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STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION FOR CHILDREN, YOUTH & FAMILIES

129 PLEASANT STREET, CONCORD, NH 03301-3857
603-271-4451 1-800-852-3345 Ext. 4451
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Nicholas A. Toumpas
Commissioner

Mary Ann Cooney
Associate Commissioner

December 16, 2013

Her Excellency, Governor Margaret Wood Hassan
And the Honorable Council
State House
Concord, NH 03301

REQUESTED ACTION

Authorize the New Hampshire Department of Health and Human Services, Division for Children, Youth and Families to enter into an agreement with Bethany Christian Services of New England, 183 High Street, Candia NH 03034 (Vendor # 161782-B001) in an amount not to exceed \$100,000, to provide a Community and Faith Based Initiative to Support Resource and Adoptive Families effective January 1, 2014 or upon Governor and Council approval, whichever is later, through December 31, 2015. *100% Federal funds*

Funds to support this request are available in the following account in SFY 2014, SFY 2015 and SFY 2016 upon the availability and continued appropriation of funds in the future operating budgets, with authority to adjust amounts within the price limitation and amend the related terms of the contract without further approval from Governor and Executive Council.

05-95-42-421010-29730000 HEALTH AND SOCIAL SERVICES, HEALTH AND HUMAN SVCS DEPT OF, HHS: HUMAN SERVICES, CHILD PROTECTION, PROMOTING SAFE-STABLE FAMILIES

05-95-42-421010-29690000 HEALTH AND SOCIAL SERVICES, HEALTH AND HUMAN SVCS DEPT OF, HHS: HUMAN SERVICES, CHILD PROTECTION, CHILD ABUSE PREVENTION CAPTA

SFY	Organization	Class/Object	Class Title	Activity Number	Budget
2014	29690000	102-500734	Contracts for Program Services	42107306	\$25,000
2015	29730000	102-500734	Contracts for Program Services	42107306	\$50,000
2016	29730000	102-500734	Contracts for Program Services	42107306	\$25,000
Total:					\$100,000

EXPLANATION

The Community and Faith Based Initiative, was developed to augment the Division's annual statewide recruitment and retention plan to recruit, license and train resource and adoptive families. This initiative focuses efforts on engaging community and faith based organizations to secure resource families for children served by the Division, adoptive families for waiting children and for providing ongoing support after placement or adoption. The Division seeks to engage leaders in community and faith based agencies in order to increase the accessibility of natural supports available in the community that can assist resource and adoptive families.

This contract was competitively bid. On August 15, 2013 the Department issued a Request for Proposals to solicit proposals to support Resource Families as well as families that have adopted children from the Department. The request for proposals was available on the Department of Health and Human Services website from August 15, 2013 through October 10, 2013. There was only one proposal submitted.

The proposal was evaluated by a team of Department of Health and Human Services employees who have knowledge of the program requirements and the Division for Children, Youth and Families' Recruitment and Retention Plan for Resource and Adoptive Families. The team also included staff with significant business and management expertise.

The proposal was evaluated based on the criteria published in the Request for Proposals. Bethany Christian Services of New England was selected. The bid summary is attached.

The attached contract calls for the provision of these services for two years and reserves the Division's right to renew the agreement for up to two additional years, based upon the satisfactory delivery of services, continued availability of supporting funds, and Governor and Executive Council approval.

Should Governor and Council not authorize this request, there may not be a sufficient number of families willing to be a resource home or adopt children from the Department since the contractor actively works to recruit and retain them. Also resource families and families that have adopted children from the Division for Children, Youth and Families will not get the support and training needed to better serve the children from the Department.

Area Served: Statewide.

Source of Funds: 100% Federal Funds.

In the event that the federal funds become no longer available, general funds will not be requested to support this program.

Respectfully submitted,


Mary Ann Cooney
Associate Commissioner

Approved By: 
Nicholas A. Toumpas
Commissioner



**New Hampshire Department of Health and Human Services
Office of Business Operations
Contracts & Procurement Unit
Summary Scoring Sheet**

Community and Faith Based Initiative

RFP Name

14-DHHS-DCYF-03

RFP Number

Bidder Name

1. **Bethany Christian Services**
2. 0
3. 0
4. 0
5. 0
6. 0
7. 0
8. 0
9. 0
10. 0

Pass/Fail	Maximum Points
	200
	200
	200
	200
	200
	200
	200
	200
	200
	200
	200

Reviewer Names

1. Catherine Meister, Supervisor IV
2. Natalie Allen, Child Protective Service Worker IV
3. Myriam Roeder, Child Protective Service Worker IV
4. PJ Nadeau, MBA CPM
- 5.
- 6.
- 7.
- 8.
- 9.

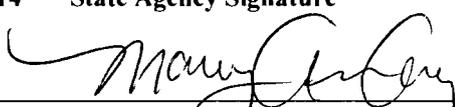
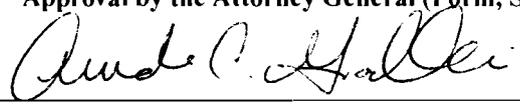
Subject: Community and Faith Based Initiative to Support Resource and Adoptive Families

AGREEMENT

The State of New Hampshire and the Contractor hereby mutually agree as follows:

GENERAL PROVISIONS

1. IDENTIFICATION.

1.1 State Agency Name Department of Health and Human Services Division of Children, Youth and Families		1.2 State Agency Address 129 Pleasant Street Concord, NH 03301	
1.3 Contractor Name Bethany Christian Services of New England		1.4 Contractor Address 183 High Street, PO Box 320 Candia, NH 03034	
1.5 Contractor Phone Number 603-483-2886	1.6 Account Number 010-042-29730000-102-500734	1.7 Completion Date 12/31/15	1.8 Price Limitation \$100,000
1.9 Contracting Officer for State Agency Eric D. Borrin		1.10 State Agency Telephone Number 603-271-9558	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory Sandra Pyram-Loyer, Branch Director	
1.13 Acknowledgement: State of _____, County of _____ On <u>12/10/13</u> , before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.13.1 Signature of Notary Public or Justice of the Peace [Seal] 			
1.13.2 Name and Title of Notary or Justice of the Peace Laudalima M. Pereira - Notary Comm Exp. 12-14-13			
1.14 State Agency Signature 		1.15 Name and Title of State Agency Signatory MARY ANN COONEY Associate Commissioner	
1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.17 Approval by the Attorney General (Form, Substance and Execution) By:  On: <u>1/17/14</u>			
1.18 Approval by the Governor and Executive Council By: _____ On: _____			

2. EMPLOYMENT OF CONTRACTOR/SERVICES TO BE PERFORMED. The State of New Hampshire, acting through the agency identified in block 1.1 ("State"), engages contractor identified in block 1.3 ("Contractor") to perform, and the Contractor shall perform, the work or sale of goods, or both, identified and more particularly described in the attached EXHIBIT A which is incorporated herein by reference ("Services").

3. EFFECTIVE DATE/COMPLETION OF SERVICES.

3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, this Agreement, and all obligations of the parties hereunder, shall not become effective until the date the Governor and Executive Council approve this Agreement ("Effective Date").

3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

4. CONDITIONAL NATURE OF AGREEMENT.

Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds, and in no event shall the State be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of appropriated funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to terminate this Agreement immediately upon giving the Contractor notice of such termination. The State shall not be required to transfer funds from any other account to the Account identified in block 1.6 in the event funds in that Account are reduced or unavailable.

5. CONTRACT PRICE/PRICE LIMITATION/PAYMENT.

5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT B which is incorporated herein by reference.

5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.

5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.

5.4 Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8.

6. COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS/ EQUAL EMPLOYMENT OPPORTUNITY.

6.1 In connection with the performance of the Services, the Contractor shall comply with all statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal opportunity laws. In addition, the Contractor shall comply with all applicable copyright laws.

6.2 During the term of this Agreement, the Contractor shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap, sexual orientation, or national origin and will take affirmative action to prevent such discrimination.

6.3 If this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all the provisions of Executive Order No. 11246 ("Equal Employment Opportunity"), as supplemented by the regulations of the United States Department of Labor (41 C.F.R. Part 60), and with any rules, regulations and guidelines as the State of New Hampshire or the United States issue to implement these regulations. The Contractor further agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

7. PERSONNEL.

7.1 The Contractor shall at its own expense provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.

7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Contractor shall not hire, and shall not permit any subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any person who is a State employee or official, who is materially involved in the procurement, administration or performance of this Agreement. This provision shall survive termination of this Agreement.

7.3 The Contracting Officer specified in block 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer's decision shall be final for the State.

Contractor Initials: SPD
Date: 12/3/13

8. EVENT OF DEFAULT/REMEDIES.

8.1 Any one or more of the following acts or omissions of the Contractor shall constitute an event of default hereunder (“Event of Default”):

- 8.1.1 failure to perform the Services satisfactorily or on schedule;
- 8.1.2 failure to submit any report required hereunder; and/or
- 8.1.3 failure to perform any other covenant, term or condition of this Agreement.

8.2 Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:

- 8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;
- 8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;
- 8.2.3 set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or
- 8.2.4 treat the Agreement as breached and pursue any of its remedies at law or in equity, or both.

9. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.

9.1 As used in this Agreement, the word “data” shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.

9.2 All data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason.

9.3 Confidentiality of data shall be governed by N.H. RSA chapter 91-A or other existing law. Disclosure of data requires prior written approval of the State.

10. TERMINATION. In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Contractor shall deliver to the Contracting Officer, not later than fifteen (15) days after the date of termination, a report (“Termination Report”) describing in detail all Services performed, and the contract price earned, to and including the date of termination. The form, subject matter, content, and number of copies of the Termination

Report shall be identical to those of any Final Report described in the attached EXHIBIT A.

11. CONTRACTOR’S RELATION TO THE STATE. In the performance of this Agreement the Contractor is in all respects an independent contractor, and is neither an agent nor an employee of the State. Neither the Contractor nor any of its officers, employees, agents or members shall have authority to bind the State or receive any benefits, workers’ compensation or other emoluments provided by the State to its employees.

12. ASSIGNMENT/DELEGATION/SUBCONTRACTS. The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written consent of the N.H. Department of Administrative Services. None of the Services shall be subcontracted by the Contractor without the prior written consent of the State.

13. INDEMNIFICATION. The Contractor shall defend, indemnify and hold harmless the State, its officers and employees, from and against any and all losses suffered by the State, its officers and employees, and any and all claims, liabilities or penalties asserted against the State, its officers and employees, by or on behalf of any person, on account of, based or resulting from, arising out of (or which may be claimed to arise out of) the acts or omissions of the Contractor. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant in paragraph 13 shall survive the termination of this Agreement.

14. INSURANCE.

14.1 The Contractor shall, at its sole expense, obtain and maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:

14.1.1 comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$250,000 per claim and \$2,000,000 per occurrence; and

14.1.2 fire and extended coverage insurance covering all property subject to subparagraph 9.2 herein, in an amount not less than 80% of the whole replacement value of the property.

14.2 The policies described in subparagraph 14.1 herein shall be on policy forms and endorsements approved for use in the State of New Hampshire by the N.H. Department of Insurance, and issued by insurers licensed in the State of New Hampshire.

14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than fifteen (15) days prior to the expiration date of each of the insurance policies. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference. Each

Contractor Initials:
Date: 12/3/13



Exhibit A

Scope of Services

1. PROVISIONS APPLICABLE TO ALL SERVICES

- 1.1. The Contractor agrees that, to the extent future legislative action by the New Hampshire General Court or federal or state court orders may have an impact on the Services described herein, the State Agency has the right to modify Service priorities and expenditure requirements under this Agreement so as to achieve compliance therewith.
- 1.2. The Contractor shall pursue any and all appropriate public sources of funds that are applicable to the funding of the Services, operations prevention, acquisition, or rehabilitation. Appropriate records shall be maintained by the Contractor to document actual funds received or denials of funding from such public sources of funds.

2. Services To Be Provided

The Contractor hereby covenants and agrees that during the term of this Agreement, it will provide services to coordinate the State's efforts to provide support services to Resource Families as well as families that have adopted children from the Department, these support services include but are not limited to:

- 2.1. Engaging community and faith based organizations in promoting recruitment and retention of resource and adoptive families by:
 - 2.1.1. building upon past connections and reaching out to businesses and faith based groups through introductions from:
 - 2.1.1.1. current connections;
 - 2.1.1.2. Emails
 - 2.1.1.3. Calls;
 - 2.1.1.4. Visits.
 - 2.1.2. sending a an annual email survey to current Resource Families to ask about their local support connections, such as community and faith based groups;
 - 2.1.3. circulating "child-specific" information and waiting child profiles into faith-based organizations and community groups as part of the project's recruitment/retention strategies;
 - 2.1.4. developing skill-based information to help DCYF workers to understand and work with the values-driven motivation/language used by some adoption applicants who come from communities of faith;
 - 2.1.5. creating a new brochure that has a section that highlights the collaborative relationship between the Division for Children, Youth, and Families and the many current foster families actively involved in their faith communities;
 - 2.1.6. building a "Helping Hands" list for each region for the Faithfully One By One Program giving volunteers information about needs as they arise to support families who foster or adopt to provide services such as
 - 2.1.6.1. tutoring;
 - 2.1.6.2. transportation;
 - 2.1.6.3. respite;
 - 2.1.6.4. funds for special needs; etc.



Exhibit A

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- 2.2. The contractor will assist DCYF with outreach to community and faith based organizations through:
- 2.2.1. email updates;
 - 2.2.2. targeted phone contact;
 - 2.2.3. face to face contact;
 - 2.2.4. requesting support from local businesses for retention activities such as the annual Foster, Adoptive, and Kinship Care celebration.
- 2.3. The contractor will act as a clearinghouse of information on recruitment and retention of resource families within Community and Faith Based Organizations. The contractor will disperse information on recruitment and retention of resource families through:
- 2.3.1. email
 - 2.3.2. regular mail
 - 2.3.3. targeted speaking engagements
 - 2.3.4. utilizing social media such as Facebook to share the news about upcoming events and ways people could help meet the needs of the children in foster care
 - 2.3.5. updating the Foster & Adoptive Parent Association (FAPA) online calendar monthly with current events
- 2.4. The contractor will expand the participation in the Community and Faith Based Advisory Council to include a greater representation of community and faith based organization, which include:
- 2.4.1. recruit people to help with projects, such as creating renovation teams to go into potential Resource homes to assist with building projects to bring their homes up to code so they can care for children;
 - 2.4.2. provide access for people to participate via Skype or by conference call;
 - 2.4.3. participate in all Advisory Board meetings to coordinate project initiatives and expand recruitment and retention services to the faith-based and community groups;
 - 2.4.4. distribute project-produced brochures, video, and recruitment resources to Board members and enlist their assistance in getting them into the hands of faith-based and community groups and prospective families;
 - 2.4.5. enlist Board assistance in identifying people from the faith based and community organizations they represent to serve in Community and Faith Based Coordinators (CFBC) roles, and channel some of these CFBCs back to the Advisory Board for service on Board-related work groups on foster care/adoption;
 - 2.4.6. utilize Board members to leverage the project's entrée to churches and groups represented on the Board.
- 2.5. The contractor will educate and train community and faith based coordinators in each organization participating in this initiative. The contractor will:
- 2.5.1. update past educational resources
 - 2.5.2. create a video
 - 2.5.3. create a new brochure
 - 2.5.4. plan a summit
 - 2.5.5. The contractor will conduct training that will include the following:
 - 2.5.5.1. "What is the Community and Faith-Based Initiative" and how can you help
 - 2.5.5.2. Orphan Sunday Information



Exhibit A

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- 2.5.5.3. Specific training for people who have agreed to be a liaison for their church or business, to provide information and the tools needed to connect those that want to be of support to those who need assistance
 - 2.5.5.4. Listening to the experiences of others at the annual Fellowship Dinner
 - 2.5.5.5. "What is foster care"
 - 2.5.5.6. "What is adoption"
- 2.6. The contractor will promote the support of resource and adoptive parents within their identified community and faith based organizations, to include:
- 2.6.1. Create and maintain and up to date database of interested persons (name, location and roles people have expressed interest in helping with) for resource support
 - 2.6.2. sustain connections between organizations and resource parents by:
 - 2.6.2.1. Being sure they have connected to meet the need
 - 2.6.2.2. Following-up to make sure the need was met
 - 2.6.2.3. Sincerely thanking all who have reached out to help
- 2.7. The contractor will coordinate with DCYF staff, particularly the resource workers, in order to assist them in meeting the needs of the families they serve including, but not limited to:
- 2.7.1. recruiting new families
 - 2.7.2. providing goods and services such as:
 - 2.7.2.1. furniture
 - 2.7.2.2. clothing
 - 2.7.2.3. toys
 - 2.7.2.4. books
 - 2.7.2.5. mentoring and homework help
 - 2.7.2.6. assist with transportation
 - 2.7.3. provide funding for:
 - 2.7.3.1. recreational activities
 - 2.7.3.2. home renovations necessary for licensing
 - 2.7.3.3. for meeting a child's special needs
 - 2.7.3.4. driving hours for drivers education
- 2.8. The Contractor will attend Resource Round-up meetings in Concord where they will:
- 2.8.1. meet state workers, particularly resource workers;
 - 2.8.2. update state workers on current activities;
 - 2.8.3. learn of current needs;
 - 2.8.4. follow-up on requests for assistance;
 - 2.8.5. make new workers aware of ways that they can assist clients.

3. Organization and Planning

- 3.1. The contractor will be responsible for organizing and implementing appreciation and celebration events for resource and adoptive families, which include:
 - 3.1.1. organizing the Foster/Adoptive/Kinship family celebration in May;
 - 3.1.2. organizing the "Operation Christmas Joy" in December
- 3.2. The contractor will assist DCYF staff in organizing events which include:



Exhibit A

- 3.2.1. locating venues for special celebrations around the holidays or at other times of year as requested;
- 3.2.2. recruiting volunteers to help at the events and help secure supplies for craft projects and/or refreshments;
- 3.2.3. organization of the National Adoption Month (November) celebration;
- 3.2.4. providing gift cards, purchased with donated funds, to help with events organized by the district offices as needed;
- 3.2.5. For events in 2014 and 2015, contact businesses and organizations that have helped in the past and continue to reach out to other businesses/groups as suggested by staff or Advisory Board members to solicit donations as appropriate to defined need.

4. Licensing Provision

- 4.1. The Contractor will hold and maintain, for the duration of the contact, a license as a licensed child-placing agency in accordance with HE-C 6448 or provide assurance of obtaining a license and acquire such license prior to award of contract.

5. Confidentiality Provision

- 5.1. The Contractor will comply with the confidentiality provisions of RSA 170-G:8-a. All information regarding the Division's clients, client families, foster families, and other involved individuals that the Contractor may learn is strictly confidential and shall not be discussed with anyone except the Division's personnel in the performance of contracted services.

6. Staffing Requirements

- 6.1. The Contractor will provide documentation that their staff meets the training and qualifications described in He-C 6448 or provide assurance of obtaining the necessary training and qualifications for staff prior to award of contract.

7. Reports and Monitoring

- 7.1. The contractor will provide the Division for Children, Youth and Families Administrator, on a quarterly basis a report detailing:
 - 7.1.1. the name and number of community and faith based organizations and Community and Faith Based Coordinators (CFBC) identified as participating in this initiative;
 - 7.1.2. agendas and minutes of meetings that the Contractor holds with the Advisory Group associated with this initiative;
 - 7.1.3. the number of referrals from DCYF/DJJ for support and services that were met by members of participating community and faith based organizations;
 - 7.1.4. a list of goods, information, and services that were provided by community and faith based organizations to foster/adoptive children and families;
 - 7.1.5. documentation of meetings coordinated by the Contractor, with DCYF resource workers and other district office staff and Community Faith Based Initiative staff during the quarter;
 - 7.1.6. the Contractor's outline of events planning to date.

- 7.2. The Contractor will provide DCYF, on an annual basis, a report detailing:



Exhibit A

- 7.2.1. a summary of all of the activities that occurred, through the Contractor's delivering of services, during each contract year;
- 7.2.2. a discussion of those activities that were determined to contribute to the recruitment of families, recognition of resource and adoptive families or which met the needs of NH families;
- 7.2.3. data collected that demonstrates the effectiveness of the strategies utilized for recruitment and retention;
- 7.2.4. recommendations gathered and/or drafted by the Contractor regarding the need to expand or reduce community and faith based recruitment and retention activities;
- 7.2.5. a master list of organizations and identified contacts;
- 7.2.6. examples of materials, including brochures, bulletins, or other printed media that were targeted to engage community and faith based organizations in recruitment and retention activities developed during the year;
- 7.2.7. minutes of Advisory Council Quarterly Meetings throughout the contract period;
- 7.2.8. a list of people who expressed an interest in becoming resource parents or adoptive parents.

8. Performance Outcomes

- 8.1. During the contract period the contractor will fulfill at least 500 requests for support for foster/adoptive children and families
- 8.2. During the contract period the contractor will increase attendance by members of community and faith based organizations at advisory council meetings as evidenced by attendance at council meetings.
- 8.3. During the contact period the contractor will provide a list of at least 60 people who expressed an interested in becoming resource parents or adoptive parents and have been referred to DCYF.



Exhibit B

Method and Conditions Precedent to Payment

1. The State shall pay the Contractor an amount not to exceed the Price Limitation, block 1.8, for the services provided by the Contractor pursuant to Exhibit A, Scope of Services.

2. Expenditures for each State Fiscal Year shall be in accordance with the line items as shown in Exhibits B-2 and B-3, the Budget Forms submitted with the Campus cost proposal.
 - 2.1. The Contractor shall provide at least 33% of the total program cost as match as shown in Exhibit B-1.
 - 2.2. Documentation of required match shall appear on all invoices. Failure to provide and/or document match may result in payment being withheld pending provision of match.

3. Payment for services shall be made to the contractor, subject to the following conditions:
 - 3.1. Payment will be on a cost reimbursement basis based on actual expenditures incurred up to the total contract price incurred in the fulfillment of this agreement. An invoice template, provided by the Department shall be used for billing, and must be completed, signed (or emailed) to:

Fiscal Administrator
Division for Children, Youth and Families
129 Pleasant Street
Concord, NH 03301-3857

dclark@dhhs.state.nh.us
 - 3.2. Requests for payment shall be signed or submitted electronically by an authorized representative of the Contractor.
 - 3.3. Payment requests may be submitted monthly, but at a minimum must be submitted quarterly.
 - 3.4. A final payment will be submitted no later than sixty (60) days after the agreement ends. Failure to submit the invoice by this date could result in non-payment.



Exhibit B

- 3.5. Notwithstanding anything to the contrary herein, the Contractor agrees that payment under this Agreement may be withheld, in whole or in part, in the event of non-compliance with any Federal or State Law, rule or regulation applicable to the services provided, or if the said services have not been satisfactory completed in accordance with the terms and conditions of this Agreement.
 - 3.6. Payments may be withheld pending receipt of required reports as outlined in Exhibit A.
-
4. When the Contract Price limitation is reached, the program shall continue to operate at full capacity at no charge to the Division Children, Youth and Families for the duration of the Contract Period.

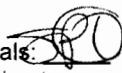
Contractor Initials: 
Date: 12/3/13

Exhibit: B-1 Contract Budget	SFY2014 (1/1/14 - 12/31/14)			SFY2015 (1/1/15 - 12/31/15)		
	Division	Contractor	TOTAL	Division	Contractor	TOTAL
Provider Name: Bethany Christian Services	Cost	Match		Cost	Match	
I. Personnel						
A. Salaries and Wages						
Direct program staff	\$ 32,500	\$ -	\$ 32,500	\$ 32,500	\$ -	\$ 32,500
Indirect support/management staff	\$ 1,728	\$ 7,320	\$ 9,048	\$ 1,728	\$ 7,320	\$ 9,048
	\$ 34,228	\$ 7,320	\$ 41,548	\$ 34,228	\$ 7,320	\$ 41,548
B. Fringe Benefits						
Health and other related	\$ 4,537	\$ 3,046	\$ 7,583	\$ 5,288	\$ 2,295	\$ 7,583
Other benefits (state type)						
	\$ 4,537	\$ 3,046	\$ 7,583	\$ 5,288	\$ 2,295	\$ 7,583
C. Staff Training						
			\$ -			\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
D. Other Professional Fees						
Program share of A-133 audit and fees paid to payroll company		\$ 100	\$ 100		\$ 100	\$ 100
	\$ -	\$ 100	\$ 100	\$ -	\$ 100	\$ 100
II. Non-Personnel						
A. Space Costs						
Bethany office in Candia, NH	\$ 2,700	\$ 500	\$ 3,200	\$ 2,700	\$ 500	\$ 3,200
	\$ 2,700	\$ 500	\$ 3,200	\$ 2,700	\$ 500	\$ 3,200
B. Rental, Lease or Purchase of Minor Equipment						
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
C. Equipment						
		\$ -	\$ -		\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
D. Consumable Supplies						
	\$ -	\$ -	\$ -		\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
E. Food						
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
F. Travel						
Transportation	\$ 2,407	\$ 525	\$ 2,932	\$ 3,156	\$ 776	\$ 3,932
Lodging						
	\$ 2,407	\$ 525	\$ 2,932	\$ 3,156	\$ 776	\$ 3,932
G. Organization/Participant Support						
Direct Assistance to Foster and Adoptive Families			\$ -		\$ 1,000	\$ 1,000
	\$ -	\$ -	\$ -	\$ -	\$ 1,000	\$ 1,000
H. Utilities						
	\$ -	\$ -	\$ -		\$ -	\$ -
	\$ -		\$ -		\$ -	\$ -
		\$ -	\$ -		\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
I. Other Costs						
Other: Video, Fost/Adopt Month events, etc.	\$ 2,000	\$ 3,800	\$ 5,800	\$ 500	\$ 3,300	\$ 3,800
	\$ 2,000	\$ 3,800	\$ 5,800	\$ 500	\$ 3,300	\$ 3,800
J. Administrative Overhead						
9.0% of Direct Costs - Approved IDC	\$ 4,128	\$ 1,376	\$ 5,504	\$ 4,128	\$ 1,376	\$ 5,504
	\$ 4,128	\$ 1,376	\$ 5,504	\$ 4,128	\$ 1,376	\$ 5,504
GRAND TOTAL	\$ 50,000	\$ 16,667	\$ 66,667	\$ 50,000	\$ 16,667	\$ 66,667

NH Department of Health and Human Services

STANDARD EXHIBIT C

SPECIAL PROVISIONS

1. Contractors Obligations: The Contractor covenants and agrees that all funds received by the Contractor under the Contract shall be used only as payment to the Contractor for services provided to eligible individuals and, in the furtherance of the aforesaid covenants, the Contractor hereby covenants and agrees as follows:

2. Compliance with Federal and State Laws: If the Contractor is permitted to determine the eligibility of individuals such eligibility determination shall be made in accordance with applicable federal and state laws, regulations, orders, guidelines, policies and procedures.

3. Time and Manner of Determination: Eligibility determinations shall be made on forms provided by the Department for that purpose and shall be made and remade at such times as are prescribed by the Department.

4. Documentation: In addition to the determination forms required by the Department, the Contractor shall maintain a data file on each recipient of services hereunder, which file shall include all information necessary to support an eligibility determination and such other information as the Department requests. The Contractor shall furnish the Department with all forms and documentation regarding eligibility determinations that the Department may request or require.

5. Fair Hearings: The Contractor understands that all applicants for services hereunder, as well as individuals declared ineligible have a right to a fair hearing regarding that determination. The Contractor hereby covenants and agrees that all applicants for services shall be permitted to fill out an application form and that each applicant or re-applicant shall be informed of his/her right to a fair hearing in accordance with Department regulations.

6. Gratuities or Kickbacks: The Contractor agrees that it is a breach of this Contract to accept or make a payment, gratuity or offer of employment on behalf of the Contractor, any Sub-Contractor or the State in order to influence the performance of the Scope of Work detailed in Exhibit A of this Contract. The State may terminate this Contract and any sub-contract or sub-agreement if it is determined that payments, gratuities or offers of employment of any kind were offered or received by any officials, officers, employees or agents of the Contractor or Sub-Contractor.

7. Retroactive Payments: Notwithstanding anything to the contrary contained in the Contract or in any other document, contract or understanding, it is expressly understood and agreed by the parties hereto, that no payments will be made hereunder to reimburse the Contractor for costs incurred for any purpose or for any services provided to any individual prior to the Effective Date of the Contract and no payments shall be made for expenses incurred by the Contractor for any services provided prior to the date on which the individual applies for services or (except as otherwise provided by the federal regulations) prior to a determination that the individual is eligible for such services.

8. Conditions of Purchase: Notwithstanding anything to the contrary contained in the Contract, nothing herein contained shall be deemed to obligate or require the Department to purchase services hereunder at a rate which reimburses the Contractor in excess of the Contractor's costs, at a rate which exceeds the amounts reasonable and necessary to assure the quality of such service, or at a rate which exceeds the rate charged by the Contractor to ineligible individuals or other third party funders for such service. If at any time during the term of this Contract or after receipt of the Final Expenditure Report hereunder, the Department shall determine that the Contractor has used payments hereunder to reimburse items of expense other than such costs, or has received payment in excess of such costs or in excess of such rates charged by the Contractor to ineligible individuals or other third party funders, the Department may elect to:

8.1 Renegotiate the rates for payment hereunder, in which event new rates shall be established;

8.2 Deduct from any future payment to the Contractor the amount of any prior reimbursement in excess of costs;

8.3 Demand repayment of the excess payment by the Contractor in which event failure to make such repayment shall constitute an Event of Default hereunder. When the Contractor is permitted to determine the eligibility of individuals for services, the Contractor agrees to reimburse the Department for all funds paid by the Department to the Contractor for services provided to any individual who is found by the Department to be ineligible for such services at any time during the period of retention of records established herein.

RECORDS: MAINTENANCE, RETENTION, AUDIT, DISCLOSURE AND CONFIDENTIALITY:

9. Maintenance of Records: In addition to the eligibility records specified above, the Contractor covenants and agrees to maintain the following records during the Contract Period:

9.1 Fiscal Records: books, records, documents and other data evidencing and reflecting all costs and other expenses incurred by the Contractor in the performance of the Contract, and all income received or collected by the Contractor during the Contract Period, said records to be maintained in accordance with accounting procedures and practices which sufficiently and properly reflect all such costs and expenses, and which are acceptable to the Department, and to include, without limitation, all ledgers, books, records, and original evidence of costs such as purchase requisitions and orders, vouchers, requisitions for materials, inventories, valuations of in-kind contributions, labor time cards, payrolls, and other records requested or required by the Department.

9.2 Statistical Records: Statistical, enrollment, attendance or visit records for each recipient of services during the Contract Period, which records shall include all records of application and eligibility (including all forms required to determine eligibility for each such recipient), records regarding the provision of services and all invoices submitted to the Department to obtain payment for such services.

9.3 Medical Records: Where appropriate and as prescribed by the Department regulations, the Contractor shall retain medical records on each patient/recipient of services.

10. Audit: Contractor shall submit an annual audit to the Department within 60 days after the close of the Contractor fiscal year. It is recommended that the report be prepared in accordance with the provision of Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non Profit Organizations" and the provisions of Standards for Audit of Governmental Organizations, Programs, Activities and Functions, issued by the US General Accounting Office (GAO standards) as they pertain to financial compliance audits.

10.1 Audit and Review: During the term of this Contract and the period for retention hereunder, the Department, the United States Department of Health and Human Services, and any of their designated representatives shall have access to all reports and records maintained pursuant to the Contract for purposes of audit, examination, excerpts and transcripts.

10.2 Audit Liabilities: In addition to and not in any way in limitation of obligations of the Contract, it is understood and agreed by the Contractor that the Contractor shall be held liable for any state or federal audit exceptions and shall return to the Department, all payments made under the Contract to which exception has been taken or which have been disallowed because of such an exception.

11. Confidentiality of Records: All information, reports, and records maintained hereunder or collected in connection with the performance of the services and the Contract shall be confidential and shall not be disclosed by the Contractor, provided however, that pursuant to state laws and the regulations of the Department regarding the use and disclosure of such information, disclosure may be made to public officials requiring such information in connection with their official duties and for purposes directly connected to the administration of the services and the Contract; and provided further, that the use or disclosure by any party of any information concerning a recipient for any purpose not directly connected with the administration of the Department or the Contractor's responsibilities with respect to purchased services hereunder is prohibited except on written consent of the recipient, his attorney or guardian.

Notwithstanding anything to the contrary contained herein the covenants and conditions contained in the Paragraph shall survive the termination of the Contract for any reason whatsoever.

12. Reports: Fiscal and Statistical: The Contractor agrees to submit the following reports at the following times if requested by the Department.

12.1 Interim Financial Reports: Written interim financial reports containing a detailed description of all costs and non-allowable expenses incurred by the Contractor to the date of the report and containing such other information as shall be deemed satisfactory by the Department to justify the rate of payment hereunder. Such Financial Reports shall be submitted on the form designated by the Department or deemed satisfactory by the Department.

12.2 Final Report: A final report shall be submitted within thirty (30) days after the end of the term of this Contract. The Final Report shall be in a form satisfactory to the Department and shall contain a summary statement of progress toward goals and objectives stated in the Proposal and other information required by the Department.

13. Completion of Services: Disallowance of Costs: Upon the purchase by the Department of the maximum number of units provided for in the Contract and upon payment of the price limitation hereunder, the Contract and all the obligations of the parties hereunder (except such obligations as, by the terms of the Contract are to be performed after the end of the term of this Contract and/or survive the termination of the Contract) shall terminate, provided however, that if, upon review of the Final Expenditure Report the Department shall disallow any expenses claimed by the Contractor as costs hereunder the Department shall retain the right, at its discretion, to deduct the amount of such expenses as are disallowed or to recover such sums from the Contractor.

14. Credits: All documents, notices, press releases, research reports and other materials prepared during or resulting from the performance of the services of the Contract shall include the following statement:

14.1 The preparation of this (report, document etc.) was financed under a Contract with the State of New Hampshire, Department of Health and Human Services, with funds provided in part by the State of New Hampshire and/or such other funding sources as were available or required, e.g., the United States Department of Health and Human Services.

15. Prior Approval and Copyright Ownership:

All materials (written, video, audio) produced or purchased under the contract shall have prior approval from DHHS before printing, production, distribution or use. The DHHS will retain copyright ownership for any and all original materials produced, including, but not limited to, brochures, resource directories, protocols or guidelines, posters, or reports. Contractor shall not reproduce any materials produced under the contract without prior written approval from DHHS.

16. Operation of Facilities: Compliance with Laws and Regulations: In the operation of any facilities for providing services, the Contractor shall comply with all laws, orders and regulations of federal, state, county and municipal authorities and with any direction of any Public Officer or officers pursuant to laws which shall impose an order or duty upon the contractor with respect to the operation of the facility or the provision of the services at such facility. If any governmental license or permit shall be required for the operation of the said facility or the performance of the said services, the Contractor will procure said license or permit, and will at all times comply with the terms and conditions of each such license or permit. In connection with the foregoing requirements, the Contractor hereby covenants and agrees that, during the term of this Contract the facilities shall comply with all rules, orders, regulations, and requirements of the State Office of the Fire Marshal and the local fire protection agency, and shall be in conformance with local building and zoning codes, by-laws and regulations.

17. Subcontractors: DHHS recognizes that the Contractor may choose to use subcontractors with greater expertise to perform certain health care services or functions for efficiency or convenience, but the Contractor shall retain the responsibility and accountability for the function(s). Prior to subcontracting, the Contractor shall evaluate the subcontractor's ability to perform the delegated function(s). This is accomplished through a written agreement that specifies activities and reporting responsibilities of the subcontractor and provides for revoking the delegation or imposing sanctions if the subcontractor's performance is not adequate. Subcontractors are subject to the same contractual conditions as the Contractor and the Contractor is responsible to ensure subcontractor compliance with those conditions.

When the Contractor delegates a function to a subcontractor, the Contractor shall do the following:

- Evaluate the prospective subcontractor's ability to perform the activities, before delegating the function
- Have a written agreement with the subcontractor that specifies activities and reporting responsibilities and how sanctions/revocation will be managed if the subcontractor's performance is not adequate
- Monitor the subcontractor's performance on an ongoing basis
- Provide to DHHS an annual schedule identifying all subcontractors, delegated functions and responsibilities, and when the subcontractor's performance will be reviewed
- DHHS shall review and approve all subcontracts.

If the Contractor identifies deficiencies or areas for improvement are identified, the Contractor shall take corrective action.

SPECIAL PROVISIONS – DEFINITIONS

As used in the Contract, the following terms shall have the following meanings:

COSTS: Shall mean those direct and indirect items of expense determined by the Department to be allowable and reimbursable in accordance with cost and accounting principles established in accordance with state and federal laws, regulations, rules and orders.

DEPARTMENT: NH Department of Health and Human Services.

PROPOSAL: If applicable, shall mean the document submitted by the Contractor on a form or forms required by the Department and containing a description of the Services to be provided to eligible individuals by the Contractor in accordance with the terms and conditions of the Contract and setting forth the total cost and sources of revenue for each service to be provided under the Contract.

UNIT: For each service that the Contractor is to provide to eligible individuals hereunder, shall mean that period of time or that specified activity determined by the Department and specified in Exhibit B of the Contract.

FEDERAL/STATE LAW: Wherever federal or state laws, regulations, rules, orders, and policies, etc. are referred to in the Contract, the said reference shall be deemed to mean all such laws, regulations, etc. as they may be amended or revised from the time to time.

SUPPLANTING OTHER FEDERAL FUNDS: The Contractor guarantees that funds provided under this Contract will not supplant any existing federal funds available for these services.

NH Department of Health and Human Services

STANDARD EXHIBIT C-1

ADDITIONAL SPECIAL PROVISIONS

- 1. Subparagraph 4 of the General Provisions of this contract, Conditional Nature of Agreement, is replaced as follows:**

4. CONDITIONAL NATURE OF AGREEMENT.

Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including without limitation, the continuance of payments, in whole or in part, under this Agreement are contingent upon continued appropriation or availability of funds, including any subsequent changes to the appropriation or availability of funds affected by any state or federal legislative or executive action that reduces, eliminates, or otherwise modifies the appropriation or availability of funding for this Agreement and the Scope of Services provided in Exhibit A, Scope of Services, in whole or in part. In no event shall the State be liable for any payments hereunder in excess of appropriated or available funds. In the event of a reduction, termination or modification of appropriated or available funds, the State shall have the right to withhold payment until such funds become available, if ever. The State shall have the right to reduce, terminate or modify services under this Agreement immediately upon giving the Contractor notice of such reduction, termination or modification. The State shall not be required to transfer funds from any other source or account into the Account(s) identified in block 1.6 of the General Provisions, Account Number, or any other account, in the event funds are reduced or unavailable.

- 2. Subparagraph 10 of the General Provisions of this contract, Termination, is amended by adding the following language;**

10.1 The State may terminate the Agreement at any time for any reason, at the sole discretion of the State, 30 days after giving the Contractor written notice that the State is exercising its option to terminate the Agreement.

10.2 In the event of early termination, the Contractor shall, within 15 days of notice of early termination, develop and submit to the State a Transition Plan for services under the Agreement, including but not limited to, identifying the present and future needs of clients receiving services under the Agreement and establishes a process to meet those needs.

10.3 The Contractor shall fully cooperate with the State and shall promptly provide detailed information to support the Transition Plan including, but not limited to, any information or data requested by the State related to the termination of the Agreement and Transition Plan and shall provide ongoing communication and revisions of the Transition Plan to the State as requested.


12/3/13

10.4 In the event that services under the Agreement, including but not limited to clients receiving services under the Agreement are transitioned to having services delivered by another entity including contracted providers or the State, the Contractor shall provide a process for uninterrupted delivery of services in the Transition Plan.

10.5 The Contractor shall establish a method of notifying clients and other affected individuals about the transition. The Contractor shall include the proposed communications in its Transition Plan submitted to the State as described above.

3. The Division reserves the right to renew the Agreement for up to two additional years, subject to continued availability of funds, satisfactory performance of services, and approval by the Governor and Executive Council.


12/3/13

NH Department of Health and Human Services

STANDARD EXHIBIT D

CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Sections 5151-5160 of the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. 701 et seq.), and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

ALTERNATIVE I - FOR GRANTEEES OTHER THAN INDIVIDUALS

**US DEPARTMENT OF HEALTH AND HUMAN SERVICES - CONTRACTORS
US DEPARTMENT OF EDUCATION - CONTRACTORS
US DEPARTMENT OF AGRICULTURE - CONTRACTORS**

This certification is required by the regulations implementing Sections 5151-5160 of the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. 701 et seq.). The January 31, 1989 regulations were amended and published as Part II of the May 25, 1990 Federal Register (pages 21681-21691), and require certification by grantees (and by inference, sub-grantees and sub-contractors), prior to award, that they will maintain a drug-free workplace. Section 3017.630(c) of the regulation provides that a grantee (and by inference, sub-grantees and sub-contractors) that is a State may elect to make one certification to the Department in each federal fiscal year in lieu of certificates for each grant during the federal fiscal year covered by the certification. The certificate set out below is a material representation of fact upon which reliance is placed when the agency awards the grant. False certification or violation of the certification shall be grounds for suspension of payments, suspension or termination of grants, or government wide suspension or debarment. Contractors using this form should send it to:

Commissioner
NH Department of Health and Human Services
129 Pleasant Street,
Concord, NH 03301-6505

- (A) The grantee certifies that it will or will continue to provide a drug-free workplace by:
- (a) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
 - (b) Establishing an ongoing drug-free awareness program to inform employees about
 - (1) The dangers of drug abuse in the workplace;
 - (2) The grantee's policy of maintaining a drug-free workplace;
 - (3) Any available drug counseling, rehabilitation, and employee assistance programs; and
 - (4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;

- (c) Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a);
- (d) Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will
 - (1) Abide by the terms of the statement; and
 - (2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
- (e) Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph (d)(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;
- (f) Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph (d)(2), with respect to any employee who is so convicted
 - (1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
 - (2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;
- (g) Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (a), (b), (c), (d), (e), and (f).

(B) The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant.

Place of Performance (street address, city, county, state, zip code) (list each location)

Check if there are workplaces on file that are not identified here.

Bohany Christian Servis From: 1/1/14 To: 12/31/15
 (Contractor Name) (Period Covered by this Certification)

Sandra Pyram-Loyer Branch Director
 (Name & Title of Authorized Contractor Representative)

[Signature] 12/3/13
 (Contractor Representative Signature) (Date)

NH Department of Health and Human Services

STANDARD EXHIBIT E

CERTIFICATION REGARDING LOBBYING

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Section 319 of Public Law 101-121, Government wide Guidance for New Restrictions on Lobbying, and 31 U.S.C. 1352, and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

**US DEPARTMENT OF HEALTH AND HUMAN SERVICES - CONTRACTORS
US DEPARTMENT OF EDUCATION - CONTRACTORS
US DEPARTMENT OF AGRICULTURE - CONTRACTORS**

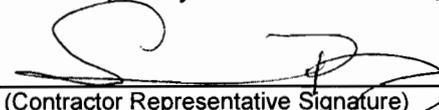
- Programs (indicate applicable program covered):
- *Temporary Assistance to Needy Families under Title IV-A
 - *Child Support Enforcement Program under Title IV-D
 - *Social Services Block Grant Program under Title XX
 - *Medicaid Program under Title XIX
 - *Community Services Block Grant under Title VI
 - *Child Care Development Block Grant under Title IV

Contract Period: 1/1/14 through 12/31/15

The undersigned certifies, to the best of his or her knowledge and belief, that:

- (1) No Federal appropriated funds have been paid or will be paid by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor).
- (2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor), the undersigned shall complete and submit Standard Form LLL, (Disclosure Form to Report Lobbying, in accordance with its instructions, attached and identified as Standard Exhibit E-1.)
- (3) The undersigned shall require that the language of this certification be included in the award document for sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.


(Contractor Representative Signature)

Sandra Pyram-Loyer, Branch Director
(Authorized Contractor Representative Name & Title)

Bethany Christian Services
(Contractor Name)

12/3/13
(Date)

NH Department of Health and Human Services

STANDARD EXHIBIT F

**CERTIFICATION REGARDING DEBARMENT, SUSPENSION
AND OTHER RESPONSIBILITY MATTERS**

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Executive Office of the President, Executive Order 12549 and 45 CFR Part 76 regarding Debarment, Suspension, and Other Responsibility Matters, and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

INSTRUCTIONS FOR CERTIFICATION

1. By signing and submitting this proposal (contract), the prospective primary participant is providing the certification set out below.
2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. If necessary, the prospective participant shall submit an explanation of why it cannot provide the certification. The certification or explanation will be considered in connection with the NH Department of Health and Human Services' (DHHS) determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.
3. The certification in this clause is a material representation of fact upon which reliance was placed when DHHS determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, DHHS may terminate this transaction for cause or default.
4. The prospective primary participant shall provide immediate written notice to the DHHS agency to whom this proposal (contract) is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
5. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549: 45 CFR Part 76. See the attached definitions.
6. The prospective primary participant agrees by submitting this proposal (contract) that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by DHHS.

7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions," provided by DHHS, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or involuntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List (of excluded parties).
9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal government, DHHS may terminate this transaction for cause or default.

PRIMARY COVERED TRANSACTIONS

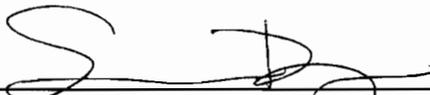
- (1) The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:
 - (a) are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
 - (b) have not within a three-year period preceding this proposal (contract) been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or a contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
 - (c) are not presently indicted for otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and
 - (d) have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.
- (2) Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal (contract).

LOWER TIER COVERED TRANSACTIONS

By signing and submitting this lower tier proposal (contract), the prospective lower tier participant, as defined in 45 CFR Part 76, certifies to the best of its knowledge and belief that it and its principals:

- (a) are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.
- (b) where the prospective lower tier participant is unable to certify to any of the above, such prospective participant shall attach an explanation to this proposal (contract).

The prospective lower tier participant further agrees by submitting this proposal (contract) that it will include this clause entitled "Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion - Lower Tier Covered Transactions," without modification in all lower tier covered transactions and in all solicitations for lower tier covered transactions.



 (Contractor Representative Signature)

Sandra Pyram-Loyer, Branch Director

 (Authorized Contractor Representative Name & Title)

Bethany Christian Services

 (Contractor Name)

12/3/13

 (Date)

Contractor Initials: 
 Date: *12/3/13*

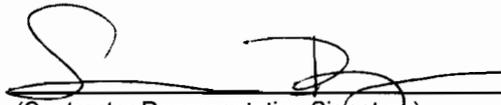
NH Department of Health and Human Services

STANDARD EXHIBIT G

**CERTIFICATION REGARDING
THE AMERICANS WITH DISABILITIES ACT COMPLIANCE**

The Contractor identified in Section 1.3 of the General Provisions agrees by signature of the Contractor's representative as identified in Sections 1.11 and 1.12 of the General Provisions, to execute the following certification:

1. By signing and submitting this proposal (contract) the Contractor agrees to make reasonable efforts to comply with all applicable provisions of the Americans with Disabilities Act of 1990.


(Contractor Representative Signature)

Sandra Pyram-Layer, Branch Director
(Authorized Contractor Representative Name & Title)

Bethany Christian Services
(Contractor Name)

12/3/13
(Date)

NH Department of Health and Human Services

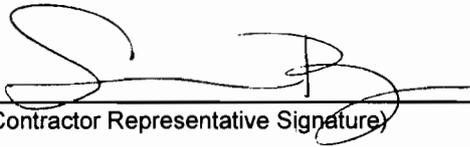
STANDARD EXHIBIT H

CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE

Public Law 103-227, Part C - Environmental Tobacco Smoke, also known as the Pro-Children Act of 1994 (Act), requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, education, or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan, or loan guarantee. The law does not apply to children's services provided in private residences, facilities funded solely by Medicare or Medicaid funds, and portions of facilities used for inpatient drug or alcohol treatment. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to \$1000 per day and/or the imposition of an administrative compliance order on the responsible entity.

The Contractor identified in Section 1.3 of the General Provisions agrees, by signature of the Contractor's representative as identified in Section 1.11 and 1.12 of the General Provisions, to execute the following certification:

- 1. By signing and submitting this contract, the Contractor agrees to make reasonable efforts to comply with all applicable provisions of Public Law 103-227, Part C, known as the Pro-Children Act of 1994.


(Contractor Representative Signature) Sandra Pyram-Loyer, Branch Director
(Authorized Contractor Representative Name & Title)

Bethany Christian Services of NE
(Contractor Name) 12/3/13
(Date)

NH Department of Health and Human Services

STANDARD EXHIBIT I
HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT
BUSINESS ASSOCIATE AGREEMENT

The Contractor identified in Section 1.3 of the General Provisions of the Agreement agrees to comply with the Health Insurance Portability and Accountability Act, Public Law 104-191 and with the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160 and 164 and those parts of the HITECH Act applicable to business associates. As defined herein, "Business Associate" shall mean the Contractor and subcontractors and agents of the Contractor that receive, use or have access to protected health information under this Agreement and "Covered Entity" shall mean the State of New Hampshire, Department of Health and Human Services.

BUSINESS ASSOCIATE AGREEMENT

(1) Definitions.

- a. "Breach" shall have the same meaning as the term "Breach" in Title XXX, Subtitle D. Sec. 13400.
- b. "Business Associate" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
- c. "Covered Entity" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
- d. "Designated Record Set" shall have the same meaning as the term "designated record set" in 45 CFR Section 164.501.
- e. "Data Aggregation" shall have the same meaning as the term "data aggregation" in 45 CFR Section 164.501.
- f. "Health Care Operations" shall have the same meaning as the term "health care operations" in 45 CFR Section 164.501.
- g. "HITECH Act" means the Health Information Technology for Economic and Clinical Health Act, Title XIII, Subtitle D, Part 1 & 2 of the American Recovery and Reinvestment Act of 2009.
- h. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 and the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160, 162 and 164.
- i. "Individual" shall have the same meaning as the term "individual" in 45 CFR Section 164.501 and shall include a person who qualifies as a personal representative in accordance with 45 CFR Section 164.501(g).
- j. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.

- k. “Protected Health Information” shall have the same meaning as the term “protected health information” in 45 CFR Section 164.501, limited to the information created or received by Business Associate from or on behalf of Covered Entity.
- l. “Required by Law” shall have the same meaning as the term “required by law” in 45 CFR Section 164.501.
- m. “Secretary” shall mean the Secretary of the Department of Health and Human Services or his/her designee.
- n. “Security Rule” shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C, and amendments thereto.
- o. “Unsecured Protected Health Information” means protected health information that is not secured by a technology standard that renders protected health information unusable, unreasonable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.
- p. Other Definitions - All terms not otherwise defined herein shall have the meaning established under 45 C.F.R. Parts 160, 162 and 164, as amended from time to time, and the HITECH Act.

(2) Use and Disclosure of Protected Health Information.

- a. Business Associate shall not use, disclose, maintain or transmit Protected Health Information (PHI) except as reasonably necessary to provide the services outlined under Exhibit A of the Agreement. Further, the Business Associate shall not, and shall ensure that its directors, officers, employees and agents, do not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.
- b. Business Associate may use or disclose PHI:
 - I. For the proper management and administration of the Business Associate;
 - II. As required by law, pursuant to the terms set forth in paragraph d. below; or
 - III. For data aggregation purposes for the health care operations of Covered Entity.
- c. To the extent Business Associate is permitted under the Agreement to disclose PHI to a third party, Business Associate must obtain, prior to making any such disclosure, (i) reasonable assurances from the third party that such PHI will be held confidentially and used or further disclosed only as required by law or for the purpose for which it was disclosed to the third party; and (ii) an agreement from such third party to notify Business Associate, in accordance with the HITECH Act, Subtitle D, Part 1, Sec. 13402 of any breaches of the confidentiality of the PHI, to the extent it has obtained knowledge of such breach.
- d. The Business Associate shall not, unless such disclosure is reasonably necessary to provide services under Exhibit A of the Agreement, disclose any PHI in response to a request for disclosure on the basis that it is required by law, without first notifying Covered Entity so that Covered Entity has an opportunity to object to the disclosure and to seek appropriate relief. If Covered Entity objects to such disclosure, the Business Associate shall refrain from disclosing the PHI until Covered Entity has exhausted all remedies.

- e. If the Covered Entity notifies the Business Associate that Covered Entity has agreed to be bound by additional restrictions over and above those uses or disclosures or security safeguards of PHI pursuant to the Privacy and Security Rule, the Business Associate shall be bound by such additional restrictions and shall not disclose PHI in violation of such additional restrictions and shall abide by any additional security safeguards.

(3) Obligations and Activities of Business Associate.

- a. Business Associate shall report to the designated Privacy Officer of Covered Entity, in writing, any use or disclosure of PHI in violation of the Agreement, including any security incident involving Covered Entity data, in accordance with the HITECH Act, Subtitle D, Part 1, Sec. 13402.
- b. The Business Associate shall comply with all sections of the Privacy and Security Rule as set forth in, the HITECH Act, Subtitle D, Part 1, Sec. 13401 and Sec.13404.
- c. Business Associate shall make available all of its internal policies and procedures, books and records relating to the use and disclosure of PHI received from, or created or received by the Business Associate on behalf of Covered Entity to the Secretary for purposes of determining Covered Entity's compliance with HIPAA and the Privacy and Security Rule.
- d. Business Associate shall require all of its business associates that receive, use or have access to PHI under the Agreement, to agree in writing to adhere to the same restrictions and conditions on the use and disclosure of PHI contained herein, including the duty to return or destroy the PHI as provided under Section (3)b and (3)k herein. The Covered Entity shall be considered a direct third party beneficiary of the Contractor's business associate agreements with Contractor's intended business associates, who will be receiving PHI pursuant to this Agreement, with rights of enforcement and indemnification from such business associates who shall be governed by standard provision #13 of this Agreement for the purpose of use and disclosure of protected health information.
- e. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.
- f. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a Designated Record Set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.
- g. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.

- h. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.
- i. Within ten (10) business days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.
- j. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy and Security Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.
- k. Within ten (10) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, Business Associate shall continue to extend the protections of the Agreement, to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such PHI. If Covered Entity, in its sole discretion, requires that the Business Associate destroy any or all PHI, the Business Associate shall certify to Covered Entity that the PHI has been destroyed.

(4) Obligations of Covered Entity

- a. Covered Entity shall notify Business Associate of any changes or limitation(s) in its Notice of Privacy Practices provided to individuals in accordance with 45 CFR Section 164.520, to the extent that such change or limitation may affect Business Associate's use or disclosure of PHI.
- b. Covered Entity shall promptly notify Business Associate of any changes in, or revocation of permission provided to Covered Entity by individuals whose PHI may be used or disclosed by Business Associate under this Agreement, pursuant to 45 CFR Section 164.506 or 45 CFR Section 164.508.
- c. Covered entity shall promptly notify Business Associate of any restrictions on the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 CFR 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

(5) Termination for Cause

In addition to standard provision #10 of this Agreement the Covered Entity may immediately terminate the Agreement upon Covered Entity's knowledge of a breach by Business Associate of the Business Associate Agreement set forth herein as Exhibit I. The Covered Entity may either immediately terminate the Agreement or provide an opportunity for Business Associate to cure the alleged breach within a timeframe specified by Covered Entity. If Covered Entity determines that neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.

(6) Miscellaneous

- a. Definitions and Regulatory References. All terms used, but not otherwise defined herein, shall have the same meaning as those terms in the Privacy and Security Rule, and the HITECH Act as amended from time to time. A reference in the Agreement, as amended to include this Exhibit I, to a Section in the Privacy and Security Rule means the Section as in effect or as amended.
- b. Amendment. Covered Entity and Business Associate agree to take such action as is necessary to amend the Agreement, from time to time as is necessary for Covered Entity to comply with the changes in the requirements of HIPAA, the Privacy and Security Rule, and applicable federal and state law.
- c. Data Ownership. The Business Associate acknowledges that it has no ownership rights with respect to the PHI provided by or created on behalf of Covered Entity.
- d. Interpretation. The parties agree that any ambiguity in the Agreement shall be resolved to permit Covered Entity to comply with HIPAA, the Privacy and Security Rule and the HITECH Act.
- e. Segregation. If any term or condition of this Exhibit I or the application thereof to any person(s) or circumstance is held invalid, such invalidity shall not affect other terms or conditions which can be given effect without the invalid term or condition; to this end the terms and conditions of this Exhibit I are declared severable.
- f. Survival. Provisions in this Exhibit I regarding the use and disclosure of PHI, return or destruction of PHI, extensions of the protections of the Agreement in section 3 k, the defense and indemnification provisions of section 3 d and standard contract provision #13, shall survive the termination of the Agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed this Exhibit I.

NH DHHS ~~_____~~ Bethany Christian Services
The State Agency Name Name of the Contractor

[Signature] ~~_____~~ [Signature]
Signature of Authorized Representative Signature of Authorized Representative

Sandra Pyram-Loyer MARY ANN COONEY
Name of Authorized Representative Name of Authorized Representative

Branch Director Associate Commissioner
Title of Authorized Representative Title of Authorized Representative

12/3/13 12/17/13
Date Date

NH Department of Health and Human Services

STANDARD EXHIBIT J

CERTIFICATION REGARDING THE FEDERAL FUNDING ACCOUNTABILITY AND
TRANSPARENCY ACT (FFATA) COMPLIANCE

The Federal Funding Accountability and Transparency Act (FFATA) requires prime awardees of individual Federal grants equal to or greater than \$25,000 and awarded on or after October 1, 2010, to report on data related to executive compensation and associated first-tier sub-grants of \$25,000 or more. If the initial award is below \$25,000 but subsequent grant modifications result in a total award equal to or over \$25,000, the award is subject to the FFATA reporting requirements, as of the date of the award.

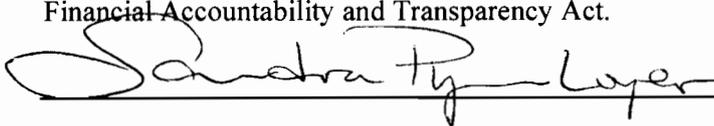
In accordance with 2 CFR Part 170 (*Reporting Subaward and Executive Compensation Information*), the Department of Health and Human Services (DHHS) must report the following information for any subaward or contract award subject to the FFATA reporting requirements:

- 1) Name of entity
- 2) Amount of award
- 3) Funding agency
- 4) NAICS code for contracts / CFDA program number for grants
- 5) Program source
- 6) Award title descriptive of the purpose of the funding action
- 7) Location of the entity
- 8) Principle place of performance
- 9) Unique identifier of the entity (DUNS #)
- 10) Total compensation and names of the top five executives if:
 - a. More than 80% of annual gross revenues are from the Federal government, and those revenues are greater than \$25M annually and
 - b. Compensation information is not already available through reporting to the SEC.

Prime grant recipients must submit FFATA required data by the end of the month, plus 30 days, in which the award or award amendment is made.

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of The Federal Funding Accountability and Transparency Act, Public Law 109-282 and Public Law 110-252, and 2 CFR Part 170 (*Reporting Subaward and Executive Compensation Information*), and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

The below named Contractor agrees to provide needed information as outlined above to the NH Department of Health and Human Services and to comply with all applicable provisions of the Federal Financial Accountability and Transparency Act.



(Contractor Representative Signature)

Sandra Pyram-Loyer
Branch Director
Bethany Christian Services

(Authorized Contractor Representative Name & Title)

(Contractor Name)

(Date)

12/3/13

Contractor initials: 
Date: 12/3/13
Page # _____ of Page # _____

NH Department of Health and Human Services

STANDARD EXHIBIT J

FORM A

As the Contractor identified in Section 1.3 of the General Provisions, I certify that the responses to the below listed questions are true and accurate.

1. The DUNS number for your entity is: Grand Rapids, Michigan Headquarters
08-035-0796

2. In your business or organization's preceding completed fiscal year, did your business or organization receive (1) 80 percent or more of your annual gross revenue in U.S. federal contracts, subcontracts, loans, grants, sub-grants, and/or cooperative agreements; and (2) \$25,000,000 or more in annual gross revenues from U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements?

NO YES

If the answer to #2 above is NO, stop here

If the answer to #2 above is YES, please answer the following:

3. Does the public have access to information about the compensation of the executives in your business or organization through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C.78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986?

NO YES

If the answer to #3 above is YES, stop here

If the answer to #3 above is NO, please answer the following:

4. The names and compensation of the five most highly compensated officers in your business or organization are as follows:

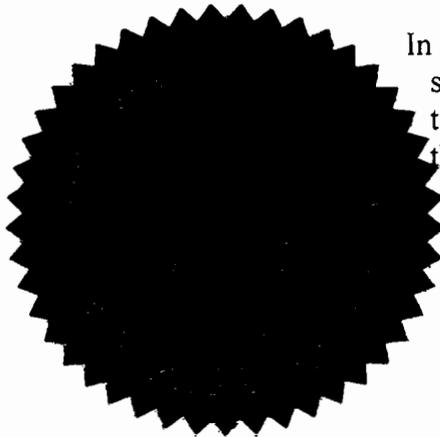
Name: _____	Amount: _____

Contractor initials: SPD
Date: 12/3/13
Page # _____ of Page # _____

State of New Hampshire
Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that BETHANY CHRISTIAN SERVICES OF NEW ENGLAND, INC., a(n) Massachusetts nonprofit corporation, registered to do business in New Hampshire on July 22, 2003. I further certify that it is in good standing as far as this office is concerned, having paid the fees required by law.



In TESTIMONY WHEREOF, I hereto
set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 21st day of November, A.D. 2013

Handwritten signature of William M. Gardner in cursive script.

William M. Gardner
Secretary of State

CERTIFICATE OF VOTE
(Corporation with Seal)

I, William J. Blacquiere, President of the
(Corporation Representative Name) (Corporation Representative Title)

Bethany Christian Services of New England, Inc., do hereby certify that:
(Corporation Name)

(1) I am the duly elected and acting President of the
(Corporate Representative Title)

Bethany Christian Services of New England, a Massachusetts corporation (the
(Corporation Name) (State of incorporation)

“Corporation”);

(2) I Maintain and have custody of and am familiar with the Seal and minute books of the Corporation;

(3) I am duly authorized to issue certificates;

(4) The following are true, accurate and complete copies of the resolutions adopted by the Board of Directors of the Corporation at a meeting of the said Board of Directors held on the

23rd day of November 2013, which meeting was duly held in accordance with

Massachusetts law and the by-laws of the Corporation:
(State of incorporation)

RESOLVED: That this Corporation enter into a contract with the State of New Hampshire, acting by and through the Department of Health and Human Services, providing for the performance by the Corporation of certain Recruiting and retention of foster and adoptive families services, and that the Branch Director, Sandra Pyram-Loyer, is hereby authorized and directed for and on behalf of this Corporation to enter into the said contract with the State and to take any and all such actions and to execute, seal, acknowledge and deliver for and on behalf of this Corporation and any all documents, agreements and the other instruments (and any amendments, revisions or modifications thereto) as she may deem necessary, desirable or appropriate to accomplish the same;

RESOLVED: That the signature of any office of this Corporation affixed to any instrument or document described in or contemplated by these resolutions shall be conclusive evidence of the authority of said officer to bind this Corporation thereby;

The forgoing resolutions have not been revoked, annulled or amended in any manner whatsoever, and remain in full force and effect as of the date hereof; and the following persons have been duly elected and now occupy the offices indicated below.

William J Blacquiere President Name

Marjorie Dood Clerk Name

Marjorie Dood Treasurer Name

IN WITNESS WHEREOF, I have hereunto set my hand as the _____ President _____

of the Corporation and have affixed its corporate seal this 13 day of January, 2014

William J. Blacquiere
(Signature)

(Seal)

STATE OF Michigan

COUNTY OF Kent

On this the 13 day of January, 2014, before me, Miriam A. Ruiz the undersigning officer,

personally appeared William J. Blacquiere, who acknowledged him/herself to be the

President, of Bethany Christian Services of New England, Inc a corporation, and that she/he,

as such is being authorized to do so, executed the foregoing instrument for the

purposes therein contained, by signing the name of the corporation by her/himself as

President

IN WITNESS WHEREOF I hereunto set my hand and official seal.

Miriam A. Ruiz
Notary Public/Justice of the Peace

My Commission expires: September 29, 2020

CORPORATE ACKNOWLEDGMENT

State/Commonwealth of Michigan
County of Kent } ss.

On this the 13 day of January, 2014, before me,

MORAIMA A. RUIZ, the undersigned Notary Public,
Day Month Year
Name of Notary Public

personally appeared William J. Blacquiere,
Name(s) of Corporate Signer(s)

personally known to me - OR -

proved to me on the basis of satisfactory evidence to be the person(s) who executed the within instrument as

President
Corporate Title(s) of Signer(s), Respectively

on behalf of Bethany Christian Services
Name of Corporation

the corporation therein named, and acknowledged to me that the corporation executed the same for the purposes therein stated.

WITNESS my hand and official seal.
[Signature]
Signature of Notary Public

MORAIMA A. RUIZ
Any Other Required Information (Printed Name of Notary, Expiration Date, etc.)



Place Notary Seal/Stamp Above

OPTIONAL

This section is required for notarizations performed in Arizona but is optional in other states. Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document:
Title or Type of Document: Certificate of Vote
Document Date: January 13, 2014 Number of Pages: 2
Signer(s) Other Than Named Above: NO OTHER

RESOLUTION

At the called board meeting of Bethany Christian Services of New England, Inc on November 23, 2013, the following resolution was presented and passed unanimously:

WHEREAS: Bethany Christian Services of New England, Inc desires to provide Community and Faith Based Recruitment and Retention services, and

WHEREAS: Said corporation desires to enter a contractual agreement with the New Hampshire Department of Health and Human Services for the provisions of said services; be it therefore

RESOLVED, That Bethany Christian Services of New England, Inc Agrees to enter a written contract with the New Hampshire Department of Health and Human Services for the provision of said services for a period beginning January 1, 2014 and ending December 31, 2015.

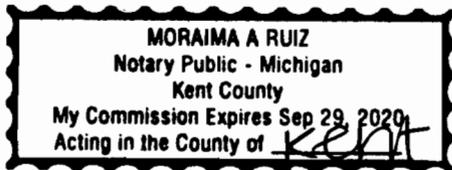
AND THE Director, Sandra Pyram-Loyer is duly authorized to execute said contract on behalf of this corporation.

Certified true and correct

Marjorie M. Dood
Signature of Corporate Clerk

Marjorie M. Dood
Typed Name of Corporate Clerk

Bethany Christian Services of New England Inc
Typed Name of Corporation



On this 8th day of January 2013, before me, the undersigned notary public, personally appeared Marjorie M. Dood proved to me through satisfactory evidence of identification, which was/were personal knowledge be the person whose name is signed above, and swore or affirmed to me that the contents of the documents are truthful and accurate to the best of his/her knowledge and belief.

Moraima Ruiz
Signature of notary

January 8, 2014
my commission expires
September 29, 2020
NEW ENGLAND OFFICES

INDIVIDUAL ACKNOWLEDGMENT

State Commonwealth of Michigan
County of Kent } ss.

On this the 8 day of January, 2014, before me,
Moraima A. Ruiz, the undersigned Notary Public,
Name of Notary Public
personally appeared MARJORIE M. DOOD,
Name(s) of Signer(s)

- personally known to me - OR -
- proved to me on the basis of satisfactory evidence

to be the person(s) whose name(s) is/are subscribed to the within instrument, and acknowledged to me that he/she/they executed the same for the purposes therein stated.

WITNESS my hand and official seal.

Moraima A. Ruiz
Signature of Notary Public

Moraima A. Ruiz
Commission Expires September 29, 2020
Any Other Required Information
(Printed Name of Notary, Expiration Date, etc.)



Place Notary Seal/Stamp Above

OPTIONAL

This section is required for notarizations performed in Arizona but is optional in other states. Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: Resolution
Document Date: November 23, 2013 Number of Pages: 1
Signer(s) Other Than Named Above: N/A - NO OTHER SIGNER



CERTIFICATE OF LIABILITY INSURANCE

OP ID: JN

DATE (MM/DD/YYYY)

12/24/2013

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER BUITEN & ASSOCIATES, LLC. 5738 FOREMOST DRIVE, SE GRAND RAPIDS, MI 49546 PAUL S BUITEN	CONTACT NAME:	
	PHONE (A/C, No, Ext):	FAX (A/C, No):
	E-MAIL ADDRESS:	
	PRODUCER CUSTOMER ID #:	BETHA-1
INSURED BETHANY CHRISTIAN SERVICES INC BETHANY CHRISTIAN SERVICES USA LLC; BETHANY CHRISTIAN SERVICES GLOBAL LLC 901 EASTERN NE PO BOX 294 GRAND RAPIDS, MI 49501-0294	INSURER(S) AFFORDING COVERAGE	
	INSURER A:	PHILADELPHIA INS CO NAIC#18058
	INSURER B:	ST PAUL/TRAVELERS INS CO**
	INSURER C:	
	INSURER D:	
	INSURER E:	
	INSURER F:	
	NAIC #	25615

COVERAGES

CERTIFICATE NUMBER:

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY			PHPK1064482	09/01/2013	09/01/2014	EACH OCCURRENCE \$ 1,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY						DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR						MED EXP (Any one person) \$ 20,000
	<input checked="" type="checkbox"/> PROFESSIONAL						PERSONAL & ADV INJURY \$ 1,000,000
	<input checked="" type="checkbox"/> SEX ABUSE/MOLESTA			\$3 MIL AGG/\$1 MIL OCC	09/01/2013	09/01/2014	GENERAL AGGREGATE \$ 3,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:			\$3 MIL AGG/\$1 MIL EA ACT	09/01/2013	09/01/2014	PRODUCTS - COM/POP AGG \$ 3,000,000
	<input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input checked="" type="checkbox"/> LOC						\$
A	AUTOMOBILE LIABILITY			PHPK1064482	09/01/2013	09/01/2014	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000
	<input checked="" type="checkbox"/> ANY AUTO						BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS						BODILY INJURY (Per accident) \$
	<input type="checkbox"/> SCHEDULED AUTOS						PROPERTY DAMAGE (PER ACCIDENT) \$
	<input checked="" type="checkbox"/> HIRED AUTOS						\$
<input checked="" type="checkbox"/> NON-OWNED AUTOS			\$				
<input checked="" type="checkbox"/> COMP/COLLISION			\$500 DED / \$1,000 DED			\$	
A	UMBRELLA LIAB	<input checked="" type="checkbox"/>	OCCUR	PHUB431941	09/01/2013	09/01/2014	EACH OCCURRENCE \$ 10,000,000
	EXCESS LIAB		CLAIMS-MADE				AGGREGATE \$ 10,000,000
	DEDUCTIBLE						\$
	<input checked="" type="checkbox"/> RETENTION \$ 10000						\$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY			UB4922B480 (BLKT WAIVER OF SUBRO)	12/31/2013	12/31/2014	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	<input type="checkbox"/> Y <input checked="" type="checkbox"/> N	N/A				E.L. EACH ACCIDENT \$ 1,000,000
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE \$ 1,000,000
							E.L. DISEASE - POLICY LIMIT \$ 1,000,000
B	EMPLOYEE THEFT			105663451	09/01/2013	09/01/2014	500,000
A	HIRED PHY DAMAGE			PHPK1064482	09/01/2013	09/01/2014	COMP/COLL 500/1000DED

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

RE: 183 HIGH STREET, CANDIA NH

CERTIFICATE HOLDER**CANCELLATION**

NEW HAMPSHIRE DEPT OF HEALTH & HUMAN SERVICES; DIVISION FOR CHILDREN, YOUTH & FAMILIES 129 PLEASANT ST CONCORD, NH 03301 3857	NEWHAMP SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE PAUL S BUITEN

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Bethany Christian Services

**Consolidated Financial Report
with Additional Information
December 31, 2012**

Bethany Christian Services

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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, 2012 and 2011 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 opinions 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 audit 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, 2012 and 2011 and the results of its operations and its 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 27, 2013 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, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 & Morse, PLLC

March 27, 2013

Bethany Christian Services

Consolidated Statement of Financial Position

	December 31, 2012	December 31, 2011
Assets		
Current Assets		
Cash and cash equivalents	\$ 2,580,923	\$ 1,921,160
Investments (Note 2)	24,629,138	24,471,133
Receivables - Net	10,471,740	8,295,018
Prepaid expenses and other:		
Prepaid expenses	835,829	599,859
Deposits	169,142	108,019
Total current assets	38,686,772	35,395,189
Property and Equipment - Net (Note 3)	12,994,760	13,021,949
Investment in Unconsolidated Affiliate (Note 2)	634,357	654,390
Total assets	\$ 52,315,889	\$ 49,071,528
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	\$ 2,133,468	\$ 2,068,297
Deferred revenue	3,214,252	2,760,868
Current portion of pension obligations (Note 7)	1,020,000	870,000
Accrued employee compensation and benefits	4,019,752	3,423,955
Total current liabilities	10,387,472	9,123,120
Annuities Payable (Note 4)	389,021	433,154
Other Long-term Liabilities - Pension obligations - Net of current portion (Note 7)	8,691,504	8,501,626
Total liabilities	19,467,997	18,057,900
Net Assets		
Unrestricted:		
Undesignated	17,399,753	16,964,457
Board-designated	14,764,823	13,309,869
Temporarily restricted	427,936	486,697
Permanently restricted	255,380	252,605
Total net assets	32,847,892	31,013,628
Total liabilities and net assets	\$ 52,315,889	\$ 49,071,528

Bethany Christian Services

Consolidated Statement of Activities and Changes in Net Assets

	Year Ended							
	December 31, 2012			December 31, 2011				
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue and Support								
Contributions	\$ 12,966,054	\$ -	\$ 2,775	\$ 12,968,829	\$ 11,778,798	\$ -	\$ 2,775	\$ 11,781,573
Child support	40,665,909	-	-	40,665,909	37,546,654	-	-	37,546,654
Service fees	27,678,390	-	-	27,678,390	26,090,248	-	-	26,090,248
Investments and other	3,608,935	-	-	3,608,935	(223,191)	(36,344)	(374)	(259,909)
Total revenue and support	84,919,288	-	2,775	84,922,063	75,192,509	(36,344)	2,401	75,158,566
Net Assets Released from Restrictions	58,761	(58,761)	-	-	36,279	(36,279)	-	-
Total revenue, support, and net assets released from restrictions	84,978,049	(58,761)	2,775	84,922,063	75,228,788	(72,623)	2,401	75,158,566
Expenses								
Program services:								
Adoption	26,489,081	-	-	26,489,081	26,536,058	-	-	26,536,058
Foster care	19,462,662	-	-	19,462,662	17,230,265	-	-	17,230,265
International social services	1,224,856	-	-	1,224,856	1,446,456	-	-	1,446,456
Refugee services	7,913,091	-	-	7,913,091	7,514,771	-	-	7,514,771
Counseling	8,054,182	-	-	8,054,182	5,281,464	-	-	5,281,464
Residential treatment	2,140,016	-	-	2,140,016	1,960,833	-	-	1,960,833
Sponsorship	667,773	-	-	667,773	307,592	-	-	307,592
Other programs	4,144,465	-	-	4,144,465	4,578,839	-	-	4,578,839
Total program services	70,096,126	-	-	70,096,126	64,856,278	-	-	64,856,278
Support services:								
Management and general	8,901,417	-	-	8,901,417	8,569,114	-	-	8,569,114
Fundraising	3,738,014	-	-	3,738,014	3,131,351	-	-	3,131,351
Total expenses	82,735,557	-	-	82,735,557	76,556,743	-	-	76,556,743
Increase (Decrease) in Net Assets - Before other items	2,242,492	(58,761)	2,775	2,186,506	(1,327,955)	(72,623)	2,401	(1,398,177)
Pension Liability Adjustment (Note 7)	(352,242)	-	-	(352,242)	(5,290,660)	-	-	(5,290,660)
Increase (Decrease) in Net Assets	1,890,250	(58,761)	2,775	1,834,264	(6,618,615)	(72,623)	2,401	(6,688,837)
Net Assets - Beginning of year	30,274,326	486,697	252,605	31,013,628	36,892,941	559,320	250,204	37,702,465
Net Assets - End of year	\$ 32,164,576	\$ 427,936	\$ 255,380	\$ 32,847,892	\$ 30,274,326	\$ 486,697	\$ 252,605	\$ 31,013,628

Bethany Christian Services

Consolidated Statement of Functional Expenses Year Ended December 31, 2012

	Adoption	Foster Care	International Social Services	Refugee Services	Counseling	Residential Treatment	Sponsorship	Other Programs	Management & General	Fundraising	Total
Operating Expenses											
Salaries	\$ 13,475,862	\$ 7,286,641	\$ 209,955	\$ 2,830,098	\$ 4,880,230	\$ 1,302,492	\$ 73,182	\$ 2,206,612	\$ 4,200,343	\$ 1,034,968	\$ 37,500,383
Fringes	3,465,300	1,817,923	46,775	690,026	1,017,356	313,385	21,270	488,715	710,986	244,140	8,815,876
Taxes	1,026,358	511,776	12,989	200,047	320,158	94,899	1,472	219,113	306,920	81,790	2,775,522
Professional fees	936,691	180,382	19,950	103,662	222,789	19,091	191,779	76,209	1,460,760	583,120	3,794,433
Supplies	279,778	150,920	6,105	52,253	83,844	27,628	356	29,481	79,582	12,138	722,085
Telephone	455,077	166,550	1,435	36,264	86,496	9,379	11	65,144	60,448	19,330	900,134
Postage	305,669	45,504	1,210	8,755	12,653	532	2,813	12,341	83,661	50,237	523,375
Occupancy	1,847,064	628,405	17,102	338,056	324,962	87,583	-	172,898	219,141	43,128	3,678,339
Printing	186,277	34,937	939	8,008	19,084	1,049	10,231	31,019	67,570	182,682	541,796
Information technology	229,054	124,793	5,897	61,715	46,964	15,654	5,248	69,921	266,038	61,852	887,136
Equipment and furnishings	79,532	38,788	200	15,805	9,200	7,052	-	23,435	26,926	834	201,772
Travel	1,049,512	747,965	29,517	238,206	407,485	44,004	5,136	210,561	327,056	79,979	3,134,421
Conferences and meetings	190,846	113,706	865	21,725	40,129	3,969	1,803	137,171	144,476	21,360	676,050
Advertising	890,470	177,192	-	39,703	50,346	2,028	-	164,200	283,219	14,607	1,621,765
Special assistance	727,715	7,192,188	3,800	3,160,295	326,905	169,669	1,914	68,604	8,232	6,495	11,665,817
Overseas contributions	382,649	-	709,343	-	-	-	327,012	-	-	-	1,419,004
Program development	138,768	1,536	150,369	118	1,268	-	-	6,490	11,496	59	310,104
Payment processing fees	270,912	63	-	198	1,427	-	3,918	3,548	26,696	1,058	307,820
Educational and promotional materials	40,726	11,117	173	7,461	6,281	198	17,177	17,962	66,527	17,176	184,798
Fundraising event costs	-	-	-	-	-	-	-	-	-	1,076,415	1,076,415
Bad debt	41,097	5,735	-	-	87,517	-	-	4,321	125	1,160	139,955
Miscellaneous	235,751	114,433	5,944	20,423	82,574	7,252	4,403	51,337	243,784	44,824	810,725
Depreciation	233,973	112,108	2,288	80,273	31,514	34,152	48	85,383	307,431	160,662	1,047,832
Total operating expenses	\$ 26,489,081	\$ 19,462,662	\$ 1,224,856	\$ 7,913,091	\$ 8,054,182	\$ 2,140,016	\$ 667,773	\$ 4,144,465	\$ 8,901,417	\$ 3,738,014	\$ 82,735,557

Bethany Christian Services

Consolidated Statement of Functional Expenses (Continued) Year Ended December 31, 2011

	Adoption	Foster Care	International Social Services	Refugee Services	Counseling	Residential Treatment	Sponsorship	Other Programs	Management and General	Fundraising	Total
Operating Expenses											
Salaries	\$ 14,107,702	\$ 6,292,961	\$ 133,692	\$ 2,636,218	\$ 3,229,074	\$ 1,178,628	\$ 3,241	\$ 2,359,333	\$ 3,896,479	\$ 1,001,080	\$ 34,838,408
Fringes	3,386,494	1,587,677	36,396	711,578	717,947	277,125	1,134	564,363	701,413	217,142	8,201,269
Taxes	1,039,290	441,654	10,456	190,073	221,246	83,283	-	222,576	275,694	88,935	2,573,207
Professional fees	911,683	164,172	11,656	66,903	124,996	32,292	37,236	138,761	1,481,091	228,796	3,197,586
Supplies	262,518	114,587	3,166	48,636	72,176	44,172	20	14,543	71,735	12,621	644,174
Telephone	448,967	136,169	1,944	28,880	47,307	13,089	238	70,073	54,328	15,285	816,280
Postage	297,038	35,057	1,105	8,088	7,734	277	4,469	16,368	80,363	65,446	515,945
Occupancy	1,841,426	554,340	14,166	226,470	222,940	71,996	-	254,829	206,115	26,899	3,419,181
Printing	186,460	32,458	1,718	10,318	13,741	504	4,439	30,603	221,287	143,911	645,439
Information technology	132,621	92,695	2,897	70,461	56,017	13,547	1,948	127,024	217,790	41,034	756,034
Equipment and furnishings	90,778	28,975	21	8,781	10,534	4,187	-	18,609	29,690	850	192,425
Travel	1,217,351	606,932	55,635	216,457	252,927	46,522	149	273,433	239,638	72,504	2,981,548
Conferences and meetings	197,981	100,348	5,505	24,053	29,462	2,341	232	123,468	179,984	30,286	693,660
Advertising	839,772	160,205	-	48,117	25,470	463	-	75,788	130,371	18,389	1,298,575
Special assistance	741,470	6,677,092	40,515	3,089,378	143,595	127,256	6,167	104,277	17,276	47,167	10,994,193
Overseas contributions	139,005	-	837,611	-	-	-	244,471	-	-	-	1,221,087
Program development	108,187	180	249,834	-	1,260	-	-	18,400	36,000	-	413,861
Payment processing fees	-	-	-	-	-	-	-	-	262,642	-	262,642
Educational and promotional materials	63,487	8,323	8,891	4,212	4,227	4,334	-	12,635	135,369	8,524	250,002
Fundraising event costs	-	-	-	-	-	-	-	-	-	1,045,737	1,045,737
Bad debt	69,099	6,174	-	2,110	19,376	-	7	1,440	17,208	-	115,414
Miscellaneous	274,442	98,685	30,825	96,498	41,994	8,735	3,841	84,499	36,087	897	676,503
Depreciation	180,287	91,581	423	27,540	39,441	52,082	-	67,817	278,554	65,848	803,573
Total operating expenses	\$ 26,536,058	\$ 17,230,265	\$ 1,446,456	\$ 7,514,771	\$ 5,281,464	\$ 1,960,833	\$ 307,592	\$ 4,578,839	\$ 8,569,114	\$ 3,131,351	\$ 76,556,743

See Notes to Consolidated Financial Statements.

Bethany Christian Services

Consolidated Statement of Cash Flows

	Year Ended	
	December 31, 2012	December 31, 2011
Cash Flows from Operating Activities		
Increase (decrease) in net assets	\$ 1,834,264	\$ (6,688,837)
Adjustments to reconcile increase (decrease) in net assets to net cash from operating activities:		
Depreciation	1,047,832	803,573
Loss on sale of property and equipment	16,818	1,413
Permanently restricted contributions received	(2,775)	(2,775)
Bad debt expense	(139,955)	(115,414)
Net unrealized (gain) loss on investments	(2,228,446)	1,259,525
Earnings on unconsolidated investment	(47,167)	(40,137)
Pension liability adjustment	352,242	5,290,660
Pension net periodic benefit cost	1,237,636	346,669
Net present value adjustment of annuities payable	(3,296)	108,526
Changes in operating assets and liabilities which (used) provided cash:		
Receivables	(2,036,767)	10,868
Prepaid expenses and other	(107,344)	369,995
Accounts payable and accrued expenses	(124,578)	(35,323)
Accrued employee compensation and benefits	595,797	(1,442,586)
Pension contribution	(1,250,000)	(1,200,000)
Deferred revenue	453,384	(407,911)
Net cash used in operating activities	(402,355)	(1,741,754)
Cash Flows from Investing Activities		
Purchase of property and equipment	(1,037,461)	(883,100)
Purchases of investments	(4,876,952)	(23,778,912)
Proceeds from sales of investments	6,947,393	23,270,521
Distributions from unconsolidated affiliate	67,200	64,000
Net cash provided by (used in) investing activities	1,100,180	(1,327,491)
Cash Flows from Financing Activities		
Payments on annuities payable	(40,837)	(40,886)
Payments on debt	-	(45,938)
Permanently restricted contributions received	2,775	2,775
Net cash used in financing activities	(38,062)	(84,049)
Net Increase (Decrease) in Cash and Cash Equivalents	659,763	(3,153,294)
Cash and Cash Equivalents - Beginning of year	1,921,160	5,074,454
Cash and Cash Equivalents - End of year	<u>\$ 2,580,923</u>	<u>\$ 1,921,160</u>
Supplemental Disclosure of Cash Flow Information - Cash paid for interest	<u>\$ 23,022</u>	<u>\$ 10,887</u>

Bethany Christian Services

Notes to Consolidated Financial Statements December 31, 2012 and 2011

Note 1 - 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 34 home offices in 36 states, with the central business office located in Grand Rapids, Michigan. Approximately 53 percent and 55 percent of operating revenue in 2012 and 2011, 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, 2012 and 2011, the Organization had no amounts in excess of the \$250,000 limit.

Bethany Christian Services

Notes to Consolidated Financial Statements December 31, 2012 and 2011

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 \$150,702 and \$127,202 at December 31, 2012 and 2011, 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 years for vehicles.

The Organization reports gifts of property, plant, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of property, plant, 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, plant, and equipment are reported as restricted support. Absent explicit donor stipulations about how long the property, plant, 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, plant, and equipment.

Bethany Christian Services

Notes to Consolidated Financial Statements December 31, 2012 and 2011

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

Certain property, plant, 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, 2012.

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. 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.

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, 2012 and 2011

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

Service Fee Revenue - Prospective parents involved in the domestic infant and intercountry 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 consolidated 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.

In accordance with the requirements of the State of Pennsylvania, the details of the Organization's Philadelphia foster care activities reported in the consolidated statements of activities and changes in net assets and functional expenses as a part of the foster care program for the years ended December 31, 2012 and 2011 are as follows.

	2012	2011
Operating expenses:		
Salaries	\$ 470,250	\$ 405,792
Employee benefits	106,272	116,526
Payroll taxes	34,710	29,488
Professional fees	8,938	4,819
Supplies	7,260	6,299
Telephone	7,614	7,184
Postage and shipping	1,921	3,158
Occupancy	39,651	32,487
Outside printing	716	1,148
Travel and transportation	27,427	25,414
Advertising	4,067	6,607
Special assistance	564,895	433,869
Miscellaneous	66,769	31,548
Depreciation	7,942	11,960
Total	<u>\$ 1,348,432</u>	<u>\$ 1,116,299</u>

Bethany Christian Services

Notes to Consolidated Financial Statements December 31, 2012 and 2011

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

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, 2012 and 2011, respectively, 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. Management believes it is no longer subject to income tax examinations for years prior to December 31, 2009.

Advertising - Advertising costs are expensed as incurred and amounted to \$1,621,765 and \$1,298,575 in 2012 and 2011, respectively.

Subsequent Events - The consolidated financial statements and related disclosures include evaluation of events up through and including March 27, 2013, which is the date the consolidated financial statements were available to be issued.

Reclassification - Certain reclassifications were made to amounts in the 2011 consolidated financial statements to conform to the classifications used in 2012.

Note 2 - Investments

Investments consisted of the following at December 31:

	<u>2012</u>	<u>2011</u>
Bonds and notes	\$ 326,677	\$ 1,357,629
Government securities	381,427	578,648
Mutual funds	19,153,831	17,334,972
Pooled funds	428,574	450,348
Hedge funds	-	685,922
Exchange traded funds	<u>4,338,629</u>	<u>4,063,614</u>
Subtotal	24,629,138	24,471,133
Investment in unconsolidated affiliate	<u>634,357</u>	<u>654,390</u>
Total	<u>\$ 25,263,495</u>	<u>\$ 25,125,523</u>

Bethany Christian Services

Notes to Consolidated Financial Statements December 31, 2012 and 2011

Note 2 - Investments (Continued)

Investment income consists of the following:

	<u>2012</u>	<u>2011</u>
Interest and dividends	\$ 876,029	\$ 724,507
Realized and unrealized gains (losses)	<u>2,228,446</u>	<u>(1,259,525)</u>
Total	<u>\$ 3,104,475</u>	<u>\$ (535,018)</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 \$47,100 and \$40,100 and received a distribution of \$67,200 and \$64,000 for the years ended December 31, 2012 and 2011, respectively. The Organization is the sole tenant of the real estate limited liability company and has incurred lease expenses of \$168,295 in 2012 and \$163,393 in 2011 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>2012</u>	<u>2011</u>
Land	\$ 1,011,176	\$ 1,011,176
Land improvements	1,211,316	1,211,316
Buildings and improvements	15,178,743	14,915,171
Transportation equipment	282,704	257,386
Furniture and fixtures	6,123,628	5,872,090
Construction in progress	<u>586,300</u>	<u>154,905</u>
Total cost	24,393,867	23,422,044
Accumulated depreciation	<u>(11,399,107)</u>	<u>(10,400,095)</u>
Net carrying amount	<u>\$ 12,994,760</u>	<u>\$ 13,021,949</u>

Depreciation expense was \$1,047,832 for 2012 and \$803,573 for 2011.

Bethany Christian Services

Notes to Consolidated Financial Statements December 31, 2012 and 2011

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, 2012 and 2011, the Organization recorded \$389,021 and \$433,154, respectively, in annuities payable relating to such program.

Note 5 - Line of Credit

The Organization has a \$3,000,000 line of credit available from a bank. There were draws that totaled \$9,082,000 and \$0 during 2012 and 2011, respectively. Associated interest expense totaled \$23,022 and \$0 for 2012 and 2011, respectively. There were no borrowings on this line of credit at December 31, 2012 and 2011. The line of credit bears interest at LIBOR plus 1.5 percent. The note expires on June 20, 2013.

Note 6 - Operating Leases

The Organization leases office space and certain equipment and vehicles under operating lease agreements that expire through 2016. The following is a schedule of future minimum rental payments for the years ending December 31:

2013	\$ 2,007,574
2014	1,316,031
2015	829,794
2016	491,521
2017	98,173
Total	<u>\$ 4,743,093</u>

Total rent expense on these leases for 2012 and 2011 was \$2,212,161 and \$2,104,260, respectively.

Note 7 - Employee Benefit Plans

The Organization has a 403(b) retirement plan. Under the plan, employees can elect to defer up to 20 percent of their annual compensation up to the maximum dollar amount determined by the Internal Revenue Code.

Bethany Christian Services

Notes to Consolidated Financial Statements December 31, 2012 and 2011

Note 7 - Employee Benefit Plans (Continued)

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 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 Organization made contributions of \$1,156,916 and \$1,156,052 to the plan for the years ended December 31, 2012 and 2011, respectively.

The Organization has a noncontributory defined benefit pension plan that covered substantially all of its employees. The plan provides defined benefits based on years of service and compensation. The plan was frozen effective December 31, 2009. During 2012, the Organization approved termination of the plan, subject to approval by the Pension Benefit Guaranty Corporation and the Internal Revenue Service.

Obligations and Funded Status

	<u>Pension Benefits</u>	
	<u>2012</u>	<u>2011</u>
Projected benefit obligation	\$ 31,270,028	\$ 28,426,439
Fair value of plan assets at end of year	<u>21,558,524</u>	<u>19,054,813</u>
Funded status at end of year	<u>\$ (9,711,504)</u>	<u>\$ (9,371,626)</u>

Bethany Christian Services

Notes to Consolidated Financial Statements December 31, 2012 and 2011

Note 7 - Employee Benefit Plans (Continued)

Amounts recognized in the balance sheet consist of the following:

	Pension Benefits	
	2012	2011
Current liabilities	\$ 1,020,000	\$ 870,000
Noncurrent liabilities	8,691,504	8,501,626
Total	<u>\$ 9,711,504</u>	<u>\$ 9,371,626</u>

Net Periodic Benefit Cost, Employer Contributions, and Benefits Paid

	Pension Benefits	
	2012	2011
Net periodic benefit cost	\$ 1,237,636	\$ 346,669
Employer contributions	1,250,000	1,200,000
Benefits paid	739,479	623,295

Other Changes in Plan Assets and Benefit Obligations Recognized as Pension Liability Adjustment

	Pension Benefits	
	2012	2011
Interest cost	\$ 1,259,615	\$ 1,296,440
Expected return on assets	(1,261,187)	(1,458,269)
Amortization of transition obligation	1,239,208	508,498
Net periodic benefit cost	1,237,636	346,669
Net loss	1,591,450	5,799,158
Amortization of net loss	(1,239,208)	(508,498)
Pension liability adjustment	<u>352,242</u>	<u>5,290,660</u>
Total recognized in the consolidated statement of activities	<u>\$ 1,589,878</u>	<u>\$ 5,637,329</u>

Bethany Christian Services

Notes to Consolidated Financial Statements December 31, 2012 and 2011

Note 7 - Employee Benefit Plans (Continued)

Assumptions

Weighted average assumptions used to determine benefit obligations at December 31 are as follows:

	Pension Benefits	
	2012	2011
Discount rate	4.00 %	4.50 %

Weighted average assumptions used to determine net periodic benefit cost for years ended December 31 are as follows:

	Pension Benefits	
	2012	2011
Discount rate	4.50 %	5.50 %
Expected long-term return on plan assets	7.00	8.00

The overall expected rate of return on plan assets represents a weighted average composite rate based on the historical rates of returns of the respective asset classes. Factors considered in making this selection include (a) historical long-term rates of return for broad asset classes, (b) actual past rates of return achieved by the plan, (c) the general mix of assets held by the plan, and (d) the stated investment policy for the plan. The selected rate of return is net of anticipated investment-related expenses.

Pension Plan Assets

The goals of the pension plan investment program are to fully fund the obligation to pay retirement benefits in accordance with the plan documents and to provide returns that, along with appropriate funding from the Organization, maintain an asset/liability ratio that is in compliance with all applicable laws and regulations and assures timely payment of retirement benefits.

The investment policy for the plan is determined by the Organization's investment committee. The committee hires and oversees the investment advisor, who is given the responsibility to invest the assets in accordance with the policy. In general, the committee favors an investment policy designed to enhance the long-term funding of the plan through capital appreciation and growth of income while avoiding extremely volatile results. The assets of the plan are invested to avoid significant concentrations of risk through pooled separate accounts, which are invested in a wide range of investments and strategies.

Equity securities primarily include investments in large- and mid-cap companies primarily located in the United States. Fixed-income securities include corporate bonds of companies from diversified industries, mortgage-backed securities, and U.S. Treasuries.

Bethany Christian Services

Notes to Consolidated Financial Statements December 31, 2012 and 2011

Note 7 - Employee Benefit Plans (Continued)

The target allocation of plan assets is 20 percent equity securities and 80 percent corporate bonds and U.S. Treasury securities.

The fair values of the Organization's pension plan assets at December 31, 2012 and 2011, by major asset classes, are as follows:

Fair Value Measurements at December 31, 2012

Asset Classes	Balance at December 31, 2012	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Pooled equity funds (a)	\$ 5,013,554	\$ -	\$ 5,013,554	\$ -
Pooled bond funds (b)	16,120,741	-	16,120,741	-
Pooled real estate equity funds (e)	424,229	-	424,229	-
Total	<u>\$ 21,558,524</u>	<u>\$ -</u>	<u>\$ 21,558,524</u>	<u>\$ -</u>

Fair Value Measurements at December 31, 2011

Asset Classes	Balance at December 31, 2011	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Pooled equity funds (a)	\$ 10,887,335	\$ -	\$ 10,887,335	\$ -
Pooled bond funds (b)	5,430,087	-	5,430,087	-
Pooled money market fund (c)	500,154	-	500,154	-
Pooled asset allocation funds (d)	1,244,838	-	1,244,838	-
Pooled real estate equity funds (e)	992,399	-	992,399	-
Total	<u>\$ 19,054,813</u>	<u>\$ -</u>	<u>\$ 19,054,813</u>	<u>\$ -</u>

- (a) Pooled equity funds consist of 70 percent of mutual funds that invest in common stock of large-cap U.S. companies. A total of 30 percent of the Organization's mutual fund investments focus on emerging markets and domestic real estate common stocks.
- (b) This class includes hedge funds that invest both long and short in primarily U.S. common stocks. Management of the hedge funds has the ability to shift investments from value to growth strategies, from small to large capitalization stocks, and from a net long position to a net short position.
- (c) This class includes money market and cash equivalents.
- (d) This class includes investments that invest in a fixed range percentage of net assets in gold, silver, stocks of U.S. and foreign real estate and natural resource companies and dollar assets such as U.S. Treasury securities and short-term corporate bonds.
- (e) This class includes several private equity funds that invest primarily in U.S. commercial real estate.

Bethany Christian Services

Notes to Consolidated Financial Statements December 31, 2012 and 2011

Note 7 - Employee Benefit Plans (Continued)

The above tables present information about the pension benefit plan assets measured at fair value at December 31, 2012 and 2011 and the valuation techniques used by the Organization to determine those fair values. The level inputs and fair value measurement practice is further described in Note 8.

Cash Flow

Contributions

The Organization expects to contribute at least the required minimum funding obligation of \$1,020,000 to its pension plan in 2013.

Estimated Future Benefit Payments

The following benefit payments are expected to be paid as follows:

<u>Year Ending December 31</u>	<u>Pension Benefits</u>
2013	\$ 1,020,000
2014	1,210,000
2015	1,300,000
2016	1,410,000
2017	1,580,000
2018-2022	8,530,000

Note 8 - Fair Value Measurements

Accounting standards require certain assets and liabilities to 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, 2012 and 2011 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.

Bethany Christian Services

Notes to Consolidated Financial Statements December 31, 2012 and 2011

Note 8 - Fair Value Measurements (Continued)

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

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

Assets Measured at Fair Value on a Recurring Basis at December 31, 2012

	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, 2012
Investments:				
Mutual funds - Domestic stock	\$ 5,814,810	\$ -	\$ -	\$ 5,814,810
Mutual funds - Foreign stock	3,840,254	-	-	3,840,254
Mutual funds - Bonds	8,672,645	-	-	8,672,645
Mutual funds - Real estate	826,122	-	-	826,122
Exchange traded funds - Domestic stock	2,504,784	-	-	2,504,784
Exchange traded funds - Foreign stock	1,380,417	-	-	1,380,417
Exchange traded funds - Real estate	453,428	-	-	453,428
Pooled funds - Domestic stock	-	132,798	-	132,798
Pooled funds - REIT	-	23,269	-	23,269
Pooled funds - Bonds	-	124,514	-	124,514
Corporate bonds	-	326,677	-	326,677
U.S. Treasury notes	-	173,625	-	173,625
U.S. agency notes	-	207,802	-	207,802
Alternative investments - Low volatility fund	-	-	128,695	128,695
Alternative investments - Managed Funds	-	-	19,298	19,298
Total investments	<u>\$ 23,492,460</u>	<u>\$ 988,685</u>	<u>\$ 147,993</u>	<u>\$ 24,629,138</u>

Bethany Christian Services

Notes to Consolidated Financial Statements December 31, 2012 and 2011

Note 8 - Fair Value Measurements (Continued)

Assets Measured at Fair Value on a Recurring Basis at December 31, 2011

	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, 2011
Investments:				
Mutual funds - Domestic stocks	\$ 5,455,066	\$ -	\$ -	\$ 5,455,066
Mutual funds - Foreign stock	3,541,256	-	-	3,541,256
Mutual funds - Bonds	7,563,559	-	-	7,563,559
Mutual funds - Real estate	775,091	-	-	775,091
Exchange traded funds - Domestic stock	1,511,243	-	-	1,511,243
Exchange traded funds - Foreign stock	2,162,263	-	-	2,162,263
Exchange traded funds - Real estate	390,108	-	-	390,108
Pooled funds - Domestic Stocks	-	164,902	-	164,902
Pooled funds - REIT	-	22,399	-	22,399
Pooled funds - Bonds	-	107,925	-	107,925
Corporate bonds	-	1,357,629	-	1,357,629
U.S. Treasury notes	-	177,938	-	177,938
U.S. agency notes	-	400,710	-	400,710
Alternative investments - Fund of funds	-	-	685,922	685,922
Alternative investments - Managed futures fund	-	-	24,907	24,907
Alternative investments - Low volatility fund	-	-	130,215	130,215
Total investments	\$ 21,398,586	\$ 2,231,503	\$ 841,044	\$ 24,471,133

The fair value of pooled funds, corporate bonds, and U.S. Treasury and U.S. agency notes at December 31, 2012 and 2011 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.

Changes in Level 3 assets measured at fair value on a recurring basis for the years ended December 31, 2012 and 2011 are as follows:

	Alternative Investments - Managed Future Funds	Alternative Investments - Fund of Funds	Alternative Investments - Low Volatility Fund
Balance at January 1, 2012	\$ 24,907	\$ 685,922	\$ 130,215
Sales	-	(687,941)	-
Total unrealized (losses) gains	(5,609)	2,019	(1,520)
Balance at December 31, 2012	\$ 19,298	\$ -	\$ 128,695

Bethany Christian Services

Notes to Consolidated Financial Statements December 31, 2012 and 2011

Note 8 - Fair Value Measurements (Continued)

	Alternative Investments - Managed Funds	Alternative Investments - Fund of Funds	Alternative Investments - Low Volatility Fund
Balance at January 1, 2011	\$ -	\$ 693,893	\$ -
Purchases	25,000	-	140,000
Sales	-	-	(5,000)
Total unrealized (losses) gains	(93)	(7,971)	(4,785)
Balance at December 31, 2011	<u>\$ 24,907</u>	<u>\$ 685,922</u>	<u>\$ 130,215</u>

Realized and unrealized losses of \$5,110 and \$12,849 for the years ended December 31, 2012 and 2011, respectively, are reported in investment income in the consolidated statement of activities.

The fair value of managed future funds, low volatility funds, and fund of funds at December 31, 2012 and 2011 was determined primarily based Level 3 inputs. The Organization estimates the fair value based on net asset value of the fund and its underlying investments, adjusted for known liquidation and redemption restrictions or other relevant factors.

Both observable and unobservable inputs may be used to determine the fair value of positions classified as Level 3 assets. As a result, the unrealized gains and losses for these assets presented in the tables above may include changes in fair value that were attributable to both observable and unobservable inputs.

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, 2012 and 2011, there were no transfers between levels of the fair value hierarchy.

Investments in Entities that Calculate Net Asset Value per Share

The Organization holds shares or interests in investment companies at year end whereby the fair value of the investment held is estimated based on the net asset value per share (or its equivalent) of the investment company.

Bethany Christian Services

Notes to Consolidated Financial Statements December 31, 2012 and 2011

Note 8 - Fair Value Measurements (Continued)

At year end, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

Investments Held at December 31, 2012

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency, if Eligible</u>	<u>Redemption Notice Period</u>
Alternative investments - Managed future fund	\$ 19,298	\$ -	N/A	N/A
Alternative investments - Low volatility fund	128,695	-	N/A	N/A

Investments Held at December 31, 2011

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency, if Eligible</u>	<u>Redemption Notice Period</u>
Alternative investments - Managed future fund	\$ 24,907	\$ -	N/A	N/A
Alternative investments - Fund of funds	685,922	-	N/A	N/A
Alternative investments - Low volatility fund	130,215	-	N/A	N/A

The fund of funds class invests in hedge funds that pursue multiple strategies to diversify risks and reduce volatility. The hedge funds' composite portfolio for this class includes investments in approximately 50 percent U.S. common stocks, 30 percent global real estate projects, and 20 percent arbitrage investments. The fair values of the investments in this class have been estimated using the net asset value per share of the investments.

The managed future fund class invests in a globally diversified selection of commodity and financial market futures with an objective of generating capital appreciation with low correlations to both equity and fixed-income markets. Investments in this class include publicly traded commodity and financial futures contracts. The fair values of the investments in this class have been estimated using the net asset value per share of the investments.

The low volatility fund class invests in a globally diversified selection of hedge funds or hedge fund of funds with an objective of generating equity-like returns with volatility similar to bonds. Investments in this class include investments in hedge funds and hedge fund of funds. The hedge funds' composite portfolio for this class includes investments in both equity and debt strategies. The fair values of the investments in this class have been estimated using the net asset value per share of the investments.

Bethany Christian Services

Notes to Consolidated Financial Statements December 31, 2012 and 2011

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 trustees 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 trustees 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

Endowment Net Asset Composition by Type of Fund as of December 31, 2012

	Unrestricted: Board- designated	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	\$ -	\$ 525,515	\$ 257,366	\$ 782,881
Board-designated endowment funds	14,764,823	-	-	14,764,823
Total funds	<u>\$ 14,764,823</u>	<u>\$ 525,515</u>	<u>\$ 257,366</u>	<u>\$ 15,547,704</u>

Bethany Christian Services

Notes to Consolidated Financial Statements December 31, 2012 and 2011

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

Changes in Endowment Net Assets for the Fiscal Year Ended December 31, 2012

	Unrestricted: Board- designated	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets - Beginning of year	\$ 13,309,869	\$ 486,697	\$ 252,605	\$ 14,049,171
Investment return:				
Investment income	443,787	97,579	1,986	543,352
Net depreciation (realized and unrealized)	1,320,013	-	-	1,320,013
Total investment return	1,763,800	97,579	1,986	1,863,365
Contributions	-	-	2,775	2,775
Appropriation of endowment assets for expenditure	-	(58,761)	-	(58,761)
Other changes - Transfers to unrestricted - Undesignated net assets	(308,846)	-	-	(308,846)
Endowment net assets - End of year	<u>\$ 14,764,823</u>	<u>\$ 525,515</u>	<u>\$ 257,366</u>	<u>\$ 15,547,704</u>

Endowment Net Asset Composition by Type of Fund as of December 31, 2011

	Unrestricted: Board- designated	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	\$ -	\$ 486,697	\$ 252,605	\$ 739,302
Board-designated endowment funds	13,309,869	-	-	13,309,869
Total funds	<u>\$ 13,309,869</u>	<u>\$ 486,697</u>	<u>\$ 252,605</u>	<u>\$ 14,049,171</u>

Bethany Christian Services

Notes to Consolidated Financial Statements December 31, 2012 and 2011

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

Changes in Endowment Net Assets for the Fiscal Year Ended December 31, 2011

	Unrestricted: Board- designated	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets - Beginning of year	\$ 14,187,818	\$ 559,320	\$ 250,204	\$ 14,997,342
Investment return:				
Investment income	460,044	(36,344)	(374)	423,326
Net appreciation	(768,645)	-	-	(768,645)
Total investment return	(308,601)	(36,344)	(374)	(345,319)
Contributions	-	-	2,775	2,775
Appropriation of endowment assets for expenditure	-	(36,279)	-	(36,279)
Other changes - Transfers to unrestricted - Undesignated net assets	(569,348)	-	-	(569,348)
Endowment net assets - End of year	<u>\$ 13,309,869</u>	<u>\$ 486,697</u>	<u>\$ 252,605</u>	<u>\$ 14,049,171</u>

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, 2012 and 2011

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.

Note 10 - Commitments and Contingencies

The Organization is subject to several legal proceedings arising in connection with the operation of its business.

During 2010, the Organization had a claim covered by its insurance policies that was settled in 2011. Management believes that all of its legal proceedings arising in connection with its business will not have a material adverse effect on the Organization's consolidated financial position or results of operations.

Pursuant to an agreement with the bank, the Organization issued continuing loan guarantees in 2002 and 2006 on behalf of adopting parents. Under the loan guarantee program, prospective parents enter into loan agreements with maturities ranging from two to five years with the bank for certain adoption expenses. The bank disburses funds directly to the Organization. The Organization is required to pay off the loans to the bank if the adopting parents fail to repay the loan when due. The maximum amount of unrecorded guarantees is \$0 and \$25,354 at December 31, 2012 and 2011, respectively. No allowance was recorded at December 31, 2012 or 2011.

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 as of and for the years ended December 31, 2012 and 2011. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information is presented for the purpose of additional analysis rather than to present the financial position, results of operations, and cash flows of the individual companies and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Plante & Moran, PLLC

March 27, 2013

Bethany Christian Services

Consolidating Statement of Financial Position December 31, 2012

	Total	Arkansas	California, Northern	California, Southern	Colorado	Florida	Gulf Coast	Georgia	Illinois	Indiana
Assets										
Current Assets:										
Cash and cash equivalents	\$ 2,580,923	\$ 2,900	\$ 9,475	\$ 3,617	\$ 5,200	\$ 2,670	\$ (151,227)	\$ 15,100	\$ (252,742)	\$ 8,500
Investments	24,629,138	730,614	347,625	343,105	177,459	122,099	-	674,058	-	278,539
Receivables, net	10,471,740	(1,900)	114,331	88,410	127,383	61,749	39,203	876,163	42,504	276,664
Prepaid expenses and other:										
Prepaid expenses	835,829	1,095	2,496	5,634	3,226	1,500	-	18,585	1,575	6,531
Deposits	169,142	-	2,650	5,371	1,600	290	-	5,187	-	13,943
Total current assets	38,686,772	732,709	476,577	446,137	314,868	188,308	(112,024)	1,589,093	(208,663)	584,177
Property and equipment										
Land and land improvements	2,222,492	-	43,667	-	-	-	-	-	-	-
Buildings and improvements	15,178,743	-	2,077,102	-	-	-	-	111,800	-	-
Furniture and fixtures	6,123,628	-	140,998	-	13,251	5,176	-	83,954	35,368	11,240
Transportation equipment	282,704	-	19,000	-	-	-	-	53,980	-	-
Construction in progress	586,300	-	-	-	-	-	-	20,234	-	-
Total property and equipment	24,393,867	-	2,280,767	-	13,251	5,176	-	269,968	35,368	11,240
Less accumulated depreciation	(11,399,107)	-	(638,017)	-	(10,306)	(216)	-	(127,645)	(28,722)	(3,434)
Net property and equipment	12,994,760	-	1,642,750	-	2,945	4,960	-	142,323	6,646	7,806
Investment in unconsolidated affiliate	634,357	-	-	-	-	-	-	634,357	-	-
Total Assets	\$ 52,315,889	\$ 732,709	\$ 2,119,327	\$ 446,137	\$ 317,813	\$ 193,268	\$ (112,024)	\$ 2,365,773	\$ (202,017)	\$ 591,983

Bethany Christian Services

Consolidating Statement of Financial Position (Continued) December 31, 2012

	Iowa,		Maryland	Michigan	Minnesota	Mississippi	Missouri	New England	New Jersey	North Carolina
	Northwest	South Central								
Assets										
Current Assets:										
Cash and cash equivalents	\$ (62,613)	\$ 4,600	\$ 1,500	\$ 50,774	\$ (258,409)	\$ 7,837	\$ 3,580	\$ 2,300	\$ (5,029)	\$ 4,000
Investments	-	988,231	139,383	3,652,480	-	756,207	267,067	67,061	-	981,787
Receivables, net	18,623	8,886	81,870	6,800,061	38,174	6	5,919	50,997	15,140	6,265
Prepaid expenses and other:										
Prepaid expenses	1,875	3,958	4,628	85,296	4,378	2,740	1,718	2,810	5,192	4,140
Deposits	-	1,281	2,898	15,992	434	-	1,601	2,414	1,625	1,500
Total current assets	(42,115)	1,006,956	230,279	10,604,603	(215,423)	766,790	279,885	125,582	16,928	997,692
Property and equipment										
Land and land improvements	-	-	-	808,118	-	-	-	-	394,523	-
Buildings and improvements	-	19,356	-	6,076,507	-	-	-	-	138,037	-
Furniture and fixtures	11,605	13,682	-	1,463,583	5,937	14,197	7,374	-	18,212	11,939
Transportation equipment	-	-	-	174,752	-	-	-	-	-	-
Construction in progress	-	-	-	566,066	-	-	-	-	-	-
Total property and equipment	11,605	33,038	-	9,089,026	5,937	14,197	7,374	-	550,772	11,939
Less accumulated depreciation	(10,452)	(27,232)	-	(4,990,674)	(5,112)	(7,426)	(4,097)	-	(25,705)	(10,100)
Net property and equipment	1,153	5,806	-	4,098,352	825	6,771	3,277	-	525,067	1,839
Investment in unconsolidated affiliate	-	-	-	-	-	-	-	-	-	-
Total Assets	\$ (40,962)	\$ 1,012,762	\$ 230,279	\$ 14,702,955	\$ (214,598)	\$ 773,561	\$ 283,162	\$ 125,582	\$ 541,995	\$ 999,531

Bethany Christian Services

Consolidating Statement of Financial Position (Continued) December 31, 2012

	Pennsylvania, Central	Pennsylvania, GDV	Pennsylvania, Western	South Carolina	South Dakota, Eastern	South Dakota, Western	Tennessee, Chattanooga	Tennessee, Eastern	Tennessee, Middle	Tennessee, West
Assets										
Current Assets:										
Cash and cash equivalents	\$ 3,642	\$ (252,852)	\$ (98,658)	\$ 3,250	\$ 1,350	\$ 2,500	\$ (244,065)	\$ 3,000	\$ (644,141)	\$ (180,903)
Investments	384,436	-	-	85,524	136,685	39,770	-	99,039	-	-
Receivables, net	215,776	408,979	287,413	63,268	59,365	2,325	30,710	960	21,728	35,346
Prepaid expenses and other:										
Prepaid expenses	7,965	2,250	5,395	5,473	1,500	1,283	2,369	3,255	7,250	2,400
Deposits	6,445	1,570	1,000	-	-	833	5,000	2,000	3,021	3,100
Total current assets	618,264	159,947	195,150	157,515	198,900	46,711	(205,986)	108,254	(612,142)	(140,057)
Property and equipment										
Land and land improvements	-	189,035	-	-	-	-	-	-	-	-
Buildings and improvements	12,334	1,066,913	-	-	-	-	34,847	-	-	-
Furniture and fixtures	37,584	111,843	23,528	13,952	-	4,115	-	12,474	12,617	20,605
Transportation equipment	-	-	-	-	-	-	-	-	14,680	-
Construction in progress	-	-	-	-	-	-	-	-	-	-
Total property and equipment	49,918	1,367,791	23,528	13,952	-	4,115	34,847	12,474	27,297	20,605
Less accumulated depreciation	(29,627)	(220,282)	(12,640)	(13,952)	-	(1,543)	(10,935)	(3,306)	(9,796)	(15,031)
Net property and equipment	20,291	1,147,509	10,888	-	-	2,572	23,912	9,168	17,501	5,574
Investment in unconsolidated affiliate	-	-	-	-	-	-	-	-	-	-
Total Assets	\$ 638,555	\$ 1,307,456	\$ 206,038	\$ 157,515	\$ 198,900	\$ 49,283	\$ (182,074)	\$ 117,422	\$ (594,641)	\$ (134,483)

Bethany Christian Services

Consolidating Statement of Financial Position (Continued) December 31, 2012

	Virginia, Fairfax	Virginia, Hampton Roads	Washington	West Virginia	Wisconsin	Bethany Christian Services Global LLC	National Direct Services	Corporate Services	Bethany Christian Foundation LLC
Assets									
Current Assets:									
Cash and cash equivalents	\$ (155,155)	\$ 1,300	\$ (802,980)	\$ 2,000	\$ 3,675	\$ -	\$ (686,684)	\$ 6,128,679	\$ 155,182
Investments	-	215,851	-	7,229	295,196	2,623,376	-	(4,170,050)	15,386,367
Receivables, net	42,752	57,545	219,782	-	62,850	386,909	48	(83,865)	9,401
Prepaid expenses and other:									
Prepaid expenses	11,334	2,896	16,733	100	5,218	5,257	-	597,774	-
Deposits	4,742	1,809	9,394	-	3,753	-	-	69,689	-
Total current assets	(96,327)	279,401	(557,071)	9,329	370,692	2,965,292	(686,636)	2,542,227	15,550,950
Property and equipment									
Land and land improvements	-	-	-	-	-	57,044	-	730,105	-
Buildings and improvements	-	6,435	4,898	-	-	567,843	-	5,062,671	-
Furniture and fixtures	36,488	5,462	48,678	-	28,918	425,737	-	3,505,111	-
Transportation equipment	-	-	-	-	-	-	-	20,292	-
Construction in progress	-	-	-	-	-	-	-	-	-
Total property and equipment	36,488	11,897	53,576	-	28,918	1,050,624	-	9,318,179	-
Less accumulated depreciation	(35,981)	(4,239)	(46,014)	-	(23,286)	(438,689)	-	(4,644,648)	-
Net property and equipment	507	7,658	7,562	-	5,632	611,935	-	4,673,531	-
Investment in unconsolidated affiliate	-	-	-	-	-	-	-	-	-
Total Assets	\$ (95,820)	\$ 287,059	\$ (549,509)	\$ 9,329	\$ 376,324	\$ 3,577,227	\$ (686,636)	\$ 7,215,758	\$ 15,550,950

Bethany Christian Services

Consolidating Statement of Financial Position (Continued) December 31, 2012

	Total	Arkansas	California, Northern	California, Southern	Colorado	Florida	Gulf Coast	Georgia	Illinois	Indiana
Liabilities and Net Assets (Deficit)										
Liabilities										
Current liabilities:										
Accounts payable and accrued expenses	\$ 2,133,468	\$ 18,771	\$ (118)	\$ 2,107	\$ 4,343	\$ 2,557	\$ 2,730	\$ 1,705	\$ 852	\$ 162
Deferred revenue	3,214,252	8,550	50,614	21,800	42,200	14,170	10,100	46,887	32,350	41,092
Current portion of pension obligations	1,020,000	7,752	25,864	14,631	17,179	6,582	(196)	77,995	17,751	38,418
Accrued employee compensation and benefits	4,019,752	17,381	83,353	47,793	48,456	21,629	10,492	205,573	53,328	86,907
Total current liabilities	10,387,472	52,454	159,713	86,331	112,178	44,938	23,126	332,160	104,281	166,579
Annuities payable	389,021	-	-	-	-	-	-	-	-	-
Other Long-term liabilities:										
Pension obligations - net of current portion	8,691,504	66,059	220,390	124,676	146,381	56,086	(1,671)	664,599	151,260	327,367
Total Liabilities	19,467,997	118,513	380,103	211,007	258,559	101,024	21,455	996,759	255,541	493,946
Net Assets (Deficit) - Beginning of year	31,013,628	604,484	1,536,590	324,604	47,855	70,901	(57,219)	1,517,979	(536,320)	108,719
Change in Net Assets	1,834,264	9,712	202,634	(89,474)	11,399	21,343	(76,260)	(148,965)	78,762	(10,682)
Net Assets (Deficit) - End of year	32,847,892	614,196	1,739,224	235,130	59,254	92,244	(133,479)	1,369,014	(457,558)	98,037
Total Liabilities and Net Assets (Deficit)	\$ 52,315,889	\$ 732,709	\$ 2,119,327	\$ 446,137	\$ 317,813	\$ 193,268	\$ (112,024)	\$ 2,365,773	\$ (202,017)	\$ 591,983

Bethany Christian Services

Consolidating Statement of Financial Position (Continued) December 31, 2012

	Iowa, Northwest	Iowa, South Central	Maryland	Michigan	Minnesota	Mississippi	Missouri	New England	New Jersey	North Carolina
Liabilities and Net Assets (Deficit)										
Liabilities										
Current liabilities:										
Accounts payable and accrued expenses	\$ 100	\$ 398	\$ (87)	\$ 94,934	\$ 335	\$ 4,653	\$ (1,899)	\$ (768)	\$ 1,979	\$ (6,740)
Deferred revenue	13,300	11,600	19,490	651,111	30,011	22,092	43,109	26,750	30,364	40,748
Current portion of pension obligations	13,989	11,464	11,344	462,266	12,265	13,335	11,822	10,072	20,293	12,221
Accrued employee compensation and benefits	21,672	38,805	40,399	1,652,428	15,814	32,918	32,078	36,272	55,939	39,599
Total current liabilities	49,061	62,267	71,146	2,860,739	58,425	72,998	85,110	72,326	108,575	85,828
Annuities payable	-	-	-	-	-	-	-	-	-	-
Other Long-term liabilities:										
Pension obligations - net of current portion	119,197	97,681	96,660	3,939,005	104,513	113,631	100,734	85,826	172,918	104,140
Total Liabilities	168,258	159,948	167,806	6,799,744	162,938	186,629	185,844	158,152	281,493	189,968
Net Assets (Deficit) - Beginning of year	(195,511)	789,372	(61,860)	6,399,627	(221,955)	610,550	51,050	(127,825)	468,711	912,358
Change in Net Assets	(13,709)	63,442	124,333	1,503,584	(155,581)	(23,618)	46,268	95,255	(208,209)	(102,795)
Net Assets (Deficit) - End of year	(209,220)	852,814	62,473	7,903,211	(377,536)	586,932	97,318	(32,570)	260,502	809,563
Total Liabilities and Net Assets (Deficit)	\$ (40,962)	\$ 1,012,762	\$ 230,279	\$ 14,702,955	\$ (214,598)	\$ 773,561	\$ 283,162	\$ 125,582	\$ 541,995	\$ 999,531

Bethany Christian Services

Consolidating Statement of Financial Position (Continued) December 31, 2012

	Pennsylvania, Central	Pennsylvania, GDV	Pennsylvania, Western	South Carolina	South Dakota, Eastern	South Dakota, Western	Tennessee, Chattanooga	Tennessee, Eastern	Tennessee, Middle	Tennessee, West
Liabilities and Net Assets (Deficit)										
Liabilities										
Current liabilities:										
Accounts payable and accrued expenses	\$ 25,125	\$ 12,232	\$ (495)	\$ (5,306)	\$	\$ 192	\$ (403)	\$ 334	\$ (109)	\$ (811)
Deferred revenue	22,351	61,238	26,036	47,716	6,265	4,500	17,664	30,415	22,850	13,509
Current portion of pension obligations	18,483	54,100	11,296	17,366	4,563	3,266	7,358	8,431	8,491	9,205
Accrued employee compensation and benefits	87,061	139,624	35,789	43,497	23,091	9,770	21,153	24,188	12,364	36,727
Total current liabilities	153,020	267,194	72,626	103,273	33,919	17,728	45,772	63,368	43,596	58,630
Annuities payable	-	-	-	-	-	-	-	-	-	-
Other Long-term liabilities:										
Pension obligations - net of current portion	157,491	460,990	96,253	147,974	38,878	27,828	62,701	71,840	72,352	78,433
Total Liabilities	310,511	728,184	168,879	251,247	72,797	45,556	108,473	135,208	115,948	137,063
Net Assets (Deficit) - Beginning of year	291,056	758,929	24,095	(108,358)	66,937	8,753	(246,341)	29,654	(594,715)	(313,566)
Change in Net Assets	36,988	(179,657)	13,064	14,626	59,166	(5,026)	(44,206)	(47,440)	(115,874)	42,020
Net Assets (Deficit) - End of year	328,044	579,272	37,159	(93,732)	126,103	3,727	(290,547)	(17,786)	(710,589)	(271,546)
Total Liabilities and Net Assets (Deficit)	\$ 638,555	\$ 1,307,456	\$ 206,038	\$ 157,515	\$ 198,900	\$ 49,283	\$ (182,074)	\$ 117,422	\$ (594,641)	\$ (134,483)

Bethany Christian Services

Consolidating Statement of Financial Position (Continued) December 31, 2012

	Virginia, Fairfax	Virginia, Hampton Roads	Washington	West Virginia	Wisconsin	Bethany Christian Services Global LLC	National Direct Services	Corporate Services	Bethany Christian Foundation LLC
Liabilities and Net Assets (Deficit)									
Liabilities									
Current liabilities:									
Accounts payable and accrued expenses	\$ (259)	\$ 105	\$ 87	\$ -	\$ (152)	\$ 620,298	\$ -	\$ 1,356,616	\$ -
Deferred revenue	49,850	15,900	46,194	-	56,742	1,636,684	-	-	-
Current portion of pension obligations	26,126	7,157	26,998	-	26,016	34,284	2,312	(30,496)	-
Accrued employee compensation and benefits	53,511	30,176	60,270	979	65,446	108,589	1,057	725,624	-
Total current liabilities	129,228	53,338	133,549	979	148,052	2,399,855	3,369	2,051,744	-
Annuities payable	-	-	-	-	-	-	-	389,021	-
Other Long-term liabilities:									
Pension obligations - net of current portion	222,619	60,984	230,048	-	221,683	292,137	19,698	(259,860)	-
Total Liabilities	351,847	114,322	363,597	979	369,735	2,691,992	23,067	2,180,905	-
Net Assets (Deficit) - Beginning of year	(298,663)	138,641	(652,897)	-	(72,138)	1,415,639	(390,681)	4,666,002	14,049,171
Change in Net Assets	(149,004)	34,096	(260,209)	8,350	78,727	(530,404)	(319,022)	368,851	1,501,779
Net Assets (Deficit) - End of year	(447,667)	172,737	(913,106)	8,350	6,589	885,235	(709,703)	5,034,853	15,550,950
Total Liabilities and Net Assets (Deficit)	\$ (95,820)	\$ 287,059	\$ (549,509)	\$ 9,329	\$ 376,324	\$ 3,577,227	\$ (686,636)	\$ 7,215,758	\$ 15,550,950

Bethany Christian Services

Consolidating Statement of Activities Year Ended December 31, 2012

	Total	Arkansas	California, Northern	California, Southern	Colorado	Florida	Gulf Coast	Georgia	Illinois	Indiana
Operating Revenue and Other Support										
Contributions	\$ 12,968,829	\$ 152,207	\$ 846,131	\$ 179,667	\$ 145,186	\$ 79,280	\$ 27,183	\$ 327,818	\$ 226,213	\$ 176,164
Child support	40,665,909	-	31,570	-	642,626	97,944	-	4,790,456	9,500	1,120,417
Service fees	27,678,390	287,687	779,600	634,035	593,946	504,352	134,145	1,240,838	391,213	855,684
Investments and other	3,608,935	11,049	(4,899)	(1,141)	646	1,569	(344)	316,666	8,399	13,671
Total Operating Revenue and Other Support	84,922,063	450,943	1,652,402	812,561	1,382,404	683,145	160,984	6,675,778	635,325	2,165,936
Operating Expenses										
Salaries	37,500,383	177,684	641,745	335,211	448,635	254,817	111,424	2,545,541	245,439	918,192
Fringes	8,815,876	61,011	109,690	83,817	91,615	46,361	21,298	561,518	68,588	222,656
Taxes	2,775,522	13,263	48,476	27,811	35,001	19,569	8,186	187,909	17,993	67,702
Professional Fees	3,794,433	5,501	15,815	23,571	88,971	67,933	6,537	154,918	4,985	21,490
Supplies	722,085	1,848	15,158	5,317	7,158	8,157	1,018	59,766	4,918	4,092
Telephone	900,134	11,450	22,115	18,064	22,971	8,241	5,660	82,320	6,555	26,235
Postage	523,375	5,387	15,030	7,558	7,258	4,834	1,534	26,206	4,828	7,978
Occupancy	3,678,339	15,959	82,297	80,617	49,959	26,460	4,410	354,562	25,048	92,303
Printing	541,796	3,049	12,426	5,961	8,274	4,387	2,212	22,325	8,516	10,851
Information Technology	887,136	2,245	7,392	3,758	7,588	1,511	1,090	32,360	1,855	7,105
Equipment & Furnishings	201,772	676	4,233	13,684	-	1,332	3,325	22,898	1,939	827
Travel	3,134,421	13,008	29,650	27,499	53,652	46,672	9,737	147,242	29,108	149,623
Conferences & Meetings	676,050	2,808	7,213	8,502	4,434	9,734	840	165,590	4,073	5,535
Advertising	1,621,765	14,209	30,324	58,284	4,542	8,363	8,757	202,882	9,185	6,470
Special Assistance	11,665,817	15,602	48,168	16,726	340,771	25,880	7,886	1,272,233	13,733	302,159
Overseas Contributions	1,419,004	-	-	-	-	-	-	-	-	-
Program Development	310,104	-	-	-	-	3,532	-	550	-	250
Payment Processing Fees	307,820	4,134	15,714	10,008	5,665	6,734	805	12,784	7,374	16,757
Educational & Promotional Materials	184,798	3,627	2,284	499	1,161	419	94	14,683	659	249
Fund raising event costs	1,076,415	22,152	55,583	19,045	20,912	14,378	3,965	22,162	14,059	9,116
Bad Debt	139,955	-	-	11,675	250	(700)	702	18,764	(1,400)	4,133
Miscellaneous	810,725	2,346	6,001	4,493	5,435	3,664	1,117	5,228	527	(6,788)
Depreciation	1,047,832	543	69,896	776	3,392	932	369	20,591	2,315	4,125
Support services	-	63,039	204,646	136,055	159,101	96,165	36,278	867,369	84,038	296,804
Total Operating Expenses	82,735,557	439,541	1,443,856	898,931	1,366,745	659,375	237,244	6,800,401	554,335	2,167,864
Pension Liability Adjustment										
Total Operating Expenses and Pension Cost	352,242	1,690	5,912	3,104	4,260	2,427	-	24,342	2,228	8,754
Change in Net Assets from Operating Activities	83,087,799	441,231	1,449,768	902,035	1,371,005	661,802	237,244	6,824,743	556,563	2,176,618
	\$ 1,834,264	\$ 9,712	\$ 202,634	\$ (89,474)	\$ 11,399	\$ 21,343	\$ (76,260)	\$ (148,965)	\$ 78,762	\$ (10,682)

Bethany Christian Services

Consolidating Statement of Activities (Continued) Year Ended December 31, 2012

	Iowa, Northwest	Iowa, South Central	Maryland	Michigan	Minnesota	Mississippi	Missouri	New England	New Jersey	North Carolina
Operating Revenue and Other Support										
Contributions	\$ 270,232	\$ 251,357	\$ 286,153	\$ 3,242,262	\$ 120,094	\$ 585,465	\$ 222,726	\$ 339,277	\$ 259,505	\$ 147,924
Child support	-	11,055	67,921	30,081,280	80,830	-	70,258	64,575	23,690	43,934
Service fees	272,511	546,277	448,522	7,727,842	350,728	182,864	557,893	398,971	997,446	618,407
Investments and other	31,803	27,723	1,946	181,146	(3,546)	5,267	4,252	(2,838)	21,005	7,144
Total Operating Revenue and Other Support	574,546	836,412	804,542	41,232,530	548,106	773,596	855,129	799,985	1,301,646	817,409
Operating Expenses										
Salaries	286,398	302,981	285,706	16,135,367	317,070	347,572	342,389	296,269	723,497	349,948
Fringes	46,650	90,849	45,545	3,983,176	50,845	101,818	64,392	51,556	160,234	92,340
Taxes	20,991	21,792	21,491	1,194,983	22,674	25,486	25,588	22,276	54,208	26,052
Professional Fees	23,510	26,933	20,563	453,297	10,046	10,922	2,686	27,382	16,066	49,641
Supplies	8,504	7,225	4,472	302,687	4,516	2,042	9,609	3,097	12,694	3,597
Telephone	11,286	15,175	10,351	274,770	11,136	9,419	13,460	15,317	17,266	10,456
Postage	5,406	3,717	4,522	99,052	6,773	6,295	6,416	4,703	12,664	5,931
Occupancy	27,826	51,564	58,085	1,354,053	57,203	41,692	25,602	49,845	59,029	54,180
Printing	6,783	6,103	7,327	103,183	7,107	8,638	10,315	7,793	14,427	6,592
Information Technology	1,824	3,514	9,339	280,576	5,272	3,624	5,093	6,286	4,414	7,775
Equipment & Furnishings	6,318	942	505	82,120	41	402	804	250	1,054	1,537
Travel	23,291	26,291	18,960	1,356,476	34,365	14,229	49,974	34,494	53,379	28,443
Conferences & Meetings	3,695	4,000	4,659	173,749	2,676	6,353	11,583	5,456	9,081	2,129
Advertising	15,245	22,686	38,370	407,536	30,506	23,485	45,182	16,950	39,132	41,138
Special Assistance	7,205	47,665	13,533	8,111,096	2,938	16,225	41,375	22,027	52,882	57,844
Overseas Contributions	-	-	-	-	-	-	-	-	10	-
Program Development	-	-	80	7,675	-	50	200	55	1,132	-
Payment Processing Fees	4,257	7,694	6,841	37,990	8,904	1,694	4,070	4,955	10,857	7,961
Educational & Promotional Materials	154	1,486	386	33,558	360	1,406	2,586	95	1,410	681
Fund raising event costs	9,887	10,545	21,063	266,982	20,297	47,841	14,082	28,336	32,782	36,860
Bad Debt	45	510	1,857	20,331	100	4,950	3,786	-	(881)	-
Miscellaneous	(14,269)	1,439	2,781	204,219	1,993	1,865	8,268	2,444	(3,231)	1,780
Depreciation	1,487	4,619	690	308,436	1,835	2,630	2,223	606	6,897	2,791
Support services	89,000	112,444	100,474	4,385,459	103,937	115,230	115,917	101,822	223,932	129,201
Total Operating Expenses	585,493	770,174	677,600	39,576,771	700,594	793,868	805,600	702,014	1,502,935	916,877
Pension Liability Adjustment	2,762	2,796	2,609	152,175	3,093	3,346	3,261	2,716	6,920	3,327
Total Operating Expenses and Pension Cost	588,255	772,970	680,209	39,728,946	703,687	797,214	808,861	704,730	1,509,855	920,204
Change in Net Assets from Operating Activities	\$ (13,709)	\$ 63,442	\$ 124,333	\$ 1,503,584	\$ (155,581)	\$ (23,618)	\$ 46,268	\$ 95,255	\$ (208,209)	\$ (102,795)

Bethany Christian Services

Consolidating Statement of Activities (Continued) Year Ended December 31, 2012

	Pennsylvania, Central	Pennsylvania, GDV	Pennsylvania, Western	South Carolina	South Dakota, Eastern	South Dakota, Western	Tennessee, Chatanooga	Tennessee, Eastern	Tennessee, Middle	Tennessee, West
Operating Revenue and Other Support										
Contributions	\$ 169,745	\$ 617,932	\$ 174,548	\$ 310,364	\$ 161,781	\$ 97,346	\$ 172,633	\$ 237,076	\$ 92,530	\$ 190,487
Child support	489,153	1,678,373	427,481	16,385	-	-	-	-	-	75,000
Service fees	1,521,308	1,098,251	389,641	576,818	266,264	125,175	166,871	392,871	357,295	264,520
Investments and other	64,533	(3,189)	2,071	7,255	921	5,459	(2,560)	(790)	(13,100)	26,721
Total Operating Revenue and Other Support	2,244,739	3,391,367	993,741	910,822	428,966	227,980	336,944	629,157	436,725	556,728
Operating Expenses										
Salaries	988,849	1,526,736	352,735	386,463	163,530	98,883	150,494	295,279	221,114	223,576
Fringes	193,468	312,226	68,816	110,660	24,249	10,130	35,162	66,290	53,772	57,287
Taxes	73,889	112,233	26,180	27,790	12,271	7,639	12,287	21,781	15,077	16,517
Professional Fees	37,728	22,025	46,634	10,996	10,206	9,859	4,537	34,308	18,451	19,624
Supplies	35,104	26,620	11,304	3,270	6,745	2,440	3,304	5,859	3,438	3,831
Telephone	29,092	38,083	14,727	15,830	4,299	6,661	6,633	12,037	8,385	4,838
Postage	8,423	15,914	7,113	7,408	3,906	2,738	4,890	4,578	4,443	6,662
Occupancy	102,363	84,494	67,861	70,888	20,622	19,456	34,388	44,522	60,251	32,699
Printing	11,868	22,354	13,621	9,751	4,031	3,134	5,573	6,770	7,154	5,958
Information Technology	15,544	29,027	4,812	4,169	2,072	787	631	2,227	7,300	4,988
Equipment & Furnishings	6,150	3,425	970	4,425	1,898	2	2,221	215	1,055	1,667
Travel	69,670	91,477	56,255	17,182	13,853	6,814	10,725	21,049	22,293	13,875
Conferences & Meetings	22,305	12,200	8,879	1,604	2,638	624	5,273	3,052	1,624	663
Advertising	53,566	30,718	19,871	26,505	16,036	7,798	11,254	14,615	8,455	8,708
Special Assistance	176,263	590,328	89,326	24,365	1,640	6,420	5,933	10,850	19,026	26,972
Overseas Contributions	-	-	-	-	-	-	-	-	-	-
Program Development	348	65	500	-	250	45	110	-	130	-
Payment Processing Fees	6,567	13,393	4,548	8,052	4,507	2,423	3,494	2,769	3,991	2,840
Educational & Promotional Materials	7,360	2,139	687	857	3,884	1,073	620	198	956	899
Fund raising event costs	19,480	56,191	31,814	27,217	10,002	7,592	25,863	15,065	4,528	7,446
Bad Debt	-	39,302	1,100	7,270	(900)	-	-	-	(25)	(3,739)
Miscellaneous	9,155	6,979	9,929	1,195	4,975	846	(686)	6,188	1,847	1,589
Depreciation	10,669	49,361	3,728	1,118	465	994	1,324	3,040	4,770	1,901
Support services	320,552	471,141	135,937	125,514	57,144	35,722	55,699	103,129	82,428	73,865
Total Operating Expenses	2,198,413	3,556,431	977,347	892,529	368,323	232,080	379,729	673,821	550,463	512,666
Pension Liability Adjustment	9,338	14,593	3,330	3,667	1,477	926	1,421	2,776	2,136	2,042
Total Operating Expenses and Pension Cost	2,207,751	3,571,024	980,677	896,196	369,800	233,006	381,150	676,597	552,599	514,708
Change in Net Assets from Operating Activities	\$ 36,988	\$ (179,657)	\$ 13,064	\$ 14,626	\$ 59,166	\$ (5,026)	\$ (44,206)	\$ (47,440)	\$ (115,874)	\$ 42,020

Bethany Christian Services

Consolidating Statement of Activities (Continued) Year Ended December 31, 2012

	Virginia, Fairfax	Virginia, Hampton Roads	Washington	West Virginia	Wisconsin	Bethany Christian Services Global LLC	National Direct Services	Corporate Services	Bethany Christian Foundation LLC
Operating Revenue and Other Support									
Contributions	\$ 276,009	\$ 105,824	\$ 324,729	\$ 32,605	\$ 355,413	\$ 1,021,239	\$ 476,067	\$ 183,049	\$ 84,608
Child support	26,970	156,734	355,630	-	276,141	33,696	(5,711)	-	-
Service fees	798,017	335,559	973,870	-	671,042	2,227,925	-	(10,000)	-
Investments and other	(9,682)	1,740	(20,819)	-	(291)	65,149	144	952,282	1,913,576
Total Operating Revenue and Other Support	1,091,314	599,857	1,633,410	32,605	1,302,305	3,348,009	470,500	1,125,331	1,998,184
Operating Expenses									
Salaries	537,637	236,597	665,332	12,464	576,335	1,022,185	82,289	4,894,000	-
Fringes	103,774	60,877	138,715	1,973	155,008	266,815	21,543	1,181,152	-
Taxes	40,376	17,580	48,824	761	42,120	74,496	2,102	362,148	-
Professional Fees	15,721	8,025	99,376	18	29,307	173,976	216,194	1,962,470	44,211
Supplies	15,888	2,736	17,373	582	9,886	20,004	1,479	86,347	-
Telephone	28,224	6,062	33,915	269	13,056	13,819	11	71,946	-
Postage	7,648	4,135	12,272	140	10,407	89,623	3,565	93,418	-
Occupancy	125,320	36,920	121,344	300	70,287	37,566	24,155	116,351	-
Printing	15,398	5,931	12,225	912	13,262	7,079	6,118	326,200	-
Information Technology	9,838	2,079	10,329	656	9,477	58,261	-	27,370	-
Equipment & Furnishings	3,604	490	2,381	1,000	1,523	489	-	-	-
Travel	42,324	19,986	62,939	2,471	51,127	90,632	32,088	363,568	-
Conferences & Meetings	6,045	3,508	9,184	693	1,674	5,701	3,654	154,619	-
Advertising	28,365	40,774	20,539	790	12,716	5,895	-	291,914	-
Special Assistance	21,927	8,522	211,150	-	8,603	38,299	2,013	8,232	-
Overseas Contributions	-	-	-	-	-	1,091,982	327,012	-	-
Program Development	-	35	-	-	-	283,552	-	11,545	-
Payment Processing Fees	8,793	3,428	21,953	42	12,092	3,116	3,918	26,696	-
Educational & Promotional Materials	2,272	971	1,125	-	663	978	17,199	77,120	-
Fund raising event costs	27,201	20,104	86,397	691	27,671	36	12,064	27,006	-
Bad Debt	-	-	31,369	-	(43)	(2,209)	2,550	1,158	-
Miscellaneous	2,075	1,154	20,789	460	(15,539)	42,336	(20,348)	56,275	452,194
Depreciation	2,761	1,771	5,992	33	4,276	55,038	48	465,390	-
Support services	190,053	81,891	253,777	-	184,236	489,098	51,868	(10,132,965)	-
Total Operating Expenses	1,235,244	563,576	1,887,300	24,255	1,218,144	3,868,767	789,522	710,324	496,405
Pension Liability Adjustment	5,074	2,185	6,319	-	5,434	9,646	-	46,156	-
Total Operating Expenses and Pension Cost	1,240,318	565,761	1,893,619	24,255	1,223,578	3,878,413	789,522	756,480	496,405
Change in Net Assets from Operating Activities	\$ (149,004)	\$ 34,096	\$ (260,209)	\$ 8,350	\$ 78,727	\$ (530,404)	\$ (319,022)	\$ 368,851	\$ 1,501,779

Bethany Christian Services

St. Louis Schedule of Project Unit Cost Year Ended December 31, 2012

	Total Expenses	St. Louis County Expenses
Project Expenses		
Salaries	\$ 75,831	\$ 34,765
Fringes	20,096	9,213
Outside services - Contracted	21	10
Supplies	2,383	1,093
Telephone	2,153	987
Telephone - Internet access	436	200
Printing	3,151	1,445
Postage	662	304
Rent	5,746	2,634
Utilities	1,596	732
Advertising	4,526	2,075
Computers - Hardware	770	353
Computers - Software	260	119
Travel	13,508	6,193
Client assistance	523	240
Conferences	284	130
Staff, board, and group meetings	834	382
Special events	-	-
Memberships and dues	3,791	1,738
Equipment and furnishings	-	-
Support services - Nonbillable	9,224	4,229
Miscellaneous	<u>3,515</u>	<u>1,611</u>
Total program services	149,310	68,453
<i>Less - Not applicable to County - Support services - Nonbillable</i>	9,224	4,229
<i>Less - Not applicable to County - Branch Fundraising</i>	<u>3,250</u>	<u>1,490</u>
Total direct project expenses	136,836	62,734
<i>Add - Indirect (Administrative) Expenses - Support services - Billable</i>	<u>15,518</u>	<u>7,114</u>
Total project expenses	<u>\$ 152,354</u>	<u>\$ 69,848</u>
Total units served	<u>2,973</u>	<u>1,363</u>
Cost per unit	<u>\$ 51.25</u>	<u>\$ 51.25</u>

Mission Statement



MANIFESTS THE *love* AND *compassion*

OF Jesus Christ BY

PROTECTING AND ENHANCING THE LIVES

OF CHILDREN AND FAMILIES THROUGH

QUALITY SOCIAL SERVICES.

**BETHANY CHRISTIAN SERVICES OF NEW ENGLAND
NEW ENGLAND BOARD MEMBERS**

<p>Bill and Wendy Groot (Treasurer – Bill) <u>2008</u> [Redacted] [Redacted]</p>	<p>Jennessa Kimball (Secretary) <u>2012</u> [Redacted] Atkinson, NH 03811 Home: [Redacted] Cell: [Redacted] E-Mail: [Redacted]</p>
<p>Cheryl Hardiman <u>2012</u> [Redacted] Uxbridge, MA Home: [Redacted] Cell: [Redacted] E-Mail: [Redacted]</p>	<p>Ted Sullivan (Vice President) <u>2009</u> [Redacted] Lincoln, RI Home: [Redacted] Cell: [Redacted] E-Mail: [Redacted].com</p>
<p>Darlene Kimball <u>2011</u> [Redacted] Atkinson, NH Home: [Redacted] E-Mail: [Redacted]</p>	<p>Wayne Wiersma (President) <u>2006</u> [Redacted] Mendon, MA Primary contact#: [Redacted] Work: [Redacted] Fax: [Redacted] E-Mail: [Redacted]</p>

ADVISORY BOARD MEMBERS

<p>Laura Brown (RI) [Redacted] N. Scituate, RI Home: [Redacted] Cell: [Redacted] E-Mail: [Redacted]</p>	<p>James R. Peluso, Esquire [Redacted] Lynnfield, MA Work: [Redacted] E-Mail: [Redacted]</p>
<p>Jennifer Paquette (Finance) [Redacted] North Andover, MA Home: [Redacted] Cell: [Redacted] E-Mail: [Redacted]</p>	<p>Christine Samolyk (NH) [Redacted] Londonderry, NH Home: [Redacted]</p>

CYNTHIA A. THOMAS

DOVER, NH 03820

OBJECTIVE: Human Resources and Recruitment

SUMMARY: Extensive experience in all areas of Human Resource and Benefits management . This includes company and department startup, strategic planning, benefits, compensation, organizational development, staffing, occupational safety and health, employee and labor relations, wage and salary administration, policies and procedures, employee handbooks, company events, HRIS, job fairs, open houses, and payroll.

EXPERIENCE

HUMAN RESOURCE MANAGER

2008 - 2013

SAI Communications New start up HR department at corporate headquarters, hired 100+ employees in eight months, implemented HRIS system, new payroll software, added new benefits, setup carrier feeds for enrollment, developed and implemented management training program nationwide, worker's compensation and loss prevention. Company operates in 10 states.

COMMUNITY LIAISON

2009 - 2013

Bethany Christian Services USA LLC (NH) Community Liaison to reach out to churches, businesses and organizations statewide on behalf of NH foster children and children awaiting adoptive homes. I recruit foster families, organize events, rally support for items needed for children coming into care such as beds, carseats, backpacks, clothing, form alliances to raise awareness and provide ongoing support. This is work performed under a grant from the NH Division of Children, Youth & Families. Part-time only 10-15 hours.

HUMAN RESOURCE DIRECTOR

2006 – 2008

Newick's Hospitality Group, Inc. Opened new restaurant, closed two restaurant locations, conducted job fairs, job orientation, processing, payroll, 401k plan administrator, employee relations. Implemented management and employee training programs. Complete benefits review and sourcing of new vendors.

HUMAN RESOURCE MANAGEMENT

2001 - 2005

Human Resource and Benefits Management for local companies on a full-time, part-time and contract basis. (J-Pac, LLC; MPLosapio & Co, CPA; Willmott Consulting; Makeway Machine).

BENEFITS & RETIREMENT MANAGER

1998 - 2001

Textron Automotive Co., Inc., Farmington, NH 03835, Div. of Textron, Inc.

Manage the benefit and retirement plans for five locations and a base of 1000 employees, 2000 vested former employees, and 600 retirees. Performed proactive benefits sourcing, assisting employees and retirees with benefit issues, coordination of benefits administration with TPA's and other vendors. As retirement plan administrator I performed plan audits, FAS87 and FAS106 reporting, preparation of retirement calculations. Responsible for Peoplesoft database and consulting with Division to bring 27 plants on line for vendor interface and benefits administration.

CORPORATE BENEFITS, 401k & PENSION MANAGER

1992 - 1997

Prime Tanning Co., Inc., Rochester, NH 03866

Manage benefits for three locations in Maine, New Hampshire, and Missouri.

- Established a flexible benefits plan, prescription retail & mail plan, Behavioral Health/EAP network resulting in significant cost savings for the company. Implemented a 401(k) plan.
- Conducted a complete overhaul of personnel and benefit records to assure compliance.
- Established new relationships with benefit vendors. Implemented a 401(k) plan. Prepared SPD's and Plan Documents for benefit and pension plans, revised vendor contracts to minimize company exposure.

Career Overview

Committed and motivated liaison with excellent relational skills and decision making skills. Strong work ethic, professional demeanor and great initiative.

Skill Highlights

- Problem resolution
- Deadline-oriented
- Strong communicator
- Strategic planner
- Community outreach
- Motivating people

Core Accomplishments

Plan Development

Planned and conducted activities for a balanced program of science instruction, demonstration, and work time that provided students with opportunities to observe, question, and investigate. Accomplished within a collaborated team effort to establish a consistent curriculum for Jr. High Science Program at RVA.

Goal Setting

Established clear objectives for all lessons/projects and communicated with students, achieving a total understanding of grading rubric and overall class expectations.

Professional Experience

CFBI Liaison

December 2012 to Current

- Build and maintain relationships with churches in assigned regions.
- Recruit Foster Parents.
- Support and encourage existing foster parents by providing both monetary and physical assistance.

Home Health Care

October 2007 to Current

Private

- Assisted patients with multiple chronic diagnoses including COPD and Alzheimer's.
- Maintained patient charts and confidential files.
- Assessed patients, measuring vital signs and weight regularly.

Dorm Parent/ Teacher

July 2005 to July 2007

Rift Valley Academy – Kijabe, Kenya

- Actively involved in 17 Jr. High Boy's lives 24x7, 9 months/year.
- Organized activities that developed children's physical, emotional and social growth.
- Developed interesting course plans to meet academic, intellectual and social needs of students.
- Taught Earth/ Life Science to various diverse classes of 20 Jr. High students.

Bookkeeper

January 2003 to June 2005

Camp Spofford – Spofford, NH

- Updated confidential employee banking information with accuracy and speed.
- Maintained accounts receivable documentation electronically and on paper.
- Handled cash and deposits using the proper accounting procedures and documentation.
- Processed payroll, electronic deposits and employee pay adjustments.

Education

Wheaton College

Wheaton, IL, USA

Biology

Secondary Education Certification in Biology

Janice Carter Lessard, MSW, CCSW

EDUCATION 1998 – NH Certified Clinical Social Worker
1981 – ACSW Certification
1979 – Master of Social Work, Syracuse University,
Dean's List
1978-Bachelor of Science- Social Work. State University
at Brockport, Magna Cum Laude.
1976 State University at Geneseo – Sociology, Dean's
List.

EXPERIENCE

Bethany Christian Services OF NEW ENGLAND

February 2013 to Present: New England Supervisor

Currently responsible for the supervision of the adoption, pregnancy counseling, and grant programs in New Hampshire and Vermont. Provide clinical supervision of the pregnancy counseling and adoption programs in Rhode Island, Massachusetts, New Hampshire and Vermont. Position includes staff supervision, adoptive home studies, pregnancy counseling, budget preparation, and over site of the Wendy's Wonderful Kid and the Community and Faith Based Initiative programs.

2011 to February 2013: Interim Director for Bethany Christian Services of New England. Currently responsible for the direction of the adoption, pregnancy counseling, and grant programs in New Hampshire, Vermont, Rhode Island, and Massachusetts. Position includes staff supervision, adoptive home studies, pregnancy counseling, budget preparation, and over site of the Wendy's Wonderful Kid and the Community and Faith Based Initiative programs.

1998 TO 2011: Co-Director, Bethany New England – Responsibilities include directing the adoption and pregnancy counseling programs in New Hampshire and Vermont. Position included completing domestic and international adoptive home assessments, providing counseling to women experiencing unplanned pregnancies and their partner and/or extended family members. Providing staff support and supervision.

1987 – 1998: New England Social Worker, Bethany Christian Services Responsibilities included completing all pregnancy counseling for clients in New Hampshire and Vermont who requested counseling regarding their unplanned pregnancy. Completed adoptive family assessments for couples and single applicants in New Hampshire and Vermont.

1989 – 1990 WHITE PINES COLLEGE
Instructor in Social Work Department- Taught Methods of social work and supervised student field placements.

1986 – 1987 CROTCHED MOUNTAIN REHABILITATION CENTER
Senior Case Manager/Social Worker – Supervision of staff, filled in for Director in his absence, led study team, other administrative duties as assigned as well as carrying full caseload.

1979 –1986 CROTCHED MOUNTAIN REHABILITATION CENTER
Case Manager/Social Worker – Duties included acting as the primary client advocate for thirty-five to forty-five multiply-handicapped students, coordinating the student's programming, acting as the liaison between the Center, the students' families, and other outside parties. Leader of the Parent Support Group for the pre-school program.

PUBLICATIONS EDITED

“You Too?” A handbook written by parents of special needs children for parents of a special needs child. Crotched Mountain Rehabilitation Center, January 1983.

REFERENCES

Furnished upon request.

CONTRACTOR NAME

Key Personnel

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Cynthia Thomas	Grant liaison, responsible for nine NH regions	\$23,400	100%	\$23,400
Elizabeth Nelson	Grant liaison, responsible for two NH regions	\$9,100	100%	\$9,100
Janice C. Lessard	Grant director	\$7,320	10%	\$740