



Nicholas A. Toumpas  
Commissioner

Maggie Bishop  
Director

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  
FAX: 603-271-4729 TDD Access: 1-800-735-2964

April 16, 2013

Her Excellency, Governor Margaret Wood Hassan  
and the Honorable Council  
State House  
Concord, New Hampshire 03301

100% Federal

REQUESTED ACTION

Authorize the Department of Health and Human Services, Division for Children, Youth and Families to **sole source** amendment with Bethany Christian Services of New England, Candia, New Hampshire (Vendor #161782 B001) for the provision of community and faith-based recruitment and retention of foster and adoptive parents services, by increasing the price limitation by \$25,000.00 from \$205,188.00 to \$230,188.00 and by extending the completion date from June 30, 2013 to December 31, 2013 effective July 1, 2013 or date of Governor and Executive Council approval, whichever is later. Governor and Council approved the original agreement (Purchase Order #1000046) on June 17, 2009 (Item #117), and a subsequent request for renewal on April 27, 2011 (Item #57).

Funds to support this request are anticipated to be available in the following account in SFY 2014 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.

**05-95-42-421010-29740000 HEALTH AND SOCIAL SERVICES, HEALTH AND HUMAN SVCS DEPT OF, HHS: HUMAN SERVICES, CHILD PROTECTION, PROMOTING SAFE-STABLE FAMILIES**

<u>Class/Object</u>	<u>Title</u>	<u>Activity Code</u>	<u>SFY</u>	<u>Current Modified Budget</u>	<u>Increase/Decrease</u>	<u>Revised Modified Budget</u>
102-500734	Social Service Contracts	40130007	2010	\$52,360.00	0.00	\$52,360.00
102-500734	Social Service Contracts	40130007	2011	\$52,828.00	0.00	\$52,828.00
102-500734	Social Service Contracts	40130007	2012	\$50,000.00	0.00	\$50,000.00
102-500734	Social Service Contracts	40130007	2013	\$50,000.00	0.00	\$50,000.00

102-500734	Social Service Contracts	40130007	2014	0.00	\$25,000.00	\$25,000.00
			TOTAL:	\$205,188.00	\$25,000.00	\$230,188.00

#### EXPLANATION

The original agreement approved on June 17, 2009 (Item #117) by Governor and Executive Council called for the provision of this service for two years and reserved the Division's right to renew the service for up to two additional years, based on the satisfactory delivery of services, continued availability of supporting funds, and Governor and Executive Council approval. A subsequent amendment to exercise the two year renewal was approved on April 27, 2011 (Item #57) by Governor and Executive Council. The Department is seeking approval of a six-month **sole source** amendment at this time to ensure that services are not interrupted while the Department undertakes an evaluation of service provision options in anticipation of realigning services. The Department anticipates writing a Request for Proposals in the near future. The Department intends to release a Request for Proposals (RFP) for these services prior to the end of the calendar year. The services will be competitively bid.

The above action is requested to continue the engagement of community and faith-based organizations in the Division for Children, Youth and Families effort to recruit and retain foster and adoptive parents. The Division for Children, Youth and Families, in District Offices throughout the state, strives to develop local foster and adoptive resources so that children who come into the Division for Children, Youth and Families' care can be placed in safe and loving homes within their own communities. As part of the placement process, the Division for Children, Youth and Families tries to match children with families that best meet their needs and offers the greatest amount of continuity – including maintaining their connections to the people, places and activities that are familiar to them. Because family life frequently involves faith-based activities, such as attending worship services or religious education, or may involve community activities, such as 4-H or other local clubs and organizations, bringing attention to the need for foster and adoptive parents to these entities will improve the Division for Children, Youth and Families' ability to meet each child's needs. Although the Division for Children, Youth and Families' effort at attracting foster and adoptive parents on an individual basis has improved, developing a pool of potential parents that takes into consideration existing community and faith-based activities has been difficult to achieve.

On a national level, the Department of Health and Human Services, Administration for Children and Families, has developed the AdoptUSKids campaign. Through AdoptUsKids' work, state child welfare agencies were encouraged to establish regular working relationships with community and faith-based organizations and to engage them in the effort to recruit and retain foster and adoptive parents. Key to this recommendation is the need to not only attract potential parents, but to ensure that they receive the emotional support they need for parenting a foster or adoptive child, through relationships and community supports that are already familiar to the parents and to the children – in essence, community and faith-based organizations.

The Division explored AdoptUSKids' recommendation, taking New Hampshire's foster and adoption experience and demographics into consideration, and determined that a concerted effort to engage community and faith-based organizations presented a significant opportunity to meet the Division for Children, Youth and Families' foster and adoption goals. As the state is rich in these types of organizations, the Division strived to



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develop a strategy that would augment the Division's existing recruitment and retention efforts without increasing field staff workloads.

The strategy adopted incorporates the use of a contractor to work directly with community and faith-based organizations and serve as a conduit of information between those organizations and the Division; this represents the third prong of the Division's plan to meet foster and adoptive parent needs. The first prong utilizes a contractor to assist foster and adoptive parents with maintaining a statewide support network and works with them on an ongoing basis to ensure that they actively participate in the development and review of foster care and adoption policies. The second prong utilizes a contractor to assist local Division for Children, Youth and Families recruitment and retention teams in each district office, and also coordinates and delivers various statewide events and activities designed specifically for foster and adoptive parents. Through this three-pronged approach, the Division attracts people to fostering and adoption, provides them with a statewide network of support and a collective voice in New Hampshire's foster and adoption system, and finally, provides them with local and familiar support systems within their own communities.

On February 6, 2009, the Division issued a Request for Proposals. The Request for Proposals was published on the Department of Health and Human Services website, and advertised for three consecutive days in the New Hampshire Union Leader. Only Bethany Christian Services submitted a proposal to work with community and faith-based organizations. The evaluation committee recommended awarding the agreement to Bethany Christian Services.

This agreement represents a continuation of Bethany Christian Services of New England's contract with the Division for Children, Youth and Families. Bethany Christian Services has tailored their recruitment and retention campaign to be New Hampshire specific. Bethany Christian Services (BCS) has established key contacts within each organization and has worked with them to build their internal recruitment and retention program. BCS regularly connects with the key contacts and periodically brings them together to work with the active advisory committee dedicated to building the Division for Children, Youth and Families' relationship with community and faith-based organizations.

During fiscal year 2012 Bethany Christian Services, through this grant, provided goods and services to over 500 children and families in the form of furniture, clothing, camp scholarships, home renovations, backpacks, and school supplies. The Bethany Christian Services staff has formed partnerships with hundreds of community retailers and agency's to meet the needs of foster and adoptive families in New Hampshire. Over 600 faith-based organizations work collaboratively through the "Helping Hands Program" to meet the immediate needs of foster/adoptive families and the children they serve. They also provide assistance to the Family Resource Centers to meet the needs of NH families. Bethany Christian Services has provided its services well and is favorably rated by the families it serves.

In this agreement, Bethany Christian Services will contribute 25% of the total program costs as required by the Federal grant supporting this program – whether contributed by the State or a provider agency. Bethany Christian Services' contribution effectively eliminates the need for General Funds to support this program.

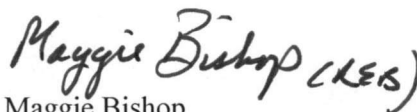
Her Excellency, Governor Margaret Wood Hassan  
and the Honorable Council  
April 16, 2013  
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Geographic area served: Statewide

Source of funds: 100% Federal from the United States Department of Health and Human Services.

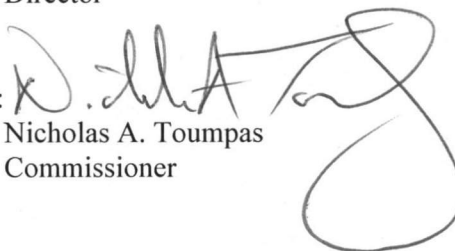
In the event that Federal funds become no longer available, General funds will not be requested to support this program.

Respectfully submitted,

 (KES)

Maggie Bishop  
Director

Approved by:



Nicholas A. Toumpas  
Commissioner

**Community and Faith Based Recruitment and Retention of Foster and Adoptive Parent Services**



**State of New Hampshire  
Department of Health and Human Services  
Amendment #2 to the Community and Faith Based Recruitment and Retention of Foster and Adoptive Parent Services Contract**

This 2nd Amendment to the Community and Faith Based Recruitment and Retention of Foster and Adoptive Parent Services contract (hereinafter referred to as "Amendment #2") dated this 1<sup>st</sup> day of April 2013, is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and Bethany Christian Services of New England, Inc. (hereinafter referred to as "the Contractor"), a Nonprofit Corporation with a place of business at 820 Turnpike Street Suite 101, North Andover, MA 01845-6125.

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on June 17, 2009, and amended by an agreement (Amendment #1 to the Contract) approved on April 27, 2011, the Contractor agreed to perform certain services based upon the terms and conditions specified in the Contract as amended and in consideration of certain sums specified; and

WHEREAS, the State and the Contractor have agreed to make changes to the scope of work, payment schedules and terms and conditions of the contract; and

WHEREAS, pursuant to the General Provisions, Paragraph 18, the State may at its sole discretion, extend the completion date of the contract by written agreement of the parties; and

WHEREAS, the State and the Contractor have agreed to extend the program by six months;

NOW THEREFORE, in consideration of the foregoing and the mutual covenants and conditions contained in the Contract and set forth herein, the parties hereto agree as follows:

To amend as follows:

- Form P-37, Item 1.7, Completion Date, shall be amended to read "12/31/2013".
- Form P-37, Item 1.8, Price Limitation, shall be amended to read "\$230,188.00".
- Exhibit A, Scope of Services, Contract Period, shall be amended to read: "July 1, 2009 – 12/31/13"
- Exhibit B, Method, Schedule, and Conditions Precedent to Payment, Program Period, shall be amended to read: "July 1, 2009 – December 31, 2013".
- Exhibit B, Method, Schedule, and Conditions Precedent to Payment, shall be amended to read: "...an amount not to exceed \$230,188.00".

Except as specifically amended and modified by the terms and conditions of this Amendment and Amendment #1, the Agreement, and the obligations of the parties there under, shall remain in full force and effect in accordance with the terms and conditions set forth herein.

**Community and Faith Based Recruitment and Retention of Foster and Adoptive Parent Services**



This amendment shall be effective upon the date of Governor and Executive Council approval.

IN WITNESS WHEREOF, the parties have set their hands as of the date written below,

4/2/13  
Date

State of New Hampshire  
Department of Health and Human Services

Nicholas A. Toumpas  
Nicholas A. Toumpas  
Commissioner

4/5/13  
Date

Bethany Christian Services of New England, Inc.

William Groot  
NAME William Groot  
TITLE Treasurer

**Acknowledgement:**

State of MA, County of Worcester on \_\_\_\_\_, before the undersigned officer, personally appeared the person identified above, or satisfactorily proven to be the person whose name is signed above, and acknowledged that s/he executed this document in the capacity indicated above.

Signature of Notary Public or Justice of the Peace

Walter W. Wier  
Name and Title of Notary or Justice of the Peace

Community and Faith Based Recruitment and Retention of Foster and Adoptive Parent Services



The preceding Amendment, having been reviewed by this office, is approved as to form, substance, and execution.

OFFICE OF THE ATTORNEY GENERAL

22 April 2013  
Date

Jeanne P. Herrien  
Name: Jeanne P. Herrien  
Title: Attorney

I hereby certify that the foregoing Amendment was approved by the Governor and Executive Council of the State of New Hampshire at the Meeting on: \_\_\_\_\_ (date of meeting)

OFFICE OF THE SECRETARY OF STATE

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name:  
Title:

Contractor Initials JU  
Date 4/5/13



# 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 filed the return(s) and 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 19<sup>th</sup> day of March, A.D. 2013

A handwritten signature in cursive script, appearing to read "William M. Gardner".

William M. Gardner  
Secretary of State

## CERTIFICATE OF VOTE

(Corporation without Seal)

I, Marjorie M. Dood, do hereby certify that:  
(Name of Clerk of the Corporation; cannot be contract signatory)

- I am a duly elected Clerk of Bethany Christian Services of New England, Inc.  
(Corporation Name)
- The following are true copies of two resolutions duly adopted at a meeting of the Board of Directors of the Corporation duly held on April 5, 2013:  
(Date)

**RESOLVED:** That this Corporation enter into a contract with the State of New Hampshire, acting through its Department of Health and Human Services, DCYF, for the provision of

Recruitment and Retention of Foster/Adoption Services.

**RESOLVED:** That the Treasurer  
(Title of Contract Signatory)

is hereby authorized on behalf of this Corporation to enter into the said contract with the State and to execute any and all documents, agreements and other instruments, and any amendments, revisions, or modifications thereto, as he/she may deem necessary, desirable or appropriate.

- The forgoing resolutions have not been amended or revoked, and remain in full force and effect as of the 5th day of April, 2013.  
(Date Contract Signed)

- William Groot is the duly elected  
Treasurer  
(Name of Contract Signatory) (Title of Contract Signatory)

of the Corporation.

Marjorie M. Dood  
(Signature of Clerk of the Corporation)

STATE OF ~~NEW HAMPSHIRE~~ MICHIGAN

County of Kent

The forgoing instrument was acknowledged before me this 25th day of April, 2013.

By Marjorie M. Dood  
(Name of Clerk of the Corporation)

(NOTARY SEAL)

Laura Porritt  
(Notary Public/Justice of the Peace)  
Commission Expires: 07-09-2017

LAURA PORRITT  
Notary Public, State of Michigan  
County of Kent  
My Commission Expires 07-09-2017  
Acting in the County of Kent

## RESOLUTION

At the called board meeting of Bethany Christian Services of New England, Inc on April 5, 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 July 1, 2013 and ending December 31, 2013.

**AND THE** Treasurer, William Groot is duly authorized to execute said contract on behalf of this corporation.

Certified true and correct


X   
Signature of Corporate Clerk

Marjorie M. Dood  
Typed Name of Corporate Clerk

Bethany Christian Services of New England Inc  
Typed Name of Corporation

LAURA PORRITT  
Notary Public, State of Michigan  
County of Kent  
My Commission Expires 07-09-2017  
Acting in the County of Kent

On this 26<sup>th</sup> day of April, 2013, before me, the undersigned notary public, personally appeared Marjorie M. Dood proved to me through satisfactory evidence of identification, which was/were Via Photo ID to 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.

  
Signature of notary

7-9-2017

my commission expires

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.



Janice Carter Lessard, MSW, LICSW Grant Supervisor

(Contractor Representative Signature)


(Authorized Contractor Representative Name & Title)

Bethany Christian Services

04/05/2013

(Contractor Name)

(Date)

Contractor initials:   
Date: 4/5/13  
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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: 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: Blacquiere, William, President

Amount: \$200,000

Name: Auchtung, Mervin, Chief Operating Officer

Amount: \$168,405

Name: Dood, Marjorie, Executive Vice President

Amount: \$120,000

Name: DeVos, Brian, Director of Operations

Amount: \$116,300

Name: Knibbe, Peter, VP of Advancement

Amount: \$108,580

Contractor initials: JCU  
Date: 4/5/13  
Page # 2 of Page # 2



# New Hampshire Department of Health and Human Services

Bidder/Program Name: Bethany Christian Serv

Budget Request for: CFBI

(Name of RFP)

Budget Period: July 1-Dec 31, 2013

Line Item	Direct Incremental	Indirect Fixed	Total State Costs	Bidder Match	Total Costs	Allocation Method for Indirect/ Fixed Cost
1. Total Salary/Wages			16,160	2,407	18,567	
2. Employee Benefits	\$	\$	1,958	1,098	3,056	
3. Consultants	\$	\$	\$	\$	\$	
4. Equipment:	\$	\$		\$		
Rental	\$	\$	\$	\$	\$	
Repair and Maintenance	\$	\$	\$	\$	\$	
Purchase/Depreciation	\$	\$	25	\$	25	
5. Supplies:	\$	\$	\$	\$	\$	
Educational	\$	\$	\$	\$	\$	
Office	\$	\$	900	\$	900	
6. Travel	\$	\$	1,768	754	2,522	
7. Occupancy	\$	\$	1,350	450	1,800	
8. Current Expenses	\$	\$	\$			
Telephone	\$	\$	200	200	400	
Postage	\$	\$	\$	75	75	
Subscriptions	\$	\$	\$	50	50	
Audit and Legal	\$	\$	25	\$	25	
Insurance	\$	\$	\$	100	100	
Board Expenses	\$	\$	\$	\$	\$	
9. Software	\$	\$	\$	\$	\$	
10. Marketing/Communications	\$	\$	500	500	1,000	
11. Staff Education and Training	\$	\$	50	100	150	
12. Subcontracts/Agreements	\$	\$	\$	\$	\$	
Indirect Administrative Costs	\$	\$	2,064	516	2,580	9% of expenses
<b>TOTAL</b>	<b>\$ -</b>	<b>-</b>	<b>25,000</b>	<b>6,250</b>	<b>31,250</b>	

Indirect As A Percent of Direct

9%

Contractor Initials: JCA

Date: 4/5/13

Contractor Initials: JCA

Date: 4/5/13



# CERTIFICATE OF LIABILITY INSURANCE

OP ID: JN

DATE (MM/DD/YYYY)

12/18/12

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).

<b>PRODUCER</b> BUITEN & ASSOCIATES, LLC. 5738 FOREMOST DRIVE, SE GRAND RAPIDS, MI 49546 PAUL S BUITEN		616-956-0040 616-956-8057	<b>CONTACT NAME:</b> <b>PHONE</b> (A/C, No, Ext): <b>E-MAIL ADDRESS:</b> <b>PRODUCER CUSTOMER ID #:</b> BETHA-1	<b>FAX</b> (A/C, No):	
<b>INSURED</b> 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		<b>INSURER(S) AFFORDING COVERAGE</b> <b>INSURER A:</b> PHILADELPHIA INSURANCE COMPANY <b>INSURER B:</b> ST PAUL/TRAVELERS INS CO** <b>INSURER C:</b> <b>INSURER D:</b> <b>INSURER E:</b> <b>INSURER F:</b>			<b>NAIC #</b> 25666

**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	<b>GENERAL LIABILITY</b> <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> PROFESSIONAL <input checked="" type="checkbox"/> SEX ABUSE/MOLESTA GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC			PHPK910382 \$3 MIL AGG/\$1 MIL OCC \$3 MIL AGG/\$1 MIL EA ACT	09/01/12 09/01/12 09/01/12	09/01/13 09/01/13 09/01/13	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 20,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 3,000,000 PRODUCTS - COMP/OP AGG \$ 3,000,000
	<b>AUTOMOBILE LIABILITY</b> <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS <input checked="" type="checkbox"/> COMP/COLLISION			PHPK910382 \$500 DED / \$1,000 DED	09/01/12	09/01/13	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$ \$
	<b>UMBRELLA LIAB</b> <input checked="" type="checkbox"/> OCCUR <b>EXCESS LIAB</b> <input type="checkbox"/> CLAIMS-MADE <b>DEDUCTIBLE</b> <input checked="" type="checkbox"/> RETENTION \$ 10000			PHUB393978	09/01/12	09/01/13	EACH OCCURRENCE \$ 10,000,000 AGGREGATE \$ 10,000,000 \$ \$
	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N <input checked="" type="checkbox"/> N	N/A	UB4922B480 (BLKT WAIVER OF SUBRO)	12/31/12	12/31/13	<input checked="" type="checkbox"/> WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
B	<b>EMPLOYEE THEFT</b>			105001063	09/01/12	09/01/13	500,000 1,000 DED
A	<b>HIRED PHY DAMAGE</b>			PHPK910382	09/01/12	09/01/13	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**

<b>NEWHAMP</b>  NEW HAMPSHIRE DEPT OF HEALTH & HUMAN SERVICES; DIVISION FOR CHILDREN, YOUTH & FAMILIES 129 PLEASANT ST CONCORD, NH 03301 3857	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**

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**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 & Moran, PLLC*

March 27, 2013

# Bethany Christian Services

## Consolidated Statement of Financial Position

	December 31, 2012	December 31, 2011
<b>Assets</b>		
<b>Current Assets</b>		
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
<b>Property and Equipment - Net (Note 3)</b>	12,994,760	13,021,949
<b>Investment in Unconsolidated Affiliate (Note 2)</b>	634,357	654,390
Total assets	<b>\$ 52,315,889</b>	<b>\$ 49,071,528</b>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
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
<b>Annuities Payable (Note 4)</b>	389,021	433,154
<b>Other Long-term Liabilities - Pension obligations -     Net of current portion (Note 7)</b>	8,691,504	8,501,626
Total liabilities	19,467,997	18,057,900
<b>Net Assets</b>		
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	<b>\$ 52,315,889</b>	<b>\$ 49,071,528</b>

# Bethany Christian Services

## Consolidated Statement of Activities and Changes in Net Assets

	Year Ended				
	December 31, 2012		December 31, 2011		
	Unrestricted	Temporarily Restricted	Temporarily Restricted	Permanently Restricted	Total
<b>Revenue and Support</b>					
Contributions	\$ 12,966,054	\$ -	\$ 2,775	\$ -	\$ 11,778,798
Child support	40,665,909	-	-	-	37,546,654
Service fees	27,678,390	-	-	-	26,090,248
Investments and other	3,608,935	-	-	-	(223,191)
				(36,344)	(374)
Total revenue and support	84,919,288	-	2,775	2,401	75,158,566
	58,761	(58,761)	-	-	-
<b>Net Assets Released from Restrictions</b>					
Total revenue, support, and net assets released from restrictions	84,978,049	(58,761)	2,775	2,401	75,158,566
<b>Expenses</b>					
Program services:					
Adoption	26,489,081	-	-	-	26,536,058
Foster care	19,462,662	-	-	-	17,230,265
International social services	1,224,856	-	-	-	1,446,456
Refugee services	7,913,091	-	-	-	7,514,771
Counseling	8,054,182	-	-	-	5,281,464
Residential treatment	2,140,016	-	-	-	1,960,833
Sponsorship	667,773	-	-	-	307,592
Other programs	4,144,465	-	-	-	4,578,839
Total program services	70,096,126	-	-	-	64,856,278
Support services:					
Management and general	8,901,417	-	-	-	8,569,114
Fundraising	3,738,014	-	-	-	3,131,351
Total expenses	82,735,557	-	-	-	76,556,743
<b>Increase (Decrease) in Net Assets - Before other items</b>	2,242,492	(58,761)	2,775	2,401	(1,398,177)
	(352,242)	-	-	-	(5,290,660)
<b>Pension Liability Adjustment (Note 7)</b>					
<b>Increase (Decrease) in Net Assets</b>	1,890,250	(58,761)	2,775	2,401	(6,688,837)
<b>Net Assets - Beginning of year</b>	30,274,326	486,697	252,605	250,204	37,702,465
<b>Net Assets - End of year</b>	\$ 32,164,576	\$ 427,936	\$ 255,380	\$ 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
<b>Operating Expenses</b>											
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	402,485	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
<b>Total operating expenses</b>	<b>\$ 26,489,081</b>	<b>\$ 19,462,662</b>	<b>\$ 1,224,856</b>	<b>\$ 7,913,091</b>	<b>\$ 8,054,182</b>	<b>\$ 2,140,016</b>	<b>\$ 667,773</b>	<b>\$ 4,144,465</b>	<b>\$ 8,901,417</b>	<b>\$ 3,738,014</b>	<b>\$ 82,735,557</b>

# 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
<b>Operating Expenses</b>											
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
<b>Total operating expenses</b>	<b>\$ 26,536,058</b>	<b>\$ 17,230,265</b>	<b>\$ 1,446,456</b>	<b>\$ 7,514,771</b>	<b>\$ 5,281,464</b>	<b>\$ 1,960,833</b>	<b>\$ 307,592</b>	<b>\$ 4,578,839</b>	<b>\$ 8,569,114</b>	<b>\$ 3,131,351</b>	<b>\$ 76,556,743</b>

See Notes to Consolidated Financial Statements.



# Bethany Christian Services

## Consolidated Statement of Cash Flows

	Year Ended	
	December 31, 2012	December 31, 2011
<b>Cash Flows from Operating Activities</b>		
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)
<b>Cash Flows from Investing Activities</b>		
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)
<b>Cash Flows from Financing Activities</b>		
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)
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	659,763	(3,153,294)
<b>Cash and Cash Equivalents - Beginning of year</b>	1,921,160	5,074,454
<b>Cash and Cash Equivalents - End of year</b>	<u>\$ 2,580,923</u>	<u>\$ 1,921,160</u>
<b>Supplemental Disclosure of Cash Flow Information - Cash paid for interest</b>	<u>\$ 23,022</u>	<u>\$ 10,887</u>

# **Bethany Christian Services**

## **Notes to Consolidated Financial Statements December 31, 2012 and 2011**

### **Note I - Nature of Activities and Significant Accounting Policies**

**Nature of Organization** - Bethany Christian Services and its subsidiaries (the "Organization") is a not-for-profit corporation whose sources of revenue are derived principally from public contributions, government grants, and service fees. The Organization operates a child placement agency and provides such services as foster care, pregnancy counseling, adoptive services, and other related social services as may be appropriate in stabilizing and/or improving human relationships and conditions. Currently, these services are provided in 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:

	2012	2011
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	4,338,629	4,063,614
Subtotal	24,629,138	24,471,133
Investment in unconsolidated affiliate	634,357	654,390
Total	\$ 25,263,495	\$ 25,125,523



# Bethany Christian Services

## Notes to Consolidated Financial Statements December 31, 2012 and 2011

### Note 2 - Investments (Continued)

Investment income consists of the following:

	2012	2011
Interest and dividends	\$ 876,029	\$ 724,507
Realized and unrealized gains (losses)	2,228,446	(1,259,525)
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:

	2012	2011
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	586,300	154,905
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	352,242	5,290,660
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	<u>\$ 21,398,586</u>	<u>\$ 2,231,503</u>	<u>\$ 841,044</u>	<u>\$ 24,471,133</u>

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	<u>\$ 19,298</u>	<u>\$ -</u>	<u>\$ 128,695</u>

## 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	\$ 14,764,823	\$ 525,515	\$ 257,366	\$ 15,547,704

# 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	\$ 14,764,823	\$ 525,515	\$ 257,366	\$ 15,547,704

#### 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	\$ 13,309,869	\$ 486,697	\$ 252,605	\$ 14,049,171

# 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	\$ 13,309,869	\$ 486,697	\$ 252,605	\$ 14,049,171

### 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
<b>Assets</b>										
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

Assets	Iowa,		Iowa,		Maryland	Michigan	Minnesota	Mississippi	Missouri	New England	New Jersey	North Carolina
	Northwest	South Central	South Central	South Central								
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
<b>Assets</b>										
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	-	189,035	-	-	-	-	-	-	-	-
Land and land improvements	12,334	1,066,913	-	-	-	-	34,847	-	-	-
Buildings and improvements	37,584	111,843	23,528	13,952	-	4,115	-	12,474	12,617	20,605
Furniture and fixtures	-	-	-	-	-	-	-	-	14,680	-
Transportation equipment	-	-	-	-	-	-	-	-	-	-
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
<b>Assets</b>									
Current Assets:									
Cash and cash equivalents	\$ (155,155)	\$ 1,300	\$ (802,980)	\$ 2,000	\$ 3,675	\$ (50,250)	\$ (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
<b>Liabilities and Net Assets (Deficit)</b>										
<b>Liabilities</b>										
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
<b>Net Assets (Deficit) - Beginning of year</b>	31,013,628	604,484	1,536,590	324,604	47,855	70,901	(57,219)	1,517,979	(536,320)	108,719
<b>Change in Net Assets</b>	1,834,264	9,712	202,634	(89,474)	11,399	21,343	(76,260)	(148,965)	78,762	(10,682)
<b>Net Assets (Deficit) - End of year</b>	32,847,892	614,196	1,739,224	235,130	59,254	92,244	(133,479)	1,369,014	(457,558)	98,037
<b>Total Liabilities and Net Assets (Deficit)</b>	\$ 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
<b>Liabilities and Net Assets (Deficit)</b>										
<b>Liabilities</b>										
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
<b>Net Assets (Deficit) - Beginning of year</b>	(195,511)	789,372	(61,860)	6,399,627	(221,955)	610,550	51,050	(127,825)	468,711	912,358
<b>Change in Net Assets</b>	(13,709)	63,442	124,333	1,503,584	(155,581)	(23,618)	46,268	95,255	(208,209)	(102,795)
<b>Net Assets (Deficit) - End of year</b>	(209,220)	852,814	62,473	7,903,211	(377,536)	586,932	97,318	(32,570)	260,502	809,563
<b>Total Liabilities and Net Assets (Deficit)</b>	\$ (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
<b>Liabilities and Net Assets (Deficit)</b>										
<b>Liabilities</b>										
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
<b>Net Assets (Deficit) - Beginning of year</b>	291,056	758,929	24,095	(108,358)	66,937	8,753	(246,341)	29,654	(594,715)	(313,566)
<b>Change in Net Assets</b>	36,988	(179,657)	13,064	14,626	59,166	(5,026)	(44,206)	(47,440)	(115,874)	42,020
<b>Net Assets (Deficit) - End of year</b>	328,044	579,272	37,159	(93,732)	126,103	3,727	(290,547)	(17,786)	(710,589)	(271,546)
<b>Total Liabilities and Net Assets (Deficit)</b>	\$ 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
<b>Liabilities and Net Assets (Deficit)</b>									
<b>Liabilities</b>									
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	-
<b>Net Assets (Deficit) - Beginning of year</b>	(298,663)	138,641	(652,897)	-	(72,138)	1,415,639	(390,681)	4,666,002	14,049,171
<b>Change in Net Assets</b>	(149,004)	34,096	(260,209)	8,350	78,727	(530,404)	(319,022)	368,851	1,501,779
<b>Net Assets (Deficit) - End of year</b>	(447,667)	172,737	(913,106)	8,350	6,589	885,235	(709,703)	5,034,853	15,550,950
<b>Total Liabilities and Net Assets (Deficit)</b>	\$ (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
<b>Operating Revenue and Other Support</b>										
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
<b>Total Operating Revenue and Other Support</b>	<b>84,922,063</b>	<b>450,943</b>	<b>1,652,402</b>	<b>812,561</b>	<b>1,382,404</b>	<b>683,145</b>	<b>160,984</b>	<b>6,675,778</b>	<b>635,325</b>	<b>2,165,936</b>
<b>Operating Expenses</b>										
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
<b>Total Operating Expenses</b>	<b>82,735,557</b>	<b>439,541</b>	<b>1,443,856</b>	<b>898,931</b>	<b>1,366,745</b>	<b>659,375</b>	<b>237,244</b>	<b>6,800,401</b>	<b>554,335</b>	<b>2,167,864</b>
<b>Pension Liability Adjustment</b>	<b>352,242</b>	<b>1,690</b>	<b>5,912</b>	<b>3,104</b>	<b>4,260</b>	<b>2,427</b>	<b>-</b>	<b>24,342</b>	<b>2,228</b>	<b>8,754</b>
<b>Total Operating Expenses and Pension Cost</b>	<b>83,087,799</b>	<b>441,231</b>	<b>1,449,768</b>	<b>902,035</b>	<b>1,371,005</b>	<b>661,802</b>	<b>237,244</b>	<b>6,824,743</b>	<b>556,563</b>	<b>2,176,618</b>
<b>Change in Net Assets from Operating Activities</b>	<b>\$ 1,834,264</b>	<b>\$ 9,712</b>	<b>\$ 202,634</b>	<b>\$ (89,474)</b>	<b>\$ 11,399</b>	<b>\$ 21,343</b>	<b>\$ (76,260)</b>	<b>\$ (148,965)</b>	<b>\$ 78,762</b>	<b>\$ (10,682)</b>

# 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
<b>Operating Revenue and Other Support</b>										
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
<b>Operating Expenses</b>										
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
<b>Pension Liability Adjustment</b>										
Total Operating Expenses and Pension Cost	2,762	2,796	2,609	152,175	3,093	3,346	3,261	2,716	6,920	3,327
<b>Change in Net Assets from Operating Activities</b>	\$ (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, Chattanooga	Tennessee, Eastern	Tennessee, Middle	Tennessee, West
<b>Operating Revenue and Other Support</b>										
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
<b>Operating Expenses</b>										
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
<b>Pension Liability Adjustment</b>	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
<b>Change in Net Assets from Operating Activities</b>	\$ 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
<b>Operating Revenue and Other Support</b>									
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
<b>Operating Expenses</b>									
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	-	238,364	-
Printing	15,398	5,931	12,225	912	13,262	7,079	24,155	116,351	-
Information Technology	9,838	2,079	10,329	656	9,477	58,261	6,118	326,200	-
Equipment & Furnishings	3,604	490	2,381	1,000	1,523	489	-	27,370	-
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
<b>Pension Liability Adjustment</b>									
Total Operating Expenses and Pension Cost	5,074	2,185	6,319	-	5,434	9,646	-	46,156	-
<b>Change in Net Assets from Operating Activities</b>	1,240,318	565,761	1,893,619	24,255	1,223,578	3,878,413	789,522	756,480	496,405
	\$ (149,004)	\$ 34,096	\$ (260,209)	\$ 8,350	\$ 78,727	\$ (530,404)	\$ (319,022)	\$ 368,851	\$ 1,501,779

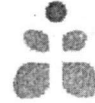
## Bethany Christian Services

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

	Total Expenses	St. Louis County Expenses
<b>Project Expenses</b>		
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	3,515	1,611
Total program services	149,310	68,453
Less - Not applicable to County - Support services - Nonbillable	9,224	4,229
Less - Not applicable to County - Branch Fundraising	3,250	1,490
Total direct project expenses	136,836	62,734
Add - Indirect (Administrative) Expenses - Support services - Billable	15,518	7,114
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



**BETHANY.**  
CHRISTIAN SERVICES

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 (<b>Treasurer – Bill</b>)</p> <p>2008</p> <p>[REDACTED]</p> <p>www.112charter.org</p>	<p>Jennessa Kimball (<b>Secretary</b>)</p> <p>2012</p> <p>[REDACTED]</p> <p>Atkinson, NH 03811</p> <p>Home: [REDACTED]</p> <p>Cell: [REDACTED]</p> <p>E-Mail: jennessakimball@gmail.com</p>
<p>Cheryl Hardiman</p> <p>2012</p> <p>[REDACTED]</p> <p>Uxbridge, MA</p> <p>Home: [REDACTED]</p> <p>Cell: [REDACTED]</p> <p>E-Mail: cheryl.hardiman@state.ma.us</p>	<p>Ted Sullivan (<b>Vice President</b>)</p> <p>2009</p> <p>[REDACTED]</p> <p>Lincoln, RI</p> <p>Home: [REDACTED]</p> <p>Cell: [REDACTED]</p> <p>E-Mail: Ted.Sullivan@cardinalhealth.com</p>
<p>Darlene Kimball</p> <p>2011</p> <p>[REDACTED]</p> <p>Atkinson, NH</p> <p>Home: ( [REDACTED] )</p> <p>E-Mail: atkinsonbookwoman@valenc.com</p>	<p>Wayne Wiersma (<b>President</b>)</p> <p>2006</p> <p>[REDACTED]</p> <p>Mendon, MA</p> <p>Primary contact#: 508) 612-1731</p> <p>Work: [REDACTED]</p> <p>Fax: [REDACTED]</p> <p>E-Mail: wayne@wiersmainsurance.com</p>

## ADVISORY BOARD MEMBERS

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

# KEY ADMINISTRATIVE PERSONNEL

NH Department of Health and Human Services  
Division for Children, Youth and Families

Agency Name:

Bethany Christian Services

Name of Bureau/Section:

Community and Faith Based Initiative (NH)

BUDGET PERIOD:		7/1/13-12/31/13	
Name & Title Key Administrative Personnel	Annual Salary Of Key Administrative Personnel	Percentage of Salary Paid By Contract	Total Salary Amount Paid By Contract
William J. Blacquiere, President	\$200,000	0.00%	\$0.00
Mervin K. Auchtung, Chief Operating Officer	\$168,405	0.00%	\$0.00
Marjorie Dood, Chief Financial Officer	\$120,000	0.00%	\$0.00
Jeffrey L. Nitz, Director of Operations	\$106,600	0.00%	\$0.00
Sandra Pyram-Loyer, Branch Director	\$65,000	0.00%	\$0.00
Janice C. Lessard, Program Administrator	\$64,530	2.89%	\$1,864.92
<b>TOTAL SALARIES (Not to exceed Total/Salary Wages, Line Item 1 of Budget request)</b>			<b>\$1,864.92</b>

Key Administrative Personnel are top-level agency leadership (President, Executive Director, CEO, CFO, etc), and individuals directly involved in operating and managing the program (project director, program manager, etc.). These personnel **MUST** be listed, **even if no salary is paid from the contract**. Provide their name, title, annual salary and percentage of annual salary paid from agreement.



Nicholas A. Toumpas  
Commissioner

Maggie Bishop  
Director

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  
FAX: 603-271-4729 TDD Access: 1-800-735-2964

March 21, 2011

**G&C Approved**

His Excellency, Governor John H. Lynch  
and the Honorable Executive Council  
State House  
Concord, New Hampshire 03301

Date 4/27/2011  
Item # 57

**REQUESTED ACTION**

Authorize the Department of Health and Human Services, Division for Children, Youth and Families to exercise a renewal option (Purchase Order #1000046) with Bethany Christian Services of New England, Candia, New Hampshire (Vendor #161782 B001) for the provision of community and faith-based recruitment and retention of foster and adoptive parents services, by increasing the price limitation by \$100,000.00 from \$105,188.00 to a total of \$205,188.00 and by extending the completion date from June 30, 2011 to June 30, 2013 effective July 1, 2011. Governor and Council approved the original agreement (Purchase Order #1000046) on June 17, 2009 (item #117). Funds to support this request are anticipated to be available in the following account in SFY 2012 and SFY 2013 upon the availability and continued appropriation of funds in the future operating budgets, with authority to adjust amounts if needed and justified, between State Fiscal Years:

05-95-40-404010-5847 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS:  
CHILDREN AND YOUTH, FEDERAL GRANT PROGRAMS, PROMOTING SAFE-STABLE FAMILIES

<u>Class/Object</u>	<u>Title</u>	<u>Activity Code</u>	<u>SFY</u>	<u>Current Modified Budget</u>	<u>Increase/ Decrease</u>	<u>Revised Modified Budget</u>
102-500734	Social Service Contracts	40130007	2010	\$52,360.00	0	\$52,360.00
			2011	\$52,828.00	0	\$52,828.00
			2012	0	\$50,000.00	\$50,000.00
			2013	0	\$50,000.00	\$50,000.00
			TOTAL:	\$105,188.00	\$100,000.00	\$205,188.00

## EXPLANATION

The above action is requested to continue the engagement of community and faith-based organizations in the Division for Children, Youth and Families effort to recruit and retain foster and adoptive parents. The Division for Children, Youth and Families, in district offices throughout the state, strives to develop local foster and adoptive resources so that children who come into the Division for Children, Youth and Families' care can be placed in safe and loving homes within their own communities. As part of the placement process, the Division for Children, Youth and Families tries to match children with families that best meet their needs and offers the greatest amount of continuity – including maintaining their connections to the people, places and activities that are familiar to them. Because family life frequently involves faith-based activities, such as attending worship services or religious education, or may involve community activities, such as 4-H or other local clubs and organizations, bringing attention to the need for foster and adoptive parents to these entities will improve the Division for Children, Youth and Families' ability to meet each child's needs. Although the Division for Children, Youth and Families' effort at attracting foster and adoptive parents on an individual basis has improved, developing a pool of potential parents that takes into consideration existing community and faith-based activities has been difficult to achieve.

On a national level, the Department of Health and Human Services, Administration for Children and Families, has developed the AdoptUsKids campaign. Through AdoptUsKids' work, state child welfare agencies were encouraged to establish regular working relationships with community and faith-based organizations and to engage them in the effort to recruit and retain foster and adoptive parents. Key to this recommendation is the need to not only attract potential parents, but to ensure that they receive the emotional support they need for parenting a foster, or adoptive child, through relationships and community supports that are already familiar to the parents and to the children – in essence, community and faith-based organizations.

The Division explored AdoptUSKids' recommendation, taking New Hampshire's foster and adoption experience and demographics into consideration, and determined that a concerted effort to engage community and faith-based organizations presented a significant opportunity to meet the Division for Children, Youth and Families' foster and adoption goals. As the state is rich in these types of organizations, the Division strived to develop a strategy that would augment the Division's existing recruitment and retention efforts without increasing field staff workloads.

The strategy adopted incorporates the use of a contractor to work directly with community and faith-based organizations and serve as a conduit of information between those organizations and the Division; this represents the third prong of the Division's plan to meet foster and adoptive parent needs. The first prong utilizes a contractor to assist foster and adoptive parents with maintaining a statewide support network and works with them on an ongoing basis to ensure that they actively participate in the development and review of foster care and adoption policies. The second prong utilizes a contractor to assist local Division for Children, Youth and Families recruitment and retention teams in each district office, and also coordinates and delivers various statewide events and activities designed specifically for foster and adoptive parents. Through this three-pronged approach, the Division attracts people to fostering and adoption, provides them with a statewide network of support and a collective voice in New Hampshire's foster and adoption system, and finally, provides them with local and familiar support systems within their own communities.

### Competitive Bidding Process

On February 6, 2009, the Division issued a Request for Proposals. The Request for Proposals was published on the Department of Health and Human Services website, and advertised for three consecutive days in the New Hampshire Union Leader.

As part of its competitive bidding process, the Division for Children, Youth and Families incorporated a mandatory bidders conference into the Request for Proposals. The conference was held on February 20, 2009 and representatives from three organizations were present. Subsequent to the conference, the Division responded to any clarifying questions raised by prospective bidders and provided bidders with electronic access to the Request for Proposals bidding templates. Despite this effort, only Bethany Christian Services submitted a proposal to work with community and faith-based organizations.

The Request for Proposals contained proposal evaluation criteria (see attached evaluation summary) and fully described the factors that the Division for Children, Youth and Families would utilize in assessing the effectiveness of proposals received. In preparing for the review of anticipated bids, the Division formed an Evaluation Committee comprised of the Division for Children, Youth and Families current and former foster care and adoption staff and a member of the faith-based community. Each Committee member was given a Confidentiality Statement to ensure that information about the bidding and evaluation process would not be inappropriately released throughout the Request for Proposals cycle. Similarly, upon learning actual bidding agency, each member was given a Conflict of Interest Statement to assure that the bid received posed no personal or financial conflict for reviewers.

Committee members individually reviewed the proposal. The Bethany Christian Services proposal scored an average of 94 out of 100 possible points. As a result, the Committee recommended awarding the agreement to Bethany Christian Services. The Division Director concurred with the Committee's recommendations, based on the factors shared by them and the costs and agreement terms successfully negotiated with the contractor.

### Vendor Performance

This agreement represents a continuation of Bethany Christian Services of New England's contract with the Division for Children, Youth and Families. Bethany Christian Services has tailored their recruitment and retention campaign to be New Hampshire specific. Bethany Christian Services has established key contacts within each organization and has worked with them to build their internal recruitment and retention program. BCS regularly connects with the key contacts and periodically brings them together to work with the active advisory committee dedicated to building the Division for Children, Youth and Families' relationship with community and faith-based organizations.

During fiscal year 2010 Bethany Christian Services, through this grant, provided goods and services to over 500 children and families in the form of furniture, clothing, camp scholarships, home renovations, backpacks, and school supplies. They also met very specific needs such as regularly providing Gatorade needed for the treatment of a foster child's kidney disease. In addition, they brought together a renovation team that has provided many home renovations, including small but important projects such as installing smoke detectors so that families could become licensed foster homes and projects as large as adding two bedrooms to a home to accommodate special needs children.



The Bethany Christian Services staff has formed partnerships with hundreds of community retailers and agency's to meet the needs of foster and adoptive families in New Hampshire. Over 600 faith-based organizations work collaboratively through the "Helping Hands Program" to meet the immediate needs of foster/adoptive families and the children they serve. They also provide assistance to the Family Resource Centers to meet the needs of NH families.

Agreement Terms

The Request for Proposals, original agreement and G&C letter called for the provision of this service for two years and reserved the Division's right to renew the service for up to two additional years, based on the satisfactory delivery of services, continued availability of supporting funds, and Governor and Executive Council approval.

Bethany Christian Services has provided its services well and is favorably rated by the families it serves. As such, the Division for Children, Youth and Families puts forth this request for Governor and Council to approve the agreement for the final two years.

In this agreement, Bethany Christian Services will contribute 25% of the total program costs as required by the Federal grant supporting this program – whether contributed by the State or a provider agency. Bethany Christian Services' contribution effectively eliminates the need for General Funds to support this program.

Geographic area served: Statewide

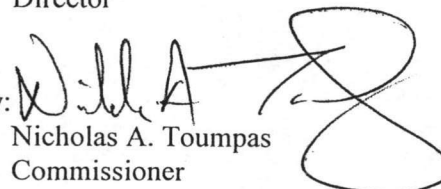
Source of funds: 100% Federal from the United States Department of Health and Human Services. In the event that Federal funds become no longer available, General funds will not be requested to support this program.

Respectfully submitted,



Maggie Bishop  
Director

Approved by:



Nicholas A. Toumpas  
Commissioner



## AMENDMENT #1

This Agreement (hereinafter called the "Amendment") dated this 2<sup>nd</sup> day of March 2011, by and between the State of New Hampshire, acting by and through its Division for Children, Youth and Families of the Department of Health and Human Services (herein after referred to as ("the Department")) and Bethany Christian Services of New England, Candia, NH (herein after referred to as the "Provider").

WHEREAS, pursuant to an Agreement (hereinafter called the "Agreement") dated May 29, 2009 and approved by the Governor and Executive Council on June 17, 2009 (Item #117), the Provider agreed to perform certain services upon the terms and conditions specified in the Agreement and in consideration of payment by the Department of certain sums as specified therein; and WHEREAS, pursuant to the provisions of Section 17 of the Agreement, the Agreement may be amended, waived or discharged only by a written instrument executed by the parties thereto; and WHEREAS, the Provider and the Department have agreed to amend the Agreement in certain respects;

### 1. Amendment and Modification of Agreement:

The Agreement is hereby amended as follows:

- Form P-37, Item 1.7, Completion Date, shall be amended to read "06/30/2013".
- Item 1.8, Price Limitation, shall be amended to read "\$205,188.00".
- Exhibit A, Scope of Services, shall be amended to read: Contract Period: "July 1, 2009 – 6/30/2013"
- Exhibit B, Method, Schedule, and Conditions Precedent to Payment, shall be amended to read: Program Period: "July 1, 2009 – June 30, 2013".
- Exhibit B, Method, Schedule, and Conditions Precedent to Payment, shall be amended to read: "...services in an amount not to exceed \$205,188".

### 2. Effective Date of Amendment:

This Amendment shall be effective July 1, 2011.

### 3. Continuance of Agreement:

Except as specifically amended and modified by the terms and conditions of this Amendment, the Agreement, and the obligations of the parties there under, shall remain in full force and effect in accordance with the terms and conditions set forth herein.

IN WITNESS WHEREOF, the parties have here unto set their hands as of the date and year first above written.

Bethany Christian Services of New England

By: [Signature]

Signature

Wayne Wiersma President  
Signor Name and Title

Manchester  
STATE OF ~~NEW HAMPSHIRE~~

County of Kenosha

The forgoing instrument was acknowledged before me this 30<sup>th</sup> day of Mar, 2011

(NOTARY SEAL)

[Signature]  
(Notary Public/Justice of the Peace)

Commission Expires: Dec. 14, 2012

THE STATE OF NEW HAMPSHIRE  
Division for Children, Youth, and Families

By: [Signature]

Maggie Bishop, Director

Approved by the Attorney General (Form, Substance and Execution) this

12 day of April, 2011.

By: [Signature]

Attorney General

Approved by the Governor and Executive Council this

\_\_\_\_\_ day of \_\_\_\_\_, 2011.



Nicholas A. Toumpas  
Commissioner

Maggie Bishop  
Director

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  
FAX: 603-271-4729 TDD Access: 1-800-735-2964

G&C approved  
6/17/09  
#117

May 29, 2009

His Excellency, Governor John H. Lynch  
and the Honorable Executive Council  
State House  
Concord, New Hampshire 03301

**REQUESTED ACTION**

Authorize the Department of Health and Human Services, Division for Children, Youth and Families (DCYF) to enter into an agreement with Bethany Christian Services of New England, Candia, New Hampshire (Vendor # TBD), for the provision of community and faith-based recruitment and retention of foster and adoptive parents, effective July 1, 2009 through June 30, 2011, for an amount not to exceed one hundred five thousand one hundred eighty-eight dollars (\$105,188). Funds to support this request are anticipated to be available in the following accounts in SFY 2010 and SFY 2011 upon the availability and continued appropriation of funds in the future operating budgets, with authority to adjust amounts if needed and justified, between State Fiscal Years:

Account Title	Account and Job Numbers	State Fiscal Year 2010	State Fiscal Year 2011	Total Amount
Promoting Safe and Stable Families	010-040-5847-102-0734 Job #: 40130007	\$52,360	\$52,828	\$105,188

**EXPLANATION**

The above action is requested to continue the engagement of community and faith-based organizations in the Division for Children, Youth and Families' (DCYF) effort to recruit and retain foster and adoptive parents. DCYF, in district offices throughout the state, strives to develop local foster and adoptive resources so that children, who come into DCYF's care, can be placed in safe and loving homes within their own communities. As part of the placement process, DCYF tries to match children with families that best meet their needs and offers the greatest amount of continuity – including maintaining their connections to the people, places and activities that are familiar to them. Because family life frequently involves faith-based activities, such as attending worship services or religious education, or may involve community activities, such as 4-H or other local clubs and organizations, bringing attention to the need for foster and adoptive parents to these entities will improve DCYF's ability to meet each child's needs. Although DCYF's effort at attracting foster and adoptive parents on an individual basis has improved, developing a pool of potential parents that takes into consideration existing community and faith-based activities has been difficult to achieve.

Committee members individually reviewed the proposal. The BCS proposal scored an average of 94 out of 100 possible points. As a result, the Committee recommended awarding the agreement to BCS. The Division Director concurred with the Committees' recommendations, based on the factors shared by them and the costs and agreement terms successfully negotiated with the contractor.

#### Vendor Performance

This agreement represents a continuation of Bethany Christian Services of New England's (BCS) contract with DCYF. BCS has tailored their recruitment and retention campaign to be New Hampshire specific. BCS has established key contacts within each organization and has worked with them to build their internal recruitment and retention program. BCS regularly connects with the key contacts and periodically brings them together to work with the active advisory committee dedicated to building DCYF's relationship with community and faith-based organizations.

#### Agreement Terms

The RFP and attached agreement call for the provision of this service for two years and reserves the Division's right to renew the service for up to two additional years, based on the satisfactory delivery of services, continued availability of supporting funds, and Governor and Executive Council approval.

In this agreement, BCS will contribute 25% of the total program costs as required by the Federal grant supporting this program – whether contributed by the State or a provider agency. BCS' contribution effectively eliminates the need for General Funds to support this program.

Geographic area served: Statewide

Source of funds: 100% Federal. In the event that Federal funds become no longer available, General funds will not be requested to support this program.

Respectfully submitted,

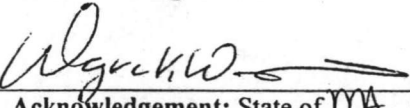
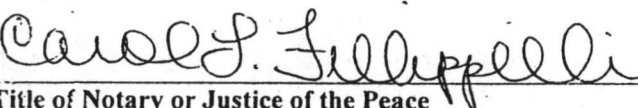
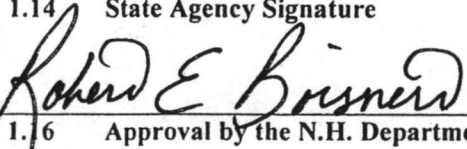
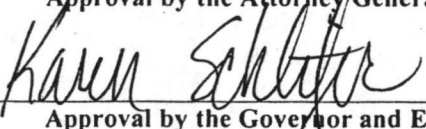
*for Robert E. Boisvert*  
Maggie Bishop  
Director

Approved by: *Nicholas A. Toumpas*  
Nicholas A. Toumpas  
Commissioner

Subject: Community and Faith Based Recruitment and Retention Activities for Foster and Adoptive Parents**AGREEMENT**

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

**GENERAL PROVISIONS****1. IDENTIFICATION.**

1.1 State Agency Name NH Department of Health and Human Services Division for Children, Youth and Families		1.2 State Agency Address 129 Pleasant Street Concord, NH 03301-3857	
1.3 Contractor Name Bethany Christian Services		1.4 Contractor Address PO Box 320 Candia, NH 03034-0320	
1.5 Contractor Phone Number 603-483-2886	1.6 Account Number 010-040-5847-102-0734	1.7 Completion Date 06/30/2011	1.8 Price Limitation \$105,188.00
1.9 Contracting Officer for State Agency Baerbel Wills		1.10 State Agency Telephone Number 603-271-0945	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory Wayne K. Weisma, President	
1.13 Acknowledgement: State of <u>MA</u> , County of <u>Worcester</u> On <u>5/20/09</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 Carol L. Fillippelli, Notary			
1.14 State Agency Signature  FOR MAGGIE BISHOP		1.15 Name and Title of State Agency Signatory Maggie Bishop, Director	
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>6/1/09</u>			
1.18 Approval by the Governor and Executive Council By: _____ On: _____			



## 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

**EXHIBIT A  
SCOPE OF SERVICES**

DATE: May 14, 2009

CONTRACT PROJECT: Community and Faith Based Recruitment and Retention  
Activities for Foster & Adoptive Parents

CONTRACT PERIOD: July 1, 2009 to June 30, 2011  
or date of Governor and Executive Council approval, whichever is later

CONTRACTOR NAME: Bethany Christian Services

ADDRESS: PO Box 320

Candia, NH 03034-0320

BRANCH OFFICE DIRECTOR: Janice C. Lessard

TELEPHONE: (603) 483-2886

FAX: (603) 483-0161

E-MAIL: jlessard@bethany.org

**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 has the right to modify Service priorities and expenditure requirements under this Contract so as to achieve compliance therewith, in which event the price limitations for such Service(s) shall be renegotiated.

1.2. The Contractor agrees to use its best efforts to apply for any and all appropriate public and private sources of funds which are applicable to the funding of the Services described herein. Appropriate records shall be maintained by the Contractor to document actual funds received or denials of funding from such sources of funds.

**2. Program Goals:**

2.1 The Contractor shall deliver all services focusing on achievement of the following program goals:

- a. Implementation of existing strategies and development of new strategies to promote recruitment and retention of foster and adoptive parents in community and faith based organizations in New Hampshire.
- b. To assist the Division for Children, Youth and Families (DCYF) with outreach to community and faith based organizations and to act as a clearinghouse of information on recruitment and retention of foster and adoptive families within these organizations.
- c. To work with the existing advisory group of community and faith based organization leaders and expand the participation of members in the advisory board.

- d. To identify and provide education and training to community and faith based coordinators in each organization participating in this initiative.
- e. To promote the support of foster and adoptive parents within their identified community and faith based organizations.
- f. To promote support to families working with DCYF and the NH Family Resource Centers in order to promote safety and stability for all NH families.
- g. To evaluate the effectiveness of community and faith based recruitment, retention and family support initiatives.

### 3. Services to be Provided

- 3.1 The Contractor's proposal, submitted in response to RFP 10-DCYF-CFBRR-06, is hereby incorporated into this agreement and will serve as the Contractor's plan for implementation of the services described in this Exhibit A. The Contractor shall adhere to the services and provisions stated within this Exhibit A at minimum, while delivering the plan proposed. However, if a conflict exists between the services described in Exhibit A and the proposal, then Exhibit A shall prevail.
- 3.2 The Contractor shall continue to develop and implement efforts for recruitment and retention of foster parent and adoptive parents from community and faith based organizations that may include outreach materials, such as brochures and media programming.
- 3.3 The Contractor shall provide consultation and assistance to DCYF district office staff, including permanency and foster care workers, including semi-annual meetings and coordination of outreach activities.
- 3.4 The Contractor shall provide consultation and assistance to representatives from NH Family Resource Centers.
- 3.5 The Contractor shall identify individuals to become Community and Faith Based Coordinators (CFBCs) in each of the participating organizations who will respond to inquiries from members of their organizations.
- 3.6 The Contractor shall collaborate with and provide technical assistance for CFBCs including, but not limited to, education and training regarding foster and adoptive issues and support group development.
- 3.7 The Contractor shall collaborate with the Division to develop and implement foster/adoptive family celebrations, which will focus attention on the month of May, as National Foster Care Month, and the month of November, as National Adoption Month.
- 3.8 Within the first year of the contract, the contractor shall initiate contact with community and faith based organizations that are representative of the Advisory Board; at least four organizations shall be contacted.
- 3.9 The Contractor shall provide recruitment and retention activities, through community and faith based organizations, within the Division's twelve (12) district offices.
- 3.10 The Contractor shall provide community and faith based organizations with DCYF specific information regarding becoming a foster and/or adoptive parent, including but not limited to: the process of becoming such a parent, who is eligible to become foster and adoptive parents per DCYF policy and NH law, and the obligation for such parents to comply with mandatory reporting laws regarding the abuse and/or neglect of children.



- 3.11 The Contractor will work collaboratively with CFBCs and DCYF to meet identified needs of families working with DCYF or NH Family Resource Centers.

## A. OPERATIONAL SPECIFICATIONS

### 1. Staffing Requirements

- 1.1 Contractor staff assigned to perform the services requested through the RFP shall meet the qualifications and training described in He-C 6448, Child Placing Agency Licensing Rules.

### 2. Reporting Requirements

- 2.1 On a semi-annual basis, the Contractor shall provide DCYF with a report detailing:

- a. The name and number of community and faith based organizations and CFBCs identified as participating in this initiative.
- b. Agendas and minutes of meetings that the Contractor holds with the Advisory Group associated with this initiative.
- c. The number of individuals provided with information through the initiatives of the Contractor and the CFBCs, including the number receiving electronic updates or newsletters.
- d. The number of referrals from DCYF staff to CFBCs for support and services and the number of needs that were met by members of participating community and faith based organizations.
- e. A listing of support group activities that were conducted during the quarter, whether provided directly by the Contractor or through the efforts of CFBCs.
- f. A list of goods, information, and services that were provided by community and faith based organizations to foster and adoptive parents and their children.
- g. Documentation of meetings coordinated by the Contractor with DCYF district office staff, including foster care and permanency workers and CFBC participation to date.
- h. Documentation of meetings coordinated by the Contractor with representatives from NH Family Resource Centers to date.
- i. The Contractor's outline of event planning.

Each report must cover a six-month period is due on the 30<sup>th</sup> day following the end of the period.

- 2.2 On an annual basis, the Contractor shall provide DCYF with a report detailing:

- a. A description of all outreach materials and media developed by the Contractor.
- b. A summary of all of the activities that occurred, through the Contractor's delivering of services, during each contract year.
- c. A discussion of those activities that were determined to contribute to the recruitment of foster/adoptive families.
- d. Data collected on the number of families supported by community and faith based initiatives.
- e. Recommendations gathered and/or drafted by the Contractor regarding the need to expand or reduce community and faith based recruitment and retention activities and support service to NH families.

The annual report must cover a State Fiscal Year (SFY) and is due by the 60<sup>th</sup> day following the end of the SFY.

### 3. Program Outcomes and Performance Measures

3.1 The Contractor ensures the participation of community and faith based organizations in recruitment and retention activities, as evidenced by:

- a. The Contractor developed and provided materials, including brochures, bulletins, or other printed media that were targeted to engage community and faith based organizations in recruitment and retention activities.
- b. 75% of the time, the Contractor met with the Advisory Board throughout the contract period.
- c. Attendance at the Advisory board meetings increased by 20% during the first year of the contract.
- d. 50% of the required semi-annual meetings with DCYF district office staff including licensing and permanency workers occurred.
- e. At minimum, the contractor met with NH Family Resource Center Staff from each Family Resource Center annually.
- f. Within each SFY of the contract: at least 1,000 families were provided with goods and services through community and faith based organizations.
- g. Within each SFY of the contract: at least 500 individuals were served through recruitment/retention and appreciation events facilitated by the Contractor.

## B. SPECIAL PROVISIONS

1. The Contractor shall 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.
2. The Contractor shall ensure that all services delivered through this contract, comply with the Department of Health and Human Services Nondiscrimination Notice, in that there shall be no unlawful discrimination – whether because of race, creed, color, sex, sexual orientation, age, political affiliation or belief, religion, national origin, or handicap – in accepting or providing services or employment in any of the Department's programs or activities.
3. The Contractor shall ensure that the funds identified for this agreement, as stated in Exhibit B-2, Contract Budget, are used only for the intended purposes stated within this Exhibit A and that these funds are not expended for sectarian worship, instruction, or proselytization.

## Response to Specifications

RFP # #10-DCYF-CFBRR-06

### B. PROGRAM SPECIFICATIONS

**1. PROGRAM GOALS:** Bethany Christian Services proposes to carry out the terms of this RFP through the "*Faithfully: One by One*" program. Bethany's project will structure its activities and strategies around specific program goals that address each of the seven (7) goal areas required in the RFP guidelines.

**1.1 Recruitment & Retention Goals:** Bethany's proposed Program Goal #1 will be to: *implement a continuum of recruitment and retention strategies that complement and expand the initiatives already underway in the State of New Hampshire to increase the number of families willing to provide foster and adoptive homes as well as those willing to tangibly support those families currently providing those services.*

**Services & Strategies:** Bethany's project proposes to implement Goal #1 through the following program components:

- a. Continue to build our network of supporters of the "*Faithfully: One by One*" project by reaching out to faith-based groups, communities, and families in New Hampshire.
- b. Participate in monthly meetings of the *Foster Care Network* and Advisory Board to coordinate project activities within faith-based organizations and the community.
- c. Bethany Christian Services currently has a core group of thirty-eight (38) individuals who have agreed to be the "*Community and Faith-Based Coordinators*" (CFBCs) for their church or community group. We would like to increase this number to fifty (50) to allow us to be better able to conduct outreach, recruitment, and retention activities. We specifically plan to focus on increasing the number of CFBOs in the northern part of NH as well as in Manchester as those regions are under represented at the present time.
- d. As appropriate, circulate "*child-specific*" information and waiting child profiles into faith-based organizations and community groups as part of the project's recruitment/retention strategies. We believe the Heart Gallery is a wonderful recruitment tool, thus one goal is to have a waiting list of churches and community groups willing to display the current photos.
- e. Develop *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. We have noted that there is a need to create a brochure for those individuals from faith communities who are considering becoming a foster or adoptive parent, but are concerned that they will need to "give up their faith" to do so, thus we plan to create a short handout detailing the collaborative relationship between the Division for Children, Youth, and Families and the many current foster families actively involved in their faith communities.
- f. Bethany Christian Services staff would continue to routinely refer individuals and families to the main phone numbers for foster care and adoption at DCYF to apply to become foster and adoptive parents for State-supervised children.
- g. Build the "Helping Hands" list for each region for the Faithfully One By One Program. These are volunteers who have specially stated they would like information about needs as they arise to support families who foster or adopt to provide services such as tutoring; transportation; respite; funds for special needs; etc.

**1.2 Community Outreach & Clearinghouse Goals:** Bethany's proposed Program Goal #2 will be to: assist DCYF with outreach to community and faith based organizations and to *act as a clearing house of information on recruitment and retention of foster/adoptive families within the organizations.*

**Services & Strategies:** Bethany's project proposes to implement Goal #2 by developing the following family recruitment resources and activities:

- a. Hold two "Discover Adoption" events in New Hampshire each year of the grant. Bethany Christian Services would advertise these events as a way for interested people to learn about the different types of adoption as well as the foster care needs in NH. DCYF staff would be invited to participate in the events as well as our Wendy's Wonderful Kid's staff member so that attendees will learn about current waiting children in NH, the United States, and the world orphan crisis.
- b. Continue to distribute the Faithfully One By One brochures "Love a child. Build a family" and "Love a child. Support a foster family". Distribute Faithfully One by One DVD as appropriate (*See Attachment #B* for these brochures as well as a copy of the DVD).
- c. Every other month, send a blast e-mail to all interested individuals, faith communities, and community group representatives to share what has been happening through the Community and Faith Based Initiative efforts, inform them of upcoming events, and post current needs that they might help with. The Faithfully One by One program is also linked on to Bethany Christian Services' web site as a source of information about the program as well as posting of the current news update and bulletin inserts for those wishing to print the information. Additional blast e-mails can be sent on an "as needed" basis to this group of approximately 400 addresses.

**1.3 Advisory Committee Goals:** Bethany's proposed **Program Goal #3** will be to: *collaborate with the current Advisory Board to expand its "reach" to the faith-based and community sector.*

**Services & Strategies:** Bethany's project proposes to implement Goal #3 through the following program activities and services:

- a. Have at least one staff member participate in all Advisory Board meetings to coordinate project initiatives and expand recruitment and retention services to the faith-based and community groups.
- b. 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.
- c. Enlist Board assistance in identifying people from the faith based and community organizations they represent to serve in CFBC roles, and channel some of these CFBCs back to the Advisory Board for service on Board-related work groups on foster care/adoption.
- d. Utilize Board members to leverage the project's entrée to churches and groups represented on the Board.

**1.4 Education & Training Goals:** Bethany's proposed **Program Goal #4** will be to: *strengthen the capacity of foster and adoptive parents (and others) to serve as CFBCs within their own spheres-of-contact within faith-based and community organizations to recruit and retain foster/adoptive families for older, special needs children.*

**Services & Strategies:** Bethany's project proposes to implement Goal #4 through the following program activities and services:

- a. Continue to build our network of CFBCs and Liaisons who will carry out a personalized recruitment and retention campaign within faith and community organizations.
- b. Provide training and technical assistance to CFBCs to support and coordinate their efforts.
- c. Provide CFBCs with the tools, materials, and resources to assist them in building partnerships with faith-based groups and encouraging families to foster and adopt.
- d. Assist CFBCs to identify people and material resources within church congregations to support/retain families who foster and adopt and develop mechanisms to link these resources with families who need them.
- e. Conduct public education activities at the November training conference and also in forums in churches, community organizations, and foster/adoptive conferences about the role of the faith-based community in recruiting and retaining families.



**1.5 Foster & Adoptive Parent Support Goals:** Bethany's proposed Program Goal #5 will: *strengthen the post-placement stability of foster and adoptive placements by linking families with the personal support and material resources available within the faith-based communities.*

**Services & Strategies:** Bethany's project proposes to implement Goal #5 through the following program components:

- a. Collaborate with existing foster/adoptive support group networks that are already in channeling families in need of support to these support groups.
- b. Continue to build a pool of people who are willing to perform tutoring, respite care, transporting, etc to help for foster/adoptive families.
- c. Further develop financial resources from within churches and community groups to assist foster and adoptive families with emergency, educational, and special equipment needs.

**1.6 NH Family Resource Center Goals:** Bethany's proposed Program Goal #6 will: support families working with DCYF and the NH Family Resource Centers (FRC) in order to promote safety and stability for all NH Families:

- a. Grant staff will request to join the monthly meeting of the FRCs to help us better understand their services and to share potential ways that we can collaborate in providing services to children and families in need.
- b. Add FRC staff to our blast e-mail and mailing list; invite FRC staff to CFBI events and to participate on the Advisory Committee as appropriate.

**1.7 Evaluation Approach:** Bethany's proposed Program Goal #7 will be to: *collect data that demonstrates the effectiveness of the project and document the impact that faith-based and community networks can make in the State's placement system for special needs children.*

**Services & Strategies:** Bethany's project proposes to implement Goal #7 through the following program components:

- a. Provide semi-annual reports that summarize the service volume, activities, and other data required by the contract.
- b. Provide an annual report that summarizes the service volume, activities, and effectiveness of the project as required by the contract.
- c. Produce the Outcome and Performance targets that are outlined in the RFP and contract.

## 2. SERVICES TO BE PROVIDED

**2.1 Recruitment & Retention Campaign:** The fundamental strategy that will drive Bethany's proposed foster and adoptive family recruitment and retention campaign is to continue to energize people as proactive fostering/adoption advocates in faith-based and community organizations.

The "*Faithfully: One by One*" project will be built around the roles played by the current core group thirty-seven (37) volunteers who serve as "*Community and Faith-Based Coordinators*" (CFBCs.) throughout New Hampshire. Our goal, as previously stated is to identify an additional thirteen (13) CFBCs to better represent all parts of NH.

**Recruitment Activities:** The CFBCs will partner with Bethany's "*Faithfully: One by One*" project to conduct a 5-pronged outreach and recruitment for foster and adoptive families.

The first prong of the "*Faithfully: One by One*" project's campaign will be to empower the CFBCs to become spokespersons for foster care and adoption within their own spheres of influence.

Bethany will equip the CFBCs with an assortment of high-quality tools and resources that will be used in their recruitment, retention, and community outreach activities.

- 1.) the Bethany-produced "*Faithfully One by One*" video/CD for the recruitment of families for the placement of older, special needs children;
- 2.) use of the two currently existing recruitment brochures, "Love a child. Support a foster family" and "Love a child, Build a family." These brochures begin to answer a family's questions about adopting and fostering older special needs children and give information about how to apply for foster care and adoption through DCYF in New Hampshire;
- 3.) develop a new brochure specifically addressing the "typical" concerns of people of faith regarding their ability to both maintain their faith and successfully care for children in the DCYF system.
- 4.) Systematic promotion of the Heart Gallery throughout the state and bulletin inserts updated quarterly to keep congregations and community groups aware of the children who wait and the needs of the families who care for them.
- 5.) other materials and literature that advertise and promote various recruitment events.

(Please refer to *Attachment #B* for samples of these materials)

CFBCs and grant staff will set up working linkages between the project and their respective churches and/or faith-based organizations or community groups. The CFBCs will build relationships with key decision-makers within those organizations in order to implement specific recruitment and retention strategies. The "*Faithfully: One by One*" worker will assist the CFBCs and Liaisons in implementing these strategies that will include:

- ✓ distributing foster care and adoption information within the church or organization;
- ✓ setting up displays & bulletin boards that promote the need for families;
- ✓ circulating "child-specific" information and "waiting child profiles" within the church and placing information in the bulletins or announcing specific needs for families;
- ✓ identifying potential foster and adoptive families;
- ✓ setting up information/orientation meetings about foster care and adoption;
- ✓ assisting families who decide to pursue application to link with the appropriate DCYF office and worker in their district and addressing obstacles that might develop;
- ✓ supporting and mentoring families from the church or organization who subsequently make application for adoption and eventually have children placed in their homes;
- ✓ setting up structures in churches that are "friendly" to fostering/adoption and rallying people to support families and the children that are placed in their homes.

The second prong of the "*Faithfully: One by One*" project's recruitment within these spheres will be tailored to the specific nature of the setting. Recruitment activities might include simple conversations with friends, colleagues, and co-workers and distributing brochures and "waiting child profiles." It could include setting up displays or posters encouraging foster care and adoption, or might involve making formal presentations, showing a video; conducting an information/orientation meeting; bringing in a project social worker, DYCF worker; arranging a panel of foster/adoptive parents to conduct a recruitment event.

The third prong of the Fostering/Adopting Faithfully program's recruitment campaign will be the scheduling of at least one higher-profile community or church-based event. We currently have a core group of approximately 100 volunteers who are planning the 3<sup>rd</sup> Annual Foster and Adoption Celebration for May. This group has expressed the intent of continuing this annual event and growing the number of participants annually. Project staff has worked closely with this core group in the past and has been delighted to see many foster and adoptive families come to the event to be entertained and clearly recharged. Project staff would also plan to be actively involved in the November Adoption Celebration at the State House to celebrate National Adoption Month. Project staff will work with the CFBCs and other partners (i.e. the Advisory Board, the Foster Care Network, NH Foster and Adoptive Parent Association, AdoptUSKids initiatives) to plan events for May and November that fit the unique character and interests of each target community, district, or church where the event will be held. Two such summaries are listed below:

- a. *Community-Wide Foster Care/Adoption Forum/Festival*: A collaborative, community-wide event would involve highly visible foster care/adoption activities such as adoption workshops, speakers, adoption fair, church-based dinners, adoptive parent panel, and adoption festival. The project will

facilitate a collaborative effort among foster and adoption agencies, churches, faith groups, and community organizations representing all faiths and interests from the same city.

- b. **Discover Adoption Events:** This event will be organized within a specific church to focus on adoption/foster care and might involve a range of activities including a summary of the many types of adoption, prayer for the children in foster care and for those who wait to be adopted, videos about adoption and waiting children, testimonials from foster and adoptive parents, booths with foster care and adoption resources, and networking activities.

**Retention Activities:** Bethany's "*Faithfully: One by One*" project will work collaboratively with the CFBCs and other project partners to continue to develop wrap around support services within faith-based and community organizations to support foster and adoptive families *after* children are placed in their homes. These post-placement, retention resources within organizations currently include:

- ✓ Individuals willing to serve as educational tutors for children, evening and/or weekend respite providers for families, and transporters for medical appointments.
- ✓ Coordination of financial resources to assist families with special needs such as family emergencies, educational aids, medical equipment, musical instruments, fees for camps, and recreational needs or equipment.
- ✓ Referrals to current support groups for foster or adoptive families and assistance in locating child care to enable parents to participate in social, cultural, or community events.
- ✓ Coordination of donation of clothing from companies to the children in need.

**2.2 Consultation & Assistance to DCYF Staff:** A social worker from Bethany's "*Faithfully: One by One*" project will participate in monthly meetings of the Foster Care Network and will visit each district office semi-annually. This will insure that the proposed project implements recruitment and retention services that complement and enhance DCYF's existing plan and efforts.

The project social worker will work with DCYF staff to coordinate the project's outreach and family recruitment campaign, and seek to develop working referral relationships with local DCYF workers to facilitate a seamless mechanism for channeling new applicants into the State's foster care/adoption program. The project social workers will also be available to help resolve any issues which families from the faith-based community may encounter in working with the public-sector system and assist with policy/procedural changes to improve this referral process.

The project also proposes to channel families from faith-based and community organizations into the post-adoption services and resources that are currently available through DCYF and the Foster Care Network collaboration.

**2.3 Provide consultation and assistance to representatives from the NH Family Resource Centers.**

As this is a new area of involvement, project staff would begin to attend monthly meetings with the FRC staff to learn about their services and share ways that we can collaborate to meet the needs presented.

**2.4 Identification of CFBCs:** As stated previously, Bethany plans to increase the current number of CFBCs to better meet the needs of the children and families throughout the state. More staff hours will be focused on the northern three regions as well as the Manchester as those areas are currently underrepresented by the thirty-seven current CFBCs.

**2.5 Technical Assistance to CFBCs:**

A project social worker will provide on-going consultation and technical assistance to the CFBCs to help them carry out their respective roles on the project's behalf. This assistance will include timely access to the range of recruitment and technical assistance materials available through the project such as the video, brochures, waiting

child profiles, posters, orientation materials, and specialized resources on different aspects of adoption and foster care. In addition, the project will send out blast e-mails every other month and as needed in between for emergency needs to all CFBCs and other partners to insure a smooth flow of communication. Project staff will also attend UShareNH training to be better able to utilize that form of internet communication. CFBCs will be informed about UShareNH and encouraged to take the training as well.

**2.6 Plan for Adoption and Foster Care Months:** The project will help to organize specific events for both Adoption Month in November and Foster Care Month in May to spotlight the permanency needs of children and to generate families to provide homes for them. The project will work closely with the CFBCs, the Advisory Board, and the Foster Care Network to plan these events to insure a coordinated approach. Please refer to Section 2.1 above for a description of one of the proposed activities for Foster Care month.

**2.7 Advisory Board Contact & Participation:** One of the project social workers will become a regular member of the Advisory Board to participate in all meetings. The purpose will be to coordinate project initiatives that implement the Board's initiatives, ensure that the project's efforts do not duplicate other recruitment and retention efforts, and enlist Board members to assist with various project functions.

The project social worker will make available to Board members (and the faith-based and community groups they represent) the various brochures, materials, and video resources that will be developed and produced by the project. The Board will also have input in deciding the most strategic plans for getting the materials into the hands of the people who can most benefit from these resources.

Project social workers will enlist the help of the Board and its membership to help identify and make connections with the wide range of faith-based and community groups across the state.

**2.8 Recruitment & Retention in Catchment Areas:** The services described in this narrative will be implemented in conjunction with the district staff throughout the State as appropriate. Project staff will plan to work closely with groups such as NH FAPA; DCYF staff; and the Advisory Board for targeting expansion of recruitment and retention efforts.

**2.9 Dissemination of DCYF Information:** Each of the brochures, videos, and other materials distributed by the *Faithfully: One by One* program will describe the various DCYF policies, application procedures, eligibility, and other factual and statutory information that families must know in order to make an informed decision about pursuing foster care or adoption through DCYF.

**2.10 Project staff will work collaboratively with CFBCs and DCYF to meet identified needs of families working with DCYF or NH Family Resource Centers.**

Requests from the above agencies will be shared with appropriate groups and individuals who have expressed an interest in assisting with current needs. The requests for assistance will also be shared with UShareNH as appropriate to provide for the maximum number of helpers/materials.

## **C. OPERATIONAL SPECIFICATIONS**

### **1. Staffing Requirements**

**1.1 Compliance with Staffing Requirements:** Bethany has four professional staff who have agreed to implement the goals of the proposed "*Faithfully: One by One*" project. All of the staff has extensive foster care and/or adoption experience in New Hampshire. All staff has relevant professional experiences with children and families and meet the staff credentials of He-C 6448, Child Placing Agency Licensing requirements. The staff includes the following:

- ✓ *Janice Carter Lessard, MSW, LICSW*, is Bethany's Office Director in New Hampshire and will provide 15% FTE to serve as the contract manager and administrator for the project. She has 30 years of social



work experience and 22 years in adoption in Bethany's New England office. She has strong relationships within the faith communities of New Hampshire that will facilitate important partnership roles in this project. Her duties will include: contract administration; supervising staff; coordinating the production of future media projects, brochures, and other resource materials with the assistance of Bethany Christian Services' Marketing Department in Grand Rapids, MI.

- ✓ **Kelly Smith, MSW, LICSW**, is an adoption consultant in private practice. Kelly will provide 5% FTE (2 hours per week) for project services. Kelly has 22 years of social work experience and 14 years in New Hampshire's adoption/foster care system in all aspects of older child adoption. She served 2 years on a State-directed committee that revised New Hampshire's adoption laws and has been a trainer for judges, judicial workers, and permanency workers concerning these changes in judicial policy and practice. She has also spent 8 years in curriculum development for NHDCYF to develop the 24 hour training program for foster and adoptive families and has conducted training with families. Kelly has been the CFB representative at the Foster Care Network collaborative and the NH FAPA meetings.

Kelly's primary duties in this contract will continue to be focused on coordinating the planning and activities for the Community and Faith Based Initiative in the Concord region as that is the region she covered in the previous grant and she has a strong network of professional contacts in that region. She will continue to attend the Foster Care Network meetings to share current projects/programs and to collaborate with other recruitment and retention initiatives in the State.

- ✓ **Beth Bascom, M.Ed** has been employed as part of Granite State College foster and adoptive training program since 7/05. Beth is also an adoptive parent who has had extensive experience assisting her in-laws in caring for foster children. She has a number of personal and professional contacts with faith communities in New Hampshire that she has been able to utilize in implementing the grant goals. Beth's responsibility would be to cover the Nashua, Manchester, Claremont, Keene, Laconia, Littleton, Conway and Berlin regions. She will provide approximately 15 hours per week of project services (37 % FTE).
- ✓ **Cindy Thomas, MBA** is currently employed in Human Resource management for a company located in Salem, NH. Cindy is an adoptive mother of two and is currently taking classes to become a licensed foster parent. She has been a tireless advocate for foster children on the seacoast, including raising awareness in her church and community of the needs of the children, organizing a winter clothing drive, backpack and school supply drive, securing a number of Christmas gifts, and willingness to follow up on other requests from the local DCYF office. Cindy has many personal and professional contacts that will be very helpful in meeting the grants goals for the three regions which she has agreed to cover if Bethany Christian Services is chosen for this grant. The regions she will be responsible for are Portsmouth, Rochester, and Salem. She will provide approximately 5 hours per week of project services (12%FTE).
- ✓ **Debbie Miller** is the office administrator for Bethany Christian Services of New England. Debbie has been employed by Bethany Christian Services since 4/30/01. Debbie has been responsible for clerical projects for the past grant and will provide approximately 2 hours per week of project services (5% FTE).

**2. Reporting Requirements:** Bethany is committed to setting up the data collection mechanisms to gather statistical and activity information by which the progress and ultimate success of the project might be evaluated. These protocols will comply with the agency's Total Quality Management (TQM) protocols and will utilize the technology resources of Bethany's national-branch office system.

**2.1 Reporting:** The project will meet semi-annual reporting requirements defined by DCYF and the RFP, including: a.) name and number of community, faith-based organizations, and CFBCs; b.) agendas and meetings of Advisory Board; c.) number of individuals provided with information through the initiatives of the Contractor and the CFBCs, including electronic updates.; d.) number of DCYF referrals for support services that were met; e.) listing of support activities that were conducted; f.) listing of goods, information, and services provided to families and groups; g.) documentation of meeting coordinated with DCYF staff; h.) Documentation of meetings with representatives from NH Family Resource Centers to date; i.) outline summary of conference planning to date.

**2.2 Annual Reporting:** The project will also meet all annual reporting requirements defined by DCYF in the RFP, including: a.) a description of all outreach materials and media developed; b.) a summary of all activities that have occurred during each contract year; c.) A discussion of activities that were determined to contribute to the recruitment of foster/adoptive families; d.) data regarding the number of families supported by the project; e.) recommendations about future needs, plans, and expansion.

**b. Program Outcome & Performance Measures**

**a. Outcomes:** The project will fully comply with DCYF efforts to document final program outcomes and performance measures as defined in the RFP.

<b><i>End outcome: to ensure the participation of community and faith-based organizations in recruitment and retention activities during the project</i></b>	
<b>Performance Indicator</b>	<b>How Documented</b>
Production of materials targeted to engage community and faith based organizations in recruitment and retention activities	Video, brochures, materials & the Project Activity Log
75% of the time, the contractor met with the Advisory Board monthly	Advisory Board Minutes
Increase attendance at the Advisory Board meetings by 20%	Advisory Board Minutes
Attendance of bi-annual meetings with DCYF district office staff	Meeting Minutes
Met with Family Resource Center from each location annually	Staff summaries
Provide goods/services to at least 1,000 families via project annually	Service delivery stats maintained by project workers
Serve at least 500 individuals through recruitment/retention and appreciation events	Sign up lists at events

**LIST OF ATTACHMENTS:**

Exhibit B-1: Personnel Grid

Exhibit B-2: Budget (and Budget Narrative)

- Attachment #A: Implementation Time Line
- Attachment #B: Sample Brochures & Recruitment
- Attachment #C: Current Staff Resumes
- Attachment #D: Most recent Auditor's Report
- Attachment #E: Organization's Mission Statement + Board of Director's Listing
- Attachment #F: State of New Hampshire Registration, Secretary of State  
(Certificate of Good Standing)