146	3,231	3,882	5,156	7,238	6,351
Educational and promotional materials	1,033	1,647	703	593	493	294	665	288
Fund raising event costs	84,342	19,137	12,334	10,798	11,644	27,373	19,146	13,719
Bad debt	71,792	-	427	2,648	-	4,000	(300)	847
Miscellaneous	14,103	7,428	2,568	2,345	2,916	2,030	3,092	6,104
Depreciation	6,333	1,702	-	-	686	2,695	2,268	1,557
Support services	344,669	164,895	128,819	60,254	50,767	70,300	79,050	62,083
Total operating expenses	3,109,254	1,162,494	924,972	402,641	345,868	469,951	574,164	422,914
Change in Net Assets From Operating Activities	\$ 497,215	\$ (141,854)	\$149,050	\$ 112,746	\$ 48,047	\$ (26,546)	\$ 213,857	\$ 73,581

Bethany Christian Services

Consolidating Statement of Activities (Continued) Year Ended December 31, 2015

	West Tennessee	Virginia	Washington	Wisconsin	Bethany Christian Services Global LLC	Bethany's Thrift Store	Corporate	Bethany Christian Foundation LLC
Operating Revenue and Other Support								
Contributions	\$ 132,118	\$ 247,794	\$ 423,563	\$ 277,712	\$ 1,573,959	\$ -	\$ 859,533	\$ 352,336
Child support	136,246	482,663	342,019	391,728	-	-	-	-
Service fees	245,911	1,080,035	703,455	574,609	2,002,920	-	(7,500)	-
Investments and other	(10,488)	(9,782)	(18,129)	30,579	48,060	377,364	243,859	(1,079,510)
Total operating revenue and other support	503,787	1,800,710	1,450,908	1,274,628	3,624,939	377,364	1,095,892	(727,174)
Operating Expenses								
Salaries	258,752	723,505	460,340	568,935	815,483	143,180	6,018,826	-
Fringes	53,101	116,720	94,801	175,902	169,152	14,191	1,216,493	-
Taxes	18,777	53,825	32,168	40,916	58,716	10,954	432,692	-
Professional fees	44,081	22,916	94,101	16,244	140,214	2,973	2,216,655	55,748
Supplies	4,454	10,058	6,847	8,270	12,729	6,978	68,085	-
Telephone	5,951	31,461	18,866	13,426	11,157	1,768	61,421	-
Postage	12,672	9,986	9,579	8,554	53,998	2,491	144,201	-
Occupancy	44,948	162,773	90,297	65,930	62,207	53,046	94,289	-
Printing	2,671	12,809	7,909	6,427	5,126	333	113,819	-
Information technology	6,068	17,897	18,184	8,719	32,232	3,312	151,659	-
Equipment and furnishings	789	3,606	2,116	1,264	1,911	-	38,092	-
Travel	20,846	53,596	57,148	51,332	116,569	17,499	551,694	-
Conferences and meetings	2,985	11,483	3,391	4,058	6,270	438	253,439	-
Advertising	8,723	263,517	45,781	8,732	20,130	24,103	338,582	-
Special assistance	13,261	39,139	179,033	20,641	48,907	-	100,879	-
Overseas contributions	-	-	-	-	1,412,138	-	291,797	-
Program development	-	-	16	-	11,703	-	12,882	-
Payment processing fees	2,235	19,828	17,982	11,000	37,925	13,638	5,492	-
Educational and promotional materials	139	1,074	485	499	2,822	-	188,126	-
Fund raising event costs	5,428	3,876	35,577	28,548	786	-	27,767	-
Bad debt	1,790	500	3,058	-	-	-	(2)	-
Miscellaneous	1,730	2,844	14,454	8,127	229,138	8,742	339,109	-
Depreciation	3,009	1,066	7,311	1,481	14,231	7,858	686,645	-
Support services	91,284	278,376	183,081	185,886	295,911	45,755	(11,630,566)	-
Total operating expenses	603,694	1,840,855	1,382,525	1,234,891	3,559,455	357,259	1,722,076	55,748
Change in Net Assets From Operating Activities	\$ (99,907)	\$ (40,145)	\$ 68,383	\$ 39,737	\$ 65,484	\$ 20,105	\$ (626,184)	\$ (782,922)

Bethany Christian Services

St. Louis and St. Charles Schedule of Project Unit Cost Year Ended December 31, 2015

	Total Expenses	St. Louis County Expenses	St. Charles County Expenses
Project Expenses			
Salaries	\$ 71,017	\$ 52,430	\$ 5,858
Fringes	19,860	14,662	1,638
Outside services, contracted	381	281	31
Supplies	2,630	1,942	217
Telephone	2,322	1,714	192
Telephone, internet access	572	422	47
Printing	711	525	59
Postage	461	340	38
Rent	12,002	8,861	990
Utilities	4,013	2,963	331
Advertising	1,099	811	91
Computers - Hardware	-	-	-
Computers - Software	1,017	751	84
Travel	5,693	4,203	470
Client assistance	-	-	-
Conferences	92	68	8
Staff, board, and group meetings	971	717	80
Special events	128	94	11
Memberships and dues	3,909	2,886	322
Equipment and furnishings	157	116	13
Support services - Nonbillable	8,046	5,940	664
Miscellaneous	271	200	22
Total program services	135,352	99,926	11,166
<i>Less: Not applicable to County: Support Services - Nonbillable</i>	8,046	5,940	664
<i>Add: Not applicable to County: Branch Fundraising Revenue</i>	100	74	8
Total direct project expenses	127,406	94,060	10,510
<i>Add: Indirect (Administrative) Expenses: Support Services - Billable</i>	14,550	10,742	1,200
Total project expenses	<u>\$ 141,956</u>	<u>\$ 104,802</u>	<u>\$ 11,710</u>
Total units served	<u>1,685</u>	<u>1,244</u>	<u>139</u>
Cost per unit	<u>\$ 84.25</u>	<u>\$ 84.25</u>	<u>\$ 84.25</u>