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August 28, 2020

Board of Directors
Children's Bureau, Inc.
1575 Dr. Martin Luther King Jr. Street
Indianapolis, IN 46202

We have reviewed the audit report of Children's Bureau, Inc., which was opined upon by Katz, Sapper & Miller, LLP, Independent Public Accountants, for the period January 1, 2019 to December 31, 2019. Per the *Independent Auditors' Report* the financial statements included in the report present fairly the financial condition of Children's Bureau, Inc. as of December 31, 2019 and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Katz, Sapper & Miller, LLP prepared the audit report in accordance with the guidelines established by the State Board of Accounts.

The audit report is filed with this letter in our office as a matter of public record.


Paul D. Joyce, CPA
State Examiner



CONSOLIDATED FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT

December 31, 2019 and 2018

CHILDREN'S BUREAU, INC. AND CHILDREN'S BUREAU FOUNDATION, INC.

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Independent Auditors' Report

Board of Directors
Children's Bureau, Inc. and
Children's Bureau Foundation, Inc.

We have audited the accompanying consolidated financial statements of Children's Bureau, Inc. and Children's Bureau Foundation, Inc. (both Indiana not-for-profit organizations), which comprise the consolidated statements of financial position as of December 31, 2019 and 2018, and the related consolidated statements of activities, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the *Uniform Compliance Guidelines for Examination of Entities Receiving Financial Assistance from Governmental Sources*, issued by the Indiana State Board of Accounts. Those standards and guidelines 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 auditors' 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 auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Children’s Bureau, Inc. and Children’s Bureau Foundation, Inc. as of December 31, 2019 and 2018, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The schedule of contract and grant activity for federal, state, and local government awards and consolidating schedules of statement of financial position information, statement of activities information, and statement of cash flows information are presented for the purposes of additional analysis and are not a required part of the consolidated financial statements. The schedule of contract and grant activity for federal, state, and local government awards is required by the Indiana State Board of Accounts. 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.

Katy, Sapper & Miller, LLP

Indianapolis, Indiana
June 12, 2020

**CHILDREN'S BUREAU, INC. AND
CHILDREN'S BUREAU FOUNDATION, INC.**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
December 31, 2019 and 2018**

	2019	2018
ASSETS		
Cash	\$ 6,773,848	\$ 4,676,812
Grants receivable	3,519,845	4,235,847
Promises to give	223,180	388,231
Prepaid expenses and other assets	498,789	708,417
Restricted cash - endowment		4,400,515
Investments - endowment	13,068,197	8,160,406
Property and equipment, net	<u>12,210,280</u>	<u>11,877,301</u>
TOTAL ASSETS	<u><u>\$ 36,294,139</u></u>	<u><u>\$ 34,447,529</u></u>
LIABILITIES		
Accounts payable and other liabilities	\$ 882,815	\$ 738,539
Accrued payroll	938,982	935,872
FSC loan	<u>793,076</u>	<u>914,346</u>
Total Liabilities	<u>2,614,873</u>	<u>2,588,757</u>
NET ASSETS		
Without donor restrictions:		
Undesignated	20,138,095	18,751,791
Designated by the Board for operating reserve	<u>2,465,396</u>	<u>3,464,480</u>
	22,603,491	22,216,271
With donor restrictions	<u>11,075,775</u>	<u>9,642,501</u>
Total Net Assets	<u>33,679,266</u>	<u>31,858,772</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 36,294,139</u></u>	<u><u>\$ 34,447,529</u></u>

See accompanying notes.

**CHILDREN'S BUREAU, INC. AND
CHILDREN'S BUREAU FOUNDATION, INC.**

**CONSOLIDATED STATEMENTS OF ACTIVITIES
Years Ended December 31, 2019 and 2018**

	Without Donor Restrictions	2019 With Donor Restrictions	Total
REVENUE, GAINS AND SUPPORT			
Revenue and gains:			
Investment return	\$ 565,574	\$ 1,401,488	\$ 1,967,062
Miscellaneous income (expense)	169,257	(3,101)	166,156
Total Revenue and Gains	<u>734,831</u>	<u>1,398,387</u>	<u>2,133,218</u>
Support:			
Contributions	796,809	119,686	916,495
Government grant revenue and Medicaid	17,130,747		17,130,747
Service revenue	6,871,238		6,871,238
Brokered government grant revenue	2,659,887		2,659,887
Non-government grants	327,620		327,620
United Way	428,394	233,052	661,446
Special events	222,957		222,957
Total Support	<u>28,437,652</u>	<u>352,738</u>	<u>28,790,390</u>
	29,172,483	1,751,125	30,923,608
Net assets released from restrictions	422,799	(422,799)	
Reclassification of donor intent	(104,948)	104,948	
Total Revenue, Gains and Support	<u>29,490,334</u>	<u>1,433,274</u>	<u>30,923,608</u>
EXPENSES			
Program services	24,713,743		24,713,743
Supporting services:			
Management and general	3,443,743		3,443,743
Fundraising	945,628		945,628
Total Expenses	<u>29,103,114</u>		<u>29,103,114</u>
INCREASE (DECREASE) IN NET ASSETS	387,220	1,433,274	1,820,494
NET ASSETS			
Beginning of Year	<u>22,216,271</u>	<u>9,642,501</u>	<u>31,858,772</u>
End of Year	<u>\$ 22,603,491</u>	<u>\$ 11,075,775</u>	<u>\$ 33,679,266</u>

See accompanying notes.

Without Donor Restrictions	2018 With Donor Restrictions	Total
\$ (45,697)	\$ (232,778)	\$ (278,475)
199,971		199,971
<u>154,274</u>	<u>(232,778)</u>	<u>(78,504)</u>
765,451	7,192	772,643
17,587,171		17,587,171
6,771,304		6,771,304
2,258,044		2,258,044
532,510	164,600	697,110
780,873	308,215	1,089,088
231,641		231,641
<u>28,926,994</u>	<u>480,007</u>	<u>29,407,001</u>
29,081,268	247,229	29,328,497
1,316,668	(1,316,668)	
<u>30,397,936</u>	<u>(1,069,439)</u>	<u>29,328,497</u>
23,657,350		23,657,350
3,619,767		3,619,767
804,992		804,992
<u>28,082,109</u>		<u>28,082,109</u>
2,315,827	(1,069,439)	1,246,388
19,900,444	10,711,940	30,612,384
<u>\$ 22,216,271</u>	<u>\$ 9,642,501</u>	<u>\$ 31,858,772</u>

**CHILDREN'S BUREAU, INC. AND
CHILDREN'S BUREAU FOUNDATION, INC.**

**CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
Years Ended December 31, 2019 and 2018**

	Programs		Management and General	
	2019	2018	2019	2018
Salaries expenses	\$ 10,892,642	\$ 11,356,034	\$ 1,457,633	\$ 1,512,207
Benefits expenses	3,829,990	3,427,193	486,284	420,024
Professional fees	2,153,429	1,624,711	521,266	648,457
Operation expenses	851,629	742,777	486,613	600,501
Equipment rental	144,777	170,054	119,752	19,237
Fostercare and direct client costs	1,901,130	1,777,884	5,238	
In-kind donated relief	1,603,972	1,399,294		
Auto expenses	614,251	703,950	30,256	38,060
Occupancy	1,331,698	1,339,897	109,139	182,606
Depreciation	885,665	776,380	146,551	119,542
Maintenance and repairs	67,024	61,841	13,279	13,594
Special events	431,809	275,789	25,908	25,726
Interest expense			41,361	38,638
Miscellaneous	5,727	1,546	463	1,175
TOTAL EXPENSES	<u>\$ 24,713,743</u>	<u>\$ 23,657,350</u>	<u>\$ 3,443,743</u>	<u>\$ 3,619,767</u>

See accompanying notes.

Fundraising		Total	
2019	2018	2019	2018
\$ 312,259	\$ 266,423	\$ 12,662,534	\$ 13,134,664
78,070	47,323	4,394,344	3,894,540
5,124	10,221	2,679,819	2,283,389
64,406	53,368	1,402,648	1,396,646
552	562	265,081	189,853
		1,906,368	1,777,884
389,757	336,405	1,993,729	1,735,699
3,337	2,045	647,844	744,055
7,139	17,598	1,447,976	1,540,101
8,706	9,029	1,040,922	904,951
	778	80,303	76,213
76,278	61,188	533,995	362,703
		41,361	38,638
	52	6,190	2,773
<u>\$ 945,628</u>	<u>\$ 804,992</u>	<u>\$ 29,103,114</u>	<u>\$ 28,082,109</u>

**CHILDREN'S BUREAU, INC. AND
CHILDREN'S BUREAU FOUNDATION, INC.**

**CONSOLIDATED STATEMENTS OF CASH FLOWS
Years Ended December 31, 2019 and 2018**

	2019	2018
OPERATING ACTIVITIES		
Increase in net assets	\$ 1,820,494	\$ 1,246,388
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	1,040,922	904,951
In-kind contributions of property and equipment		(80,685)
Retirement of property and equipment	231,846	239,649
Net realized and unrealized (gain) loss on investments	(1,724,134)	600,659
(Increase) decrease in certain assets:		
Grants receivable	716,002	471,977
Promises to give	165,051	(82,970)
Prepaid expenses and other assets	209,628	(151,882)
Increase (decrease) in certain liabilities:		
Accounts payable and other liabilities	144,276	(258,318)
Accrued payroll	3,110	26,830
Accrued pension expense		(1,183,677)
Net Cash Provided by Operating Activities	2,607,195	1,732,922
INVESTING ACTIVITIES		
Purchases of property and equipment	(1,605,747)	(755,615)
Purchases of investments	(4,616,470)	(7,915,800)
Sales and maturities of investments	1,696,269	3,123,651
Net Cash Used by Investing Activities	(4,525,948)	(5,547,764)
FINANCING ACTIVITIES		
Principal payments on FSC loan	(121,270)	(117,576)
Net Cash Used by Financing Activities	(121,270)	(117,576)
NET DECREASE IN CASH AND RESTRICTED CASH AND EQUIVALENTS	(2,040,023)	(3,932,418)
CASH AND RESTRICTED CASH AND EQUIVALENTS		
Beginning of Year	9,201,464	13,133,882
End of Year	\$ 7,161,441	\$ 9,201,464

See accompanying notes.

**CHILDREN'S BUREAU, INC. AND
CHILDREN'S BUREAU FOUNDATION, INC.**

**CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
Years Ended December 31, 2019 and 2018**

	2019	2018
CASH AND RESTRICTED CASH AND EQUIVALENTS		
Cash	\$ 6,773,848	\$ 4,676,812
Cash restricted - endowment		4,400,515
Cash equivalents held in investments - endowment	<u>387,593</u>	<u>124,137</u>
TOTAL CASH AND RESTRICTED CASH AND EQUIVALENTS	<u><u>\$ 7,161,441</u></u>	<u><u>\$ 9,201,464</u></u>
SUPPLEMENTAL DISCLOSURES		
Interest paid	\$ 41,361	\$ 38,638
Noncash investing and financing activities:		
In-kind contributions received for capital campaign		80,685
Property and equipment included in accounts payable	43,294	

See accompanying notes.

**CHILDREN'S BUREAU, INC. AND
CHILDREN'S BUREAU FOUNDATION, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2019 and 2018**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Children's Bureau, Inc. (the Bureau) is a private, not-for-profit agency formed in 1851, providing human services to families and children in Indiana. The Bureau offers prevention, preservation and placement services to at risk children and families throughout Indiana. The Bureau's primary sources of revenue are government grants and contracts, United Way Funding allocations, and contributions from donors. The Bureau's mission is preserving families and protecting the future of Indiana's children.

Children's Bureau Foundation, Inc. (the Foundation) operates for the benefit of and carries out the purposes of the Bureau. The Foundation's primary sources of revenue are contributions and investment earnings.

Principles of Consolidation: The consolidated financial statements include the accounts of the Bureau and the Foundation (together, the Organizations). The Bureau has both control and an economic interest in the Foundation. All material intra-entity accounts and transactions have been eliminated in consolidation.

New Accounting Pronouncement: Effective January 1, 2019, the Organizations adopted the requirements of Accounting Standards Update No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, and the related amendments with the same effective date (together, ASC 606) as prescribed by the Financial Accounting Standards Board using the full retrospective method of adoption. The core principle of ASC 606 is that an entity recognizes revenue on the transfer of control over promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The adoption of ASC 606 did not have a significant impact on the Organizations' revenue recognition, financial position, results of operations or cash flows. Therefore, no cumulative-effect adjustment to net assets as of January 1, 2018 was required upon adoption.

Basis of Presentation: The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America, which require the Organizations to report information regarding their financial position and activities according to the following net asset classifications:

- **Net Assets Without Donor Restrictions** are not subject to donor or grantor-imposed restrictions and may be used at the discretion of the Organizations' management and the Board of Directors. This net asset category includes funds that the Board of Directors of the Foundation has designated as an endowment fund for operations.
- **Net Assets With Donor Restrictions** are subject to stipulations imposed by donors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organizations or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor-restricted contributions are reported as increases in net assets without donor restrictions if the restrictions expire in the same year in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, and when a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the consolidated statements of activities. Restrictions expire when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are released from restriction when the assets are placed in service.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimates: The preparation of consolidated financial statements in accordance 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, the disclosure of contingent assets and liabilities, and the reported amounts of revenue and expenses. Actual results could differ from those estimates.

Cash and Equivalents consist of cash on hand or in demand deposit accounts and highly liquid investments purchased with an original maturity of three months or less. The Organizations maintain their cash in bank deposit accounts which, at times, may exceed the federally insured limits. The Organizations have not experienced any losses from their bank accounts.

Promises to Give and Grants Receivable: Unconditional promises to give and grants receivable expected to be collected within one year are recorded at net realizable value. Amounts expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on these amounts are computed using risk-adjusted rates applicable in the years in which those promises are received. Amortization of the discounts is included in contributions in the consolidated statements of activities. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Promises to give and grants receivable are reviewed for collectability and a provision for doubtful accounts is recorded based on management's judgment and analysis of the creditworthiness of the donors, historical experience, economic conditions, and other relevant factors. Management determined that no allowance was necessary at December 31, 2019 and 2018.

Investment Valuation and Income Recognition: Investments initially recorded at cost, if purchased, or at fair value, if donated. Thereafter, investments are stated at fair value. See Note 3 for discussion of fair value measurements.

Investment return reported in the consolidated statements of activities consists of interest and dividend income and realized and unrealized capital gains and losses, net of external and direct internal investment expenses. Interest income is recorded on the accrual basis, and dividends are recorded on the ex-dividend date. Purchases and sales of investments are recorded on the trade date. Gains and losses on the sale of investments are determined using the specific-identification method.

Property and Equipment: Expenditures for property and equipment and purchases which substantially increase the useful lives of existing assets are capitalized at cost, except for donated items, which are recorded at fair market value at the date of donation. The Organizations provide for depreciation on the straight-line method at rates designed to depreciate the cost of assets over estimated useful lives as follows:

Buildings and improvements	20-37.5 years
Leasehold improvements	5-20 years
Furnishings and equipment	5-10 years
Vehicles	5 years

The Organizations' property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability is measured by comparison of the carrying amount to future net undiscounted cash flows expected to be generated by the related asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount exceeds the fair market value of the assets. No adjustments to the carrying amount of property and equipment were required in 2019 and 2018.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions and Grants, which include almost all of the Organizations' support, are recognized as support when they are received or unconditionally promised. Grants and contracts are classified as contributions in instances in which a resource provider is not itself receiving commensurate value for the resources provided. Contributions are considered conditional when the agreement with the resource provider includes a barrier that must be overcome and either a right of return of assets transferred or right of release of a promisor's obligation to transfer assets. Conditional contributions are not recognized as revenue until the conditions are substantially met. Cash received prior to when conditions are substantially met are recognized as refundable advances.

The Organizations receive a significant amount of financial assistance from government grants and contracts. Grants and contracts normally provide for the recovery of direct and indirect costs. Entitlement to the recovery of the direct and related indirect costs is conditional upon compliance with the terms and conditions of the grant agreements and with applicable regulations, including the expenditure of the resources for eligible purposes. Substantially all grants are subject to financial and compliance reviews and audits by the grantors. Management believes an adverse material outcome from those reviews and audits is unlikely.

In-Kind Contributions: In addition to receiving cash contributions, the Bureau receives in-kind contributions from various donors. It is the policy of the Bureau to record the estimated fair market value of certain in-kind donations as an expense, and others as property and equipment or investments, and similarly increase contributions by a like amount. In-kind contributions amounted to \$364,611 in 2019 and \$353,683 in 2018 and consisted primarily of property contributed as part of capital campaigns and clothing and household goods utilized by the Bureau's shelters.

Contributions of services, which consisted primarily of donated professional services, are recorded at estimated fair value when received if such services require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not donated. Volunteers contribute significant amounts of time to the Organization's activities that do not meet recognition criteria, and the value of these contributed services is not reflected in the consolidated financial statements.

Special Event Revenue, including related sponsorship revenue, is recognized upon occurrence of the event. Revenue and support received for events occurring subsequent to the consolidated statement of financial position date is reflected as deferred revenue.

Functional Allocation of Expenses: The costs of providing program and other activities have been summarized on a functional basis in the consolidated statements of activities. The consolidated statements of functional expenses present the natural classification detail of expenses by function. Expenses that can be identified with a specific program or supporting service are allocated directly according to their natural classification. All remaining indirect costs have been allocated to program and supporting services benefited using an administrative cost rate determined based on cost studies. Depreciation and other occupancy costs are allocated based on square footage. All other allocable costs, including salaries and benefits expenses, are allocated based on time and effort. Such allocations are determined by management on an equitable basis.

Grants and Other Assistance are recognized as expense when the grant is made or other assistance is provided. Promises to give to others are recognized as grants payable and expense when the promise has been communicated to the grantees and becomes unconditional.

Income Taxes: The Organizations are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the IRC. In addition, the Organizations have been determined by the Internal Revenue Service not to be private foundations within the meaning of Section 509(a) of the IRC. There was no unrelated business income tax for the years ended December 31, 2019 and 2018.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Organizations file U.S. federal and state of Indiana information returns. The Organizations are no longer subject to U.S. federal and state income tax examinations by tax authorities for years before 2016. Management believes that the Organizations' income tax filing positions will be sustained on audit and does not anticipate any adjustments that will result in material change.

Subsequent Events: The Organizations have evaluated the consolidated financial statements for subsequent events occurring through June 12, 2020, the date the consolidated financial statements were available to be issued. See Note 15.

NOTE 2 - AVAILABLE RESOURCES AND LIQUIDITY

The following reflects the Organizations' financial assets available for general expenditure, including donor-restricted funds, within one year of the consolidated statement of financial position date:

	2019	2018
Cash	\$ 6,773,848	\$ 4,676,812
Grants receivable	3,519,845	4,235,847
Promises to give	223,180	388,231
Gift cards included in prepaid expenses and other assets	201,224	387,800
Restricted cash - endowment		4,400,515
Investments - endowment	<u>13,068,197</u>	<u>8,160,406</u>
Total Financial Assets	23,786,294	22,249,611
Donor-Imposed Restrictions:		
Endowment funds, net amounts available per spending policy	\$(10,390,745)	\$ (8,914,438)
Board-Designations:		
Endowment funds, net of amounts available per spending policy	<u>(2,391,403)</u>	<u>(3,360,515)</u>
Financial Assets Available Within One Year	<u>\$ 11,004,146</u>	<u>\$ 9,974,658</u>

For purposes of analyzing resources available to meet general expenditures within one year, the Organizations consider all expenditures related to ongoing activities of their program services as well as the conduct of services undertaken to support those activities to be general expenditures.

The Foundation's endowment funds consist of donor-restricted endowments and funds designated by the Foundation's Board of Directors as an endowment. Donor-restricted endowment funds are not available for general expenditure, except for appropriations for expenditure in accordance with the Foundation's spending policy.

The Foundation's board-designated endowment of \$2,465,396 and \$3,464,480 at December 31, 2019 and 2018, respectively, is subject to an annual spending rate of up to 3% however amounts in excess of 3% can be made available if necessary for general expenditure as a part of the Foundation Board of Director's annual budget approval and appropriation. See Note 4.

The Organizations operate with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources. Refer to the consolidated statements of cash flows, which identify the sources and uses of the Organization's cash and shows positive cash generated by operations for 2019 and 2018.

NOTE 2 - AVAILABLE RESOURCES AND LIQUIDITY (CONTINUED)

As part of the Organizations' liquidity management plan, the Organizations invest cash in excess of daily requirements in short-term investments, CDs, and money market funds. The Organization also has a line of credit available to meet short-term needs. See Note 8 for information about this arrangement. Occasionally, the Board of Directors designates a portion of any operating surplus to its endowment fund for operations described in Note 4.

NOTE 3 - FAIR VALUE MEASUREMENTS

The Organizations have categorized their assets and liabilities that are measured at fair value into a three-level fair value hierarchy. The hierarchy prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The three levels of the fair value hierarchy are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organizations have the ability to access.

Level 2 - Inputs to the valuation methodology may include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; and/or inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement. In situations where there is little or no market activity for the asset or liability, the Organizations make estimates and assumptions related to the pricing of the asset or liability including assumptions regarding risk.

Following is a description of the valuation methodologies used by the Organizations for assets that are measured at fair value on a recurring basis. There have been no changes in the methodologies used at December 31, 2019 and 2018.

Registered Investment Companies and Money Market Fund Shares: Valued at the daily closing price as reported by the funds. These funds are required to publish their daily net asset value (NAV) and to transact at that price. These funds held by the Organizations are deemed to be actively traded.

Common Stocks and Exchange-Traded Funds: Valued at the closing price reported on the active market on which the individual securities are traded.

U.S. Treasury Notes and Corporate, Municipal and Federal Bonds: Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing the value on yields currently available on comparable securities of issuers with similar credit ratings. When quoted prices are not available for identical or similar bonds, those bonds are valued under a discounted cash flow approach that maximizes observable inputs, such as current yields or similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks.

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organizations' management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain assets could result in a different fair value measurement at the reporting date.

NOTE 3 - FAIR VALUE MEASUREMENTS (CONTINUED)

Following is a summary, by major nature and risks class within each level of the fair value hierarchy, of the Organizations' assets that are measured at fair value on a recurring basis as of December 31, 2019 and 2018:

2019	Level 1	Level 2	Level 3	Total
Assets				
Investments - Endowment:				
Money market fund shares	\$ 387,593			\$ 387,593
Fixed income investments:				
U.S. Treasury notes		\$ 735,260		735,260
Corporate bonds		1,408,640		1,408,640
Municipal bonds		92,431		92,431
Registered investment companies:				
International funds	446,420			446,420
Large cap funds	2,970,802			2,970,802
Mid cap funds	468,524			468,524
Bond funds	1,076,169			1,076,169
Other mutual fund shares	613,455			613,455
Exchange-traded funds (ETFs)				
International ETFs	190,688			190,688
Large cap ETFs	3,563,269			3,563,269
Mid cap ETFs	340,735			340,735
Small cap ETFs	439,909			439,909
Bond ETFs	270,462			270,462
REITs	63,840			63,840
Total Assets at Fair Value	<u>\$10,831,866</u>	<u>\$2,236,331</u>	<u>\$ -</u>	<u>\$13,068,197</u>
2018				
Assets				
Investments - Endowment:				
Money market fund shares	\$ 124,137			\$ 124,137
Fixed income investments:				
U.S. Treasury notes		\$ 297,825		297,825
Corporate bonds		851,113		851,113
Municipal bonds		105,860		105,860
Federal bonds		50,006		50,006
Registered investment companies:				
International funds	295,941			295,941
Large cap funds	1,595,935			1,595,935
Mid cap funds	281,821			281,821
Bond funds	551,072			551,072
Other mutual fund shares	384,653			384,653
Exchange-traded funds (ETFs)				
International ETFs	533,401			533,401
Large cap ETFs	2,418,284			2,418,284
Mid cap ETFs	196,011			196,011
Small cap ETFs	262,042			262,042
Bond ETFs	175,345			175,345
REITs	36,960			36,960
Total Assets at Fair Value	<u>\$6,855,602</u>	<u>\$1,304,804</u>	<u>\$ -</u>	<u>\$8,160,406</u>

NOTE 3 - FAIR VALUE MEASUREMENTS (CONTINUED)

At December 31, 2019 and 2018, the Organizations had no other assets and no liabilities measured at fair value on a recurring basis.

NOTE 4 - ENDOWMENT

The Foundation’s endowment consists of two funds established by donors to provide annual funding for general operations. The endowment also includes certain net assets without donor restrictions that have been designated for endowment by the Foundation’s Board of Directors.

The endowment net asset composition by type of fund as of December 31, 2019 and 2018, was as follows:

2019	Without Donor Restrictions	With Donor Restrictions	Total
Donor-Restricted Endowment Funds:			
Original gifts and amounts required to be maintained in perpetuity by donors		\$ 9,294,833	\$ 9,294,833
Accumulated investment gains		1,307,968	1,307,968
Board-designated funds	<u>\$2,465,396</u>		<u>2,465,396</u>
 Total Endowment Funds	<u>\$2,465,396</u>	<u>\$10,602,801</u>	<u>\$13,068,197</u>
 2018			
Donor-Restricted Endowment Funds:			
Original gifts and amounts required to be maintained in perpetuity by donors		\$ 9,189,885	\$ 9,189,885
Accumulated investment losses		(93,444)	(93,444)
Board-designated funds	<u>\$3,464,480</u>		<u>3,464,480</u>
 Total Endowment Funds	<u>\$3,464,480</u>	<u>\$ 9,096,441</u>	<u>\$12,560,921</u>

Activity in the endowment by net asset class for 2019 and 2018, is summarized as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment at December 31, 2017	\$ 3,654,474	\$ 8,829,445	\$12,483,919
Investment return	(89,994)	(233,519)	(323,513)
Reclassification of donor intent		500,515	500,515
Appropriations for expenditure	<u>(100,000)</u>		<u>(100,000)</u>
Endowment at December 31, 2018	3,464,480	9,096,441	12,560,921
Investment return	533,226	1,401,412	1,934,638
Reclassification of donor intent		104,948	104,948
Appropriations for expenditure	<u>(1,532,310)</u>		<u>(1,532,310)</u>
Endowment at December 31, 2019	<u>\$ 2,465,396</u>	<u>\$10,602,801</u>	<u>\$13,068,197</u>

NOTE 4 - ENDOWMENT (CONTINUED)

Interpretation of Relevant Law

The Foundation is subject to the Indiana Uniform Prudent Management of Institutional Funds Act (UPMIFA) and, thus, classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions, because those assets are time restricted until the Board of Directors appropriates such amounts for expenditure. The Board of Directors has interpreted UPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. The Foundation considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Foundation has interpreted UPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law. Additionally, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

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

Underwater Endowment Funds

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the original value of the level that the donor requires the Foundation to retain as a fund of perpetual duration. There were no underwater endowment funds at December 31, 2019. At December 31, 2018, funds with original gift values of \$9,000,515, fair values of \$8,775,707, and deficiencies of \$224,808 were reported in net assets with donor restrictions. These deficiencies resulted from unfavorable market fluctuations that occurred shortly after the investment of new contributions for donor-restricted endowment funds. These amounts were fully recovered during 2019 due to favorable market fluctuations.

Investment and Spending Policies

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to the Bureau while seeking to maintain the purchasing power of the endowment assets. 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 of the S&P 500 index for core equity investments and Citigroup Government/Corporate (1-5 year) index for fixed income investments, as well as a blended index comprised of each asset class index weighted according to the target asset mix while assuming a moderate level of investment risk. The Foundation expects its endowment funds, over time, to provide a net real return (after fees and inflation) commensurate with the mix of the portfolio relative to market returns. Actual returns in any given year may vary from this expectation. To satisfy its long-term rate-of-return objectives, the Foundation 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 Foundation 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.

NOTE 4 - ENDOWMENT (CONTINUED)

The Foundation's spending policy for endowment funds without donor restrictions is to spend up to 3% annually with the calculation based on a five year moving average of quarterly market values. Board-designated funds in excess of 3% can be made available if approved by the Board. In 2019 the Board approved the appropriation of \$1,532,310 for the purposes of purchasing a building. The goal of this policy is to establish the resources necessary for both operating and future capital projects of the Foundation. The spending policy of the endowment with donor restrictions is a spending rate of up to 3% utilizing an eight quarter rolling average of market values. Should the fund become underwater, the spending rate for the fund reduces to 2% until the fund is no longer underwater.

NOTE 5 - PROMISES TO GIVE AND GRANTS RECEIVABLE

Unconditional Promises to Give and Grants Receivable

Unconditional promises to give at December 31, 2019 and 2018 consisted of time-restricted funds due from donors. As of December 31, 2019 and 2018, 90% and 77%, respectively, of the Organizations' promises to give were due from the United Way. Grants receivable from three grantors represented 58% and two grantors represented 35% of outstanding grants receivable at December 31, 2019 and 2018, respectively. All promises to give and grants receivable at December 31, 2019 and 2018 are due to be received in less than one year.

Conditional Promises to Give and Grants Receivable

The Organizations receive a significant amount of financial assistance from government grants and contracts. Grants and contracts normally provide for the recovery of direct and indirect costs. Entitlement to the recovery of the direct and related indirect costs is conditional upon compliance with the terms and conditions of the grant agreements and with applicable regulations, including the expenditure of the resources for eligible purposes. Total budgeted amounts on open contracts as of December 31, 2019 was \$34,591,479, of which \$11,651,643 had been recognized as support through December 31, 2019. Some contracts include overages reimbursed through December 31, 2019, and the net amount remaining available based on these budgets was \$22,939,836 at December 31, 2019. Based on history, the Organizations expect amendments to be made in 2020 to address these overages. Total budgeted amounts on open contracts as of December 31, 2018 was \$54,315,412, of which \$37,981 had been recognized as support through December 31, 2018.

NOTE 6 - INVESTMENTS - ENDOWMENT

The Foundation's investments - endowment were as follows at December 31, 2019 and 2018:

	2019		2018	
	Cost	Fair Value	Cost	Fair Value
Money market fund shares	\$ 387,593	\$ 387,593	\$ 123,626	\$ 123,626
Fixed income investments	2,177,356	2,236,331	1,306,471	1,304,804
Registered investment companies	5,146,742	5,575,370	3,348,600	3,109,422
Exchange-traded funds	<u>4,148,128</u>	<u>4,868,903</u>	<u>3,749,977</u>	<u>3,622,554</u>
Total Investments - Endowment	<u>\$11,859,819</u>	<u>\$13,068,197</u>	<u>\$8,528,674</u>	<u>\$8,160,406</u>

Investments are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in the near term could materially affect the amounts reported in the consolidated financial statements.

NOTE 7 - PROPERTY AND EQUIPMENT

Property and equipment were as follows at December 31, 2019 and 2018:

	2019	2018
Land	\$ 224,825	\$ 224,825
Buildings and improvements	13,173,352	12,038,352
Leasehold improvements	3,491,336	3,690,662
Furnishings and equipment	3,828,841	3,780,658
Construction in progress	307,692	
Vehicles	81,913	76,893
	<u>21,107,959</u>	<u>19,811,390</u>
Less: Accumulated depreciation	<u>8,897,679</u>	<u>7,934,089</u>
Total Property and Equipment, net	<u>\$12,210,280</u>	<u>\$11,877,301</u>

NOTE 8 - DEBT

The Bureau has a \$1,000,000 revolving line of credit for short-term bank borrowings. Interest on these borrowings is computed based on the higher of the bank's prime rate or 3.75% (4.75% at December 31, 2019). The line of credit, which expires on September 30, 2020, is secured by substantially all of the Bureau's grants receivable and requires compliance with a financial covenant. At December 31, 2019 and 2018, there were no borrowings outstanding on the line of credit.

The Foundation has a term loan payable due in monthly installments of \$8,140, including interest, with a balloon payment due upon maturity in October 2029 for the remaining unpaid principal and interest. Interest on the loan is fixed at 4.99%. The balance at December 31, 2019 and 2018 was \$793,076 and \$914,346, respectively. The loan is secured by the Family Support Center (FSC) building and assignment of all rents on the Foundation's real property located in Marion County, Indiana. The loan is also guaranteed by the Bureau.

Total interest expense was \$41,361 in 2019 and \$38,638 in 2018.

At December 31, 2019, the aggregate maturities of long-term debt were as follows:

Payable In	Principal Payments
2020	\$ 54,899
2021	57,865
2022	60,862
2023	64,013
2024	67,239
Thereafter	<u>488,198</u>
	<u>\$793,076</u>

NOTE 9 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were restricted for the following purposes at December 31, 2019 and 2018:

	2019	2018
Children's Bureau, Inc.		
Subject to the Passage of Time:		
United Way allocation	\$ 201,642	\$ 298,631
	<u>201,642</u>	<u>298,631</u>
Subject to expenditure for Specified Purpose:		
Adoption	49,946	3,900
Johnson County	31,410	9,584
Training	65,952	164,600
Other purposes	23,905	8,156
	<u>213,244</u>	<u>186,240</u>
Beneficial interest in assets held by community foundation subject to the spending policy of the community foundation	58,088	61,189
	<u>58,088</u>	<u>61,189</u>
 Total Children's Bureau, Inc.	 <u>472,974</u>	 <u>546,060</u>
Children's Bureau Foundation, Inc.		
Subject to endowment spending policy and appropriation:		
Appropriations available for general use	10,602,801	9,096,441
	<u>10,602,801</u>	<u>9,096,441</u>
 Total Children's Bureau Foundation, Inc.	 <u>10,602,801</u>	 <u>9,096,441</u>
 Total Net Assets with Donor Restrictions	 <u>\$11,075,775</u>	 <u>\$9,642,501</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by donors as follows for the years ended December 31, 2019 and 2018:

	2019	2018
Children's Bureau, Inc.		
Expiration of time restrictions:		
United Way allocation	\$298,631	\$ 305,261
Satisfaction of purpose restrictions:		
Adoption	3,900	3,000
Johnson County	9,584	8,922
Training	106,392	
Other	4,292	
Children's Bureau Foundation, Inc.		
Satisfaction of purpose restrictions:		
Defined benefit pension plan	<u> </u>	<u>999,485</u>
 Total Net Assets Released from Restrictions	 <u>\$422,799</u>	 <u>\$1,316,668</u>

NOTE 10 - OPERATING LEASES

The Bureau has several operating leases, primarily for office space and equipment, expiring at various dates through September 2024. These leases generally contain renewal options for periods ranging from three to five years. Rental expense was \$728,044 in 2019 and \$808,106 in 2018.

Future minimum lease payments required by all long-term noncancellable operating leases at December 31, 2019, were as follows:

Payable In	Rental Payments
2020	\$ 464,351
2021	376,003
2022	293,055
2023	157,439
2024	<u>9,531</u>
Total	<u>\$1,300,379</u>

NOTE 11 - CONCENTRATIONS OF FUNDING

Government funding provided 86% and 91% of total revenue for the Organizations in 2019 and 2018, respectively.

As part of federal funding, the Community Partners Grants provided 32% and 31% of the Organizations' total revenue in 2019 and 2018, respectively.

NOTE 12 - EMPLOYEE BENEFITS

Defined Contribution 401(k) Plan

The Bureau sponsors a defined contribution 401(k) plan for all of its qualified employees. All plan participants are permitted to make salary reduction contributions to the Plan, and the Bureau contributes, on a matching basis, 100% of each participant's contribution up to 3% of each participant's annual compensation. The Bureau may also make a discretionary contribution, to be determined annually, based on eligible earnings of participants. Participants become fully vested in the Bureau's contributions and earnings thereon after five years of service. The Bureau contributed \$267,855 in 2019 and \$231,463 in 2018 to the Plan.

Defined Benefit Pension Plan

The Bureau also sponsored a noncontributory defined benefit pension plan covering substantially all of its employees who met eligibility requirements prior to January 1, 2008. Plan benefits were determined by a formula based on earnings.

On October 11, 2007, the Bureau's Board of Directors voted to amend the Plan to freeze Plan participation effective January 1, 2008. Plan participants who had met eligibility requirements before the effective date of the freeze continued to accrue benefits through December 31, 2011. All benefit accruals ceased effective December 31, 2011. All plan participants became fully vested in the Plan effective December 31, 2011.

NOTE 12 - EMPLOYEE BENEFITS (CONTINUED)

On September 21, 2018, the Bureau made a final contribution funding deposit to the Plan of \$828,292 to fund all required vested retirement benefits of the Plan's participants. The Bureau purchased annuities equal to the vested retirement benefits for participants that chose an annuity option of \$2,042,182 on September 21, 2018. All Plan assets were distributed as of October 10, 2018, at which time the Plan and its related trust ceased to exist and, after which time, the Bureau had no further benefit obligation.

The following table sets forth the Plan's funded status and amounts recognized in the consolidated financial statements for the year ended December 31, 2018:

Plan Obligations and Funded Status:

Change in Benefit Obligation:	
Benefit obligation at beginning of year	\$ 7,408,834
Settlement gain	(223,449)
Benefits paid	<u>(7,185,385)</u>
Benefit obligation at end of year	<u> </u>

Change in Plan Assets:	
Fair value of plan assets at beginning of year	6,225,157
Actual return on plan assets	131,936
Employer contributions	828,292
Benefits paid	<u>(7,185,385)</u>
Fair value of plan assets at end of year	<u> </u>

Funded Status at End of Year	<u>\$ -</u>
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Amounts recognized in the consolidated statements of activities for the year ended December 31, 2018 consist of:

Actual return on plan assets	\$(131,936)
Amortization of net loss	102,295
Difference between expected and actual return on plan assets	<u>65,140</u>
Net Periodic Benefit Cost for the Year	<u>\$ (35,499)</u>

NOTE 13 - EMPLOYEE INSURANCE OBLIGATION

The Bureau self-insures its employee group medical plan. Claim expenses are recorded as incurred. Insurance policies in force at December 31, 2019 limit the Bureau's maximum plan cost to approximately \$4,100,000 in the plan year. The Bureau's portion of the predetermined funding provision is charged to expense each month. A reinsurance policy is in place to limit the Bureau's maximum claim liability to \$50,000 per covered individual, unless a specific stop-loss deductible is noted in the policy for an individual. The self-insurance liability was \$189,000 and \$184,000 at December 31, 2019 and 2018, respectively, which represents management's estimate of unpaid claims incurred prior to December 31, 2019 and 2018.

NOTE 14 - RELATED PARTY TRANSACTIONS

The Bureau recognized \$94,785 in 2019 and \$71,394 in 2018 as contributions from members of its Board of Directors.

NOTE 15 - UNCERTAINTY RELATED TO CORONAVIRUS

On January 30, 2020, the World Health Organization declared a global health emergency over the novel coronavirus known as COVID-19. The Bureau has seen a decline in referrals for services which has resulted in a corresponding decline in revenue; however, the State of Indiana has provided the Bureau with new funding for client direct relief. The Bureau has adopted work from home policies to enable its staff when able to serve clients, and the Bureau's support staff are able to work fully remotely. Additionally, the outbreak has resulted in the cancelation or delay of fundraising events. The outbreak has also adversely affected global market activity and caused increased volatility and uncertainty in financial markets. Because the value of the Foundation's individual investments have and will fluctuate in response to changing market conditions, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. The ultimate impact of the outbreak to the Organizations' overall financial results and operations also cannot be determined at this time; however, management is taking actions to mitigate the impact of the outbreak to the Organizations.

On April 17, 2020, the Bureau received a loan of \$2,473,600 under the Paycheck Protection Program of the CARES Act. The loan bears interest at 1% and matures in April 2022. The loan will be fully or partially forgiven if the Bureau meets certain conditions, including use of the funds for qualifying purposes.

SUPPLEMENTARY INFORMATION

CHILDREN'S BUREAU, INC.

**SCHEDULE OF CONTRACT AND GRANT ACTIVITY FOR FEDERAL, STATE,
AND LOCAL GOVERNMENT AWARDS
Year Ended December 31, 2019**

	Type of Funding	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
FEDERAL AWARDS				
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed through the Indiana Family and Social Services Administration:				
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	Fee for service	93.600	F1-2-49-12-34-0437	\$ 2,250,376
Passed through the Indiana Department of Child Services:				
Community Partners for Child Safety (CPCS) - Operations	Fee for service	N/A	N/A	7,167,459
Therapeutic Fostercare	Fee for service	N/A	N/A	2,253,552
Home Based Case Work	Fee for service	N/A	N/A	1,298,432
Older Youth Services	Fee for service	N/A	N/A	2,375,465
CPCS - Brokered Funds	Fee for service	N/A	N/A	2,422,408
Shelter - Respite	Fee for service	N/A	N/A	1,767,966
Fatherhood Initiative	Fee for service	N/A	N/A	797,773
Home Based Counseling - Home Based Therapy	Fee for service	N/A	N/A	855,794
Post Adoption Services	Fee for service	N/A	N/A	853,170
Adoption Recruitment And Retention	Fee for service	N/A	N/A	833,636
Child Summaries	Fee for service	N/A	N/A	316,476
Shelter - CPCS Prevention Service	Fee for service	N/A	N/A	242,000
Adoption Counseling	Fee for service	N/A	N/A	11,091
Passed through the Family Youth Services Bureau:				
Basic Center Grant	Federal Grant	93.620	N/A	92,999
Affordable Care Act (ACA) Personal Responsibility Education Program	Federal Grant	93.092	N/A	20,060
Passed through Indiana Department of Health:				
Maternal and Child Health Services Block Grant	Fee for service	93.990	N/A	<u>5,000</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS				<u>23,563,657</u>
NONFEDERAL AWARDS				
INDIANA DEPARTMENT OF CHILD SERVICES				
Direct programs:				
Courage Center	Fee for service	N/A	N/A	2,276,969
Passed through Choices Coordinated Care Solutions:				
Dawn Program	Fee for service	N/A	N/A	634,418
STATE OF INDIANA (IC 31-26-1)				
Direct programs:				
Shelter - YSB	Fee for service	N/A	N/A	59,271
Medicaid	Fee for service	N/A	N/A	<u>147,413</u>
TOTAL EXPENDITURES OF NONFEDERAL AWARDS				<u>3,118,071</u>
TOTAL EXPENDITURES OF FEDERAL, STATE, AND GOVERNMENT AWARDS				<u>\$ 26,681,728</u>

**CHILDREN'S BUREAU, INC. AND
CHILDREN'S BUREAU FOUNDATION, INC.**

**CONSOLIDATING SCHEDULE - STATEMENT OF FINANCIAL POSITION INFORMATION
December 31, 2019**

	Children's Bureau, Inc.	Children's Bureau Foundation, Inc.	Eliminations	Consolidated
ASSETS				
Cash	\$ 6,416,168	\$ 357,680		\$ 6,773,848
Grants receivable	3,519,845			3,519,845
Promises to give	223,180			223,180
Prepaid expenses and other assets	497,241	16,548	\$ (15,000)	498,789
Investments - endowment		13,068,197		13,068,197
Property and equipment, net	<u>3,136,081</u>	<u>9,074,199</u>		<u>12,210,280</u>
TOTAL ASSETS	<u><u>\$13,792,515</u></u>	<u><u>\$22,516,624</u></u>	<u><u>\$ (15,000)</u></u>	<u><u>\$36,294,139</u></u>
LIABILITIES				
Accounts payable and other liabilities	\$ 893,174	\$ 4,641	\$ (15,000)	\$ 882,815
Accrued payroll	938,982			938,982
FSC loan		793,076		793,076
Total Liabilities	<u>1,832,156</u>	<u>797,717</u>	<u>(15,000)</u>	<u>2,614,873</u>
NET ASSETS				
Without donor restrictions	11,487,385	11,116,106		22,603,491
With donor restrictions	<u>472,974</u>	<u>10,602,801</u>		<u>11,075,775</u>
Total Net Assets	<u>11,960,359</u>	<u>21,718,907</u>		<u>33,679,266</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$13,792,515</u></u>	<u><u>\$22,516,624</u></u>	<u><u>\$ (15,000)</u></u>	<u><u>\$36,294,139</u></u>

**CHILDREN'S BUREAU, INC. AND
CHILDREN'S BUREAU FOUNDATION, INC.**

**CONSOLIDATING SCHEDULE - STATEMENT OF ACTIVITIES INFORMATION
Year Ended December 31, 2019**

	Without Donor Restrictions			Total
	Children's Bureau, Inc.	Children's Bureau Foundation, Inc.	Eliminations	
REVENUE, GAINS AND SUPPORT				
Revenue and gains:				
Investment return	\$ 7	\$ 565,567		\$ 565,574
Miscellaneous income (expense)	111,484	319,573	\$ (261,800)	169,257
Total Revenue and Gains	<u>111,491</u>	<u>885,140</u>	<u>(261,800)</u>	<u>734,831</u>
Support:				
Contributions	1,081,280		(284,471)	796,809
Government grant revenue and Medicaid	17,130,747			17,130,747
Service revenue	6,871,238			6,871,238
Brokered government grant revenue	2,659,887			2,659,887
Non-government grants	327,620			327,620
United Way	428,394			428,394
Special events	222,957			222,957
Total Support	<u>28,722,123</u>		<u>(284,471)</u>	<u>28,437,652</u>
	<u>28,833,614</u>	<u>885,140</u>	<u>(546,271)</u>	<u>29,172,483</u>
Net assets released from restrictions	422,799			422,799
Reclassification of donor intent		(104,948)		(104,948)
Total Revenue, Gains and Support	<u>29,256,413</u>	<u>780,192</u>	<u>(546,271)</u>	<u>29,490,334</u>
EXPENSES				
Program services	24,322,546	391,197		24,713,743
Supporting services:				
Management and general	3,603,125	386,889	(546,271)	3,443,743
Fundraising	943,510	2,118		945,628
Total Expenses	<u>28,869,181</u>	<u>780,204</u>	<u>(546,271)</u>	<u>29,103,114</u>
INCREASE (DECREASE) IN NET ASSETS	387,232	(12)		387,220
NET ASSETS				
Beginning of Year	<u>11,100,153</u>	<u>11,116,118</u>		<u>22,216,271</u>
End of Year	<u>\$ 11,487,385</u>	<u>\$ 11,116,106</u>	<u>\$ -</u>	<u>\$ 22,603,491</u>

With Donor Restrictions			
Children's Bureau, Inc.	Children's Bureau Foundation, Inc.	Total	Consolidated
	\$ 1,401,488	\$ 1,401,488	\$ 1,967,062
\$ (3,101)		(3,101)	166,156
(3,101)	1,401,488	1,398,387	2,133,218
119,686		119,686	916,495
			17,130,747
			6,871,238
			2,659,887
			327,620
233,052		233,052	661,446
			222,957
352,738		352,738	28,790,390
349,637	1,401,488	1,751,125	30,923,608
(422,799)		(422,799)	
	104,948	104,948	
(73,162)	1,506,436	1,433,274	30,923,608
			24,713,743
			3,443,743
			945,628
			29,103,114
(73,162)	1,506,436	1,433,274	1,820,494
546,136	9,096,365	9,642,501	31,858,772
\$ 472,974	\$ 10,602,801	\$ 11,075,775	\$ 33,679,266

**CHILDREN'S BUREAU, INC. AND
CHILDREN'S BUREAU FOUNDATION, INC.**

**CONSOLIDATING SCHEDULE - STATEMENT OF CASH FLOWS INFORMATION
Year Ended December 31, 2019**

	Children's Bureau, Inc.	Children's Bureau Foundation, Inc.	Eliminations	Consolidated
OPERATING ACTIVITIES				
Increase in net assets	\$ 314,070	\$ 1,506,424		\$ 1,820,494
Adjustments to reconcile increase in net assets to net cash provided by operating activities:				
Depreciation	593,310	447,612		1,040,922
Retirement of property and equipment	231,846			231,846
Net realized and unrealized gain on investments		(1,724,134)		(1,724,134)
Decrease in certain assets:				
Grants receivable	716,002			716,002
Promises to give	165,051			165,051
Prepaid expenses and other assets	184,628	23,000	\$ 2,000	209,628
Increase (decrease) in certain liabilities:				
Accounts payable and other liabilities	144,645	1,631	(2,000)	144,276
Accrued payroll	3,110			3,110
Net Cash Provided by Operating Activities	<u>2,352,662</u>	<u>254,533</u>		<u>2,607,195</u>
INVESTING ACTIVITIES				
Purchases of property and equipment	(470,747)	(1,135,000)		(1,605,747)
Purchases of investments		(4,616,470)		(4,616,470)
Sales and maturities of investments		1,696,269		1,696,269
Net Cash Used by Investing Activities	<u>(470,747)</u>	<u>(4,055,201)</u>		<u>(4,525,948)</u>
FINANCING ACTIVITIES				
Principal payments on FSC loan		(121,270)		(121,270)
Net Cash Used by Financing Activities		<u>(121,270)</u>		<u>(121,270)</u>
NET INCREASE (DECREASE) IN CASH AND RESTRICTED CASH AND EQUIVALENTS	1,881,915	(3,921,938)		(2,040,023)
CASH AND RESTRICTED CASH AND EQUIVALENTS				
Beginning of Year	<u>4,534,253</u>	<u>4,667,211</u>		<u>9,201,464</u>
End of Year	<u>\$ 6,416,168</u>	<u>\$ 745,273</u>	<u>\$ -</u>	<u>\$ 7,161,441</u>
CASH AND RESTRICTED CASH AND EQUIVALENTS				
Cash	\$ 6,416,168	\$ 357,680		\$ 6,773,848
Cash equivalents held in investments - endowment		387,593		387,593
TOTAL CASH AND RESTRICTED CASH AND EQUIVALENTS	<u>\$ 6,416,168</u>	<u>\$ 745,273</u>		<u>\$ 7,161,441</u>
SUPPLEMENTAL DISCLOSURES				
Interest paid		\$ 41,361		\$ 41,361
Noncash investing and financing activities:				
Property and equipment included in accounts payable	\$ 43,294			43,294