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June 28, 2021

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, 2020 to December 31, 2020. 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, 2020 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.

A handwritten signature in blue ink that reads "Paul D. Joyce".

Paul D. Joyce, CPA  
State Examiner



CONSOLIDATED FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITORS' REPORT

December 31, 2020 and 2019

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

## CONTENTS

	<b>Page</b>
<b>CONSOLIDATED FINANCIAL STATEMENTS</b>	
Independent Auditors' Report	1-2
Consolidated Statements of Financial Position	3
Consolidated Statements of Activities	4
Consolidated Statements of Functional Expenses	5
Consolidated Statements of Cash Flows	6
Notes to Consolidated Financial Statements	7-19
<b>SUPPLEMENTARY INFORMATION</b>	
Schedule of Contract and Grant Activity for Federal, State, and Local Government Awards	20
Consolidating Schedule - Statement of Financial Position Information	21
Consolidating Schedule - Statement of Activities Information	22
Consolidating Schedule - Statement of Cash Flows Information	23

## *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, 2020 and 2019, 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, 2020 and 2019, 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.

*Katz, Sapper & Miller, LLP*

Indianapolis, Indiana  
April 14, 2021

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

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
December 31, 2020 and 2019**

	<b>2020</b>	<b>2019</b>
<b>ASSETS</b>		
Cash	\$ 7,095,624	\$ 6,773,848
Grants receivable	4,853,536	3,519,845
Promises to give	281,331	223,180
Investments	1,004,448	
Prepaid expenses and other assets	1,083,243	498,789
Investments - endowment	14,744,132	13,068,197
Property and equipment, net	<u>11,862,218</u>	<u>12,210,280</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 40,924,532</u></u>	<u><u>\$ 36,294,139</u></u>
<b>LIABILITIES</b>		
Accounts payable and other liabilities	\$ 756,926	\$ 882,815
Accrued payroll	1,034,209	938,982
Note payable - bank	2,473,600	
FSC loan	685,479	793,076
Total Liabilities	<u>4,950,214</u>	<u>2,614,873</u>
<b>NET ASSETS</b>		
Without donor restrictions:		
Undesignated	20,211,327	20,138,095
Designated by the Board for operating reserve	2,781,300	2,465,396
Designated by the Board for maintenance reserve	45,000	
	<u>23,037,627</u>	<u>22,603,491</u>
With donor restrictions	<u>12,936,691</u>	<u>11,075,775</u>
Total Net Assets	<u>35,974,318</u>	<u>33,679,266</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 40,924,532</u></u>	<u><u>\$ 36,294,139</u></u>

*See accompanying notes.*

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

**CONSOLIDATED STATEMENTS OF ACTIVITIES  
Years Ended December 31, 2020 and 2019**

	<b>Without Donor Restrictions</b>	<b>2020 With Donor Restrictions</b>	<b>Total</b>
<b>REVENUE, GAINS AND SUPPORT</b>			
Revenue and gains:			
Investment return	\$ 324,284	\$ 1,374,109	\$ 1,698,393
Miscellaneous income (expense)	152,437		152,437
Total Revenue and Gains	<u>476,721</u>	<u>1,374,109</u>	<u>1,850,830</u>
Support:			
Contributions	1,067,657	7,004	1,074,661
Government grant revenue and Medicaid	17,084,842		17,084,842
Service revenue	6,890,863		6,890,863
Brokered government grant revenue	2,606,810		2,606,810
Non-government grants	428,508	605,000	1,033,508
United Way	733,743	277,331	1,011,074
Special events	88,351		88,351
Total Support	<u>28,900,774</u>	<u>889,335</u>	<u>29,790,109</u>
Net assets released from restrictions	402,528	(402,528)	
Reclassification of donor intent			
Total Revenue, Gains and Support	<u>29,780,023</u>	<u>1,860,916</u>	<u>31,640,939</u>
<b>EXPENSES</b>			
Program services	25,035,502		25,035,502
Supporting services:			
Management and general	3,376,829		3,376,829
Fundraising	933,556		933,556
Total Expenses	<u>29,345,887</u>		<u>29,345,887</u>
<b>INCREASE IN NET ASSETS</b>	434,136	1,860,916	2,295,052
<b>NET ASSETS</b>			
Beginning of Year	<u>22,603,491</u>	<u>11,075,775</u>	<u>33,679,266</u>
End of Year	<u>\$ 23,037,627</u>	<u>\$ 12,936,691</u>	<u>\$ 35,974,318</u>

See accompanying notes.

<b>Without Donor Restrictions</b>	<b>2019 With Donor Restrictions</b>	<b>Total</b>
\$ 565,574	\$ 1,401,488	\$ 1,967,062
169,257	(3,101)	166,156
<u>734,831</u>	<u>1,398,387</u>	<u>2,133,218</u>
796,809	119,686	916,495
17,130,747		17,130,747
6,871,238		6,871,238
2,659,887		2,659,887
327,620		327,620
428,394	233,052	661,446
222,957		222,957
<u>28,437,652</u>	<u>352,738</u>	<u>28,790,390</u>
422,799	(422,799)	
(104,948)	104,948	
<u>29,490,334</u>	<u>1,433,274</u>	<u>30,923,608</u>
24,713,743		24,713,743
3,443,743		3,443,743
945,628		945,628
<u>29,103,114</u>		<u>29,103,114</u>
387,220	1,433,274	1,820,494
<u>22,216,271</u>	<u>9,642,501</u>	<u>31,858,772</u>
<u>\$ 22,603,491</u>	<u>\$ 11,075,775</u>	<u>\$ 33,679,266</u>

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

**CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES  
Years Ended December 31, 2020 and 2019**

	Programs		Management and General	
	2020	2019	2020	2019
Salaries expenses	\$ 10,329,210	\$ 10,892,642	\$ 1,466,763	\$ 1,457,633
Benefits expenses	3,079,424	3,829,990	416,180	486,284
Professional fees	1,994,003	2,153,429	494,786	521,266
Operation expenses	632,164	851,629	489,462	486,613
Equipment rental	144,539	144,777	59,937	119,752
Fostercare and direct client costs	4,220,772	1,901,130	6,719	5,238
In-kind donated relief	2,197,365	1,603,972		
Auto expenses	420,604	614,251	19,508	30,256
Occupancy	999,024	1,331,698	150,130	109,139
Depreciation	718,996	885,665	194,468	146,551
Maintenance and repairs	42,327	67,024	14,968	13,279
Special events	248,369	431,809	21,652	25,908
Interest expense			37,144	41,361
Miscellaneous	8,705	5,727	5,112	463
	<u>8,705</u>	<u>5,727</u>	<u>5,112</u>	<u>463</u>
<b>TOTAL EXPENSES</b>	<u><u>\$ 25,035,502</u></u>	<u><u>\$ 24,713,743</u></u>	<u><u>\$ 3,376,829</u></u>	<u><u>\$ 3,443,743</u></u>

*See accompanying notes.*

Fundraising		Total	
2020	2019	2020	2019
\$ 296,591	\$ 312,259	\$ 12,092,564	\$ 12,662,534
78,308	78,070	3,573,912	4,394,344
20,938	5,124	2,509,727	2,679,819
55,508	64,406	1,177,134	1,402,648
626	552	205,102	265,081
		4,227,491	1,906,368
438,991	389,757	2,636,356	1,993,729
901	3,337	441,013	647,844
6,292	7,139	1,155,446	1,447,976
6,855	8,706	920,319	1,040,922
132		57,427	80,303
28,414	76,278	298,435	533,995
		37,144	41,361
		13,817	6,190
<u>\$ 933,556</u>	<u>\$ 945,628</u>	<u>\$ 29,345,887</u>	<u>\$ 29,103,114</u>

**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**Years Ended December 31, 2020 and 2019**

	<b>2020</b>	<b>2019</b>
<b>OPERATING ACTIVITIES</b>		
Increase in net assets	\$ 2,295,052	\$ 1,820,494
Adjustments to reconcile increase in net assets to net cash provided (used) by operating activities:		
Depreciation	920,319	1,040,922
Loss from retirement of property and equipment		231,846
Net realized and unrealized gain on investments	(1,492,803)	(1,724,134)
(Increase) decrease in certain assets:		
Grants receivable	(1,333,691)	716,002
Promises to give	(58,151)	165,051
Prepaid expenses and other assets	(570,079)	209,628
Increase (decrease) in certain liabilities:		
Accounts payable and other liabilities	(82,595)	144,276
Accrued payroll	95,227	3,110
Net Cash Provided (Used) by Operating Activities	<u>(226,721)</u>	<u>2,607,195</u>
<b>INVESTING ACTIVITIES</b>		
Purchases of property and equipment	(615,551)	(1,605,747)
Purchases of investments	(3,939,045)	(4,616,470)
Sales and maturities of investments	3,632,982	1,696,269
Net Cash Used by Investing Activities	<u>(921,614)</u>	<u>(4,525,948)</u>
<b>FINANCING ACTIVITIES</b>		
Borrowings on note payable - bank	2,473,600	
Principal payments on FSC loan	(107,597)	(121,270)
Net Cash Provided (Used) by Financing Activities	<u>2,366,003</u>	<u>(121,270)</u>
<b>NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS</b>	1,217,668	(2,040,023)
<b>CASH AND EQUIVALENTS</b>		
Beginning of Year	<u>7,161,441</u>	<u>9,201,464</u>
End of Year	<u>\$ 8,379,109</u>	<u>\$ 7,161,441</u>
<b>CASH AND EQUIVALENTS</b>		
Cash	\$ 7,095,624	\$ 6,773,848
Cash equivalents held in investments	1,004,448	
Cash equivalents held in investments - endowment	<u>279,037</u>	<u>387,593</u>
<b>TOTAL CASH AND EQUIVALENTS</b>	<u>\$ 8,379,109</u>	<u>\$ 7,161,441</u>
<b>SUPPLEMENTAL DISCLOSURES</b>		
Interest paid	\$ 37,403	\$ 41,361
Noncash investing and financing activities:		
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, 2020 and 2019**

**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.

**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-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.

**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.

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**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, 2020 and 2019.

**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 2020 and 2019.

**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.

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 \$395,623 in 2020 and \$364,611 in 2019 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 Organizations' 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, 2020 and 2019.

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 2017. 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 April 14, 2021, the date the consolidated financial statements were available to be issued. See Note 16.

## 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:

	2020	2019
Cash	\$ 7,095,624	\$ 6,773,848
Grants receivable	4,853,536	3,519,845
Promises to give	281,331	223,180
Investments	1,004,448	
Gift cards included in prepaid expenses and other assets	727,278	201,224
Investments - endowment	<u>14,744,132</u>	<u>13,068,197</u>
Total Financial Assets	28,706,349	23,786,294
Donor-Imposed Restrictions:		
Endowment funds, net of amounts available per spending policy	(11,603,947)	(10,390,745)
Board-Designations:		
Building maintenance reserve	(45,000)	
Endowment funds, net of amounts available per spending policy	<u>(2,697,861)</u>	<u>(2,391,403)</u>
Financial Assets Available Within One Year	<u>\$ 14,359,541</u>	<u>\$ 11,004,146</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 \$2,781,300 and \$2,465,396 at December 31, 2020 and 2019, 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 Directors' annual budget approval and appropriation. See Note 4. Additionally, the Board designated \$45,000 of the Foundation's assets for building maintenance at December 31, 2020, which could be made available, if necessary, for general expenditures with approval of the Foundation's Board of Directors.

The Organizations operate with a balanced budget and anticipate 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.

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, 2020 and 2019.

**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.

**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 and Municipal 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.

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, 2020 and 2019:

2020	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Investments:				
Money market fund shares	\$1,004,448			\$1,004,448
Investments - Endowment				
Money market fund shares	279,037			279,037

**NOTE 3 - FAIR VALUE MEASUREMENTS (CONTINUED)**

<b>2020 (Continued)</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Fixed income investments:				
U.S. Treasury notes		\$ 792,036		792,036
Corporate bonds		869,475		869,475
Municipal bonds		56,216		56,216
Registered investment companies:				
International funds	1,388,969			1,388,969
Large cap funds	2,525,331			2,525,331
Mid cap funds	972,647			972,647
Bond funds	1,908,916			1,908,916
Other mutual fund shares	698,769			698,769
Exchange-traded funds (ETFs)				
International ETFs	101,838			101,838
Large cap ETFs	3,839,580			3,839,580
Small cap ETFs	1,007,160			1,007,160
Bond ETFs	304,158			304,158
	<u>\$14,030,853</u>	<u>\$1,717,727</u>	<u>\$ -</u>	<u>\$15,748,580</u>

**2019****Assets**

Investments:				
Money market fund shares	\$1,004,448			\$1,004,448
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
	<u>\$10,831,866</u>	<u>\$2,236,331</u>	<u>\$ -</u>	<u>\$13,068,197</u>

**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.

#### NOTE 4 - ENDOWMENT (CONTINUED)

The endowment net asset composition by type of fund as of December 31, 2020 and 2019, was as follows:

<b>2020</b>	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
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		2,667,999	2,667,999
Board-designated funds	<u>\$2,781,300</u>	<u>                    </u>	<u>2,781,300</u>
 Total Endowment Funds	 <u>\$2,781,300</u>	 <u>\$11,962,832</u>	 <u>\$14,744,132</u>
 <b>2019</b>			
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>                    </u>	<u>2,465,396</u>
 Total Endowment Funds	 <u>\$2,465,396</u>	 <u>\$10,602,801</u>	 <u>\$13,068,197</u>

Activity in the endowment by net asset class for 2020 and 2019, is summarized as follows:

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
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>                    </u>	<u>(1,532,310)</u>
Endowment at December 31, 2019	2,465,396	10,602,801	13,068,197
Investment return	<u>315,904</u>	<u>1,360,031</u>	<u>1,675,935</u>
Endowment at December 31, 2020	<u>\$ 2,781,300</u>	<u>\$11,962,832</u>	<u>\$14,744,132</u>

#### ***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:

#### **NOTE 4 - ENDOWMENT (CONTINUED)**

- 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, 2020 and 2019.

##### ***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.

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, 2020 and 2019 consisted of time-restricted funds due from donors. As of December 31, 2020 and 2019, 74% and 90%, respectively, of the Organizations' promises to give were due from the United Way. Grants receivable from two grantors represented 36% and three grantors represented 58% of outstanding grants receivable at December 31, 2020 and 2019, respectively. All promises to give and grants receivable at December 31, 2020 and 2019 are due to be received in less than one year.

## NOTE 5 - PROMISES TO GIVE AND GRANTS RECEIVABLE (CONTINUED)

### *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, 2020 was \$30,757,054, of which \$19,927,590 had been recognized as support through December 31, 2020. Some contracts include overages reimbursed through December 31, 2020, and the net amount remaining available based on these budgets was \$10,829,464 at December 31, 2020. Based on history, the Organizations expect amendments to be made in 2021 to address these overages. 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.

## NOTE 6 - INVESTMENTS - ENDOWMENT

The Foundation's investments - endowment were as follows at December 31, 2020 and 2019:

	2020		2019	
	Cost	Fair Value	Cost	Fair Value
Money market fund shares	\$ 279,037	\$ 279,037	\$ 387,593	\$ 387,593
Fixed income investments	1,717,401	1,717,727	2,177,356	2,236,331
Registered investment companies	6,458,432	7,494,632	5,146,742	5,575,370
Exchange-traded funds	<u>3,941,381</u>	<u>5,252,736</u>	<u>4,148,128</u>	<u>4,868,903</u>
Total Investments - Endowment	<u>\$12,396,251</u>	<u>\$14,744,132</u>	<u>\$11,859,819</u>	<u>\$13,068,197</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, 2020 and 2019:

	2020	2019
Land	\$ 224,825	\$ 224,825
Buildings and improvements	13,173,352	13,173,352
Leasehold improvements	4,273,085	3,491,336
Furnishings and equipment	3,893,069	3,828,841
Construction in progress		307,692
Vehicles	<u>90,953</u>	<u>81,913</u>
	21,655,284	21,107,959
Less: Accumulated depreciation	<u>9,793,066</u>	<u>8,897,679</u>
Total Property and Equipment, net	<u>\$11,862,218</u>	<u>\$12,210,280</u>

## NOTE 8 - DEBT AND CREDIT ARRANGEMENTS

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 bank's prime lending rate, subject to a floor of 3.25% (3.25% at December 31, 2020). The line of credit, which expires on September 30, 2022, is secured by substantially all of the Bureau's grants receivable and requires compliance with a financial covenant. At December 31, 2020 and 2019, 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, 2020 and 2019 was \$685,479 and \$793,076, 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 \$37,144 in 2020 and \$ 41,361 in 2019.

On April 17, 2020, the Bureau received loan proceeds of \$2,473,600 under the Paycheck Protection Program (PPP) established as part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act). PPP loans, including accrued interest, are forgivable as long as the entity uses the proceeds for eligible purposes, including payroll, benefits, rent and utilities. Under the PPP, the amount of forgiveness is reduced if the entity terminates employees or reduces salaries during the covered period. The Bureau believes it used \$2,248,318 of the total proceeds for purposes consistent with the PPP and applied for forgiveness during 2020.

While the Bureau believes that its use of \$2,248,318 of the proceeds will meet the conditions for forgiveness of the loan, such forgiveness is subject to approval by the bank and the U.S. Small Business Administration (SBA). Any unforgiven portion accrues interest at 1% and is due in April 2022. Under the Paycheck Protection Flexibility Act, loan payments, including interest, have been deferred until the SBA remits the loan forgiveness amount to the bank. The Bureau will recognize the loan forgiveness amount as income upon legal release of the obligation by the bank.

At December 31, 2020, the aggregate maturities of long-term debt, excluding the expected forgiveness amount relating to the PPP loan, were as follows:

Payable In	Principal Payments
2021	\$188,732
2022	155,277
2023	64,013
2024	67,239
2025	70,809
Thereafter	<u>364,691</u>
	<u>\$910,761</u>

## NOTE 9 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were restricted for the following purposes at December 31, 2020 and 2019:

	2020	2019
<b>Children's Bureau, Inc.</b>		
Subject to the Passage of Time:		
United Way allocation	<u>\$ 224,999</u>	<u>\$ 201,642</u>
	<u>224,999</u>	<u>201,642</u>
Subject to expenditure for Specified Purpose:		

**NOTE 9 - NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)**

	<b>2020</b>	<b>2019</b>
Adoption	\$ 48,984	\$ 49,946
COVID-19 programming	468,794	
Food and shelter programs	33,480	42,031
Johnson County	36,750	31,410
Training	50,544	65,952
Other purposes	<u>38,142</u>	<u>23,905</u>
	<u>676,694</u>	<u>213,244</u>
Beneficial interest in assets held by community foundation subject to the spending policy of the community foundation	<u>72,166</u>	<u>58,088</u>
	<u>72,166</u>	<u>58,088</u>
Total Children's Bureau, Inc.	<u>973,859</u>	<u>472,974</u>
<b>Children's Bureau Foundation, Inc.</b>		
Subject to endowment spending policy and appropriation:		
Appropriations available for general use	<u>11,962,832</u>	<u>10,602,801</u>
	<u>11,962,832</u>	<u>10,602,801</u>
Total Children's Bureau Foundation, Inc.	<u>11,962,832</u>	<u>10,602,801</u>
Total Net Assets with Donor Restrictions	<u>\$12,936,691</u>	<u>\$11,075,775</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, 2020 and 2019:

	<b>2020</b>	<b>2019</b>
<b>Children's Bureau, Inc.</b>		
Expiration of time restrictions:		
United Way allocation	\$201,642	\$298,631
Satisfaction of purpose restrictions:		
Adoption	13,458	3,900
COVID-19 programming	67,206	
Food and shelter programs	7,748	3,292
Johnson County	46,992	9,584
Training	62,032	106,392
Other	<u>3,450</u>	<u>1,000</u>
Total Net Assets Released from Restrictions	<u>\$402,528</u>	<u>\$422,799</u>

**NOTE 10 - OPERATING LEASES**

The Bureau has several operating leases, primarily for office space and equipment, expiring at various dates through November 2024. These leases generally contain renewal options for periods ranging from three to five years. Rental expense was \$565,007 in 2020 and \$728,044 in 2019, of which \$93,600 in 2020 and \$85,800 in 2019 was paid to the Foundation and is eliminated on the consolidated financial statements.

**NOTE 10 - OPERATING LEASES (CONTINUED)**

Future minimum lease payments required by all long-term noncancellable operating leases at December 31, 2020, were as follows:

<b>Payable In</b>	<b>Rental Payments</b>
2021	\$368,973
2022	274,224
2023	93,329
2024	<u>16,512</u>
Total	<u>\$753,038</u>

**NOTE 11 - CONCENTRATIONS OF FUNDING**

Government funding provided 84% and 86% of total revenue for the Organizations in 2020 and 2019, respectively.

As part of federal funding, the Community Partners Grants provided 37% and 32% of the Organizations' total revenue in 2020 and 2019, respectively.

**NOTE 12 - RETIREMENT 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 \$219,677 in 2020 and \$267,880 in 2019 to the Plan.

**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, 2020 limit the Bureau's maximum plan cost to approximately \$3,600,000 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 \$156,525 and \$189,141 at December 31, 2020 and 2019, respectively, which represents management's estimate of unpaid claims incurred prior to December 31, 2020 and 2019.

**NOTE 14 - RELATED PARTY TRANSACTIONS**

The Bureau recognized \$92,699 in 2020 and \$94,785 in 2019 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 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.

## **NOTE 16 - SUBSEQUENT EVENTS**

Effective March 31, 2021, the Bureau acquired all the net assets of Families First Indiana, Inc. (Families First) through a merger agreement, which establishes the Bureau's board of directors as the governing board, though Families First proposed members of its board and other qualified individuals to serve on the Bureau's board of directors. Families First is a nonprofit corporation that provides mental health counseling, education, crisis intervention, and other support for people who need help dealing with issues that are tough to tackle alone. As a result of the acquisition, the Bureau and Families First intend to grow their services and impact and promote long-term sustainability through synergies and economies of scale. Related to the transaction, the Bureau has recognized costs of \$59,846 through the date the consolidated financial statements were available for issuance, of which \$2,100 was recognized in 2020 as operation expenses. Acquisition accounting requires the Bureau to recognize, with limited exceptions, identifiable assets acquired and liabilities assumed at fair value as of the acquisition date. Due to the timing of the closing date of the transaction and complexity of identifying and assigning such fair values, accounting for the acquisition was not yet complete as of the date the consolidated financial statements were available to be issued. The Bureau expects the fair value of identifiable assets acquired to exceed the fair value of liabilities assumed, which will result in an inherent contribution received to be recognized on the 2021 consolidated statement of activities for the difference.

## **SUPPLEMENTARY INFORMATION**

**CHILDREN'S BUREAU, INC.**

**SCHEDULE OF CONTRACT AND GRANT ACTIVITY FOR FEDERAL, STATE,  
AND LOCAL GOVERNMENT AWARDS  
Year Ended December 31, 2020**

	Type of Funding	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
<b>FEDERAL AWARDS</b>				
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>				
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	\$ 567,830
Passed through the Indiana Department of of Child Services:				
Community Partners for Child Safety (CPCS) - Operations	Fee for service	N/A	N/A	9,307,737
Therapeutic Fostercare	Fee for service	N/A	N/A	2,046,701
Home Based Case Work	Fee for service	N/A	N/A	1,886,668
Older Youth Services	Fee for service	N/A	N/A	2,421,220
CPCS - Brokered Funds	Fee for service	N/A	N/A	2,363,300
Shelter - Respite	Fee for service	N/A	N/A	2,003,989
Fatherhood Initiative	Fee for service	N/A	N/A	70,089
Home Based Counseling - Home Based Therapy	Fee for service	N/A	N/A	634,247
Post Adoption Services	Fee for service	N/A	N/A	671,255
Adoption Recruitment And Retention	Fee for service	N/A	N/A	879,559
Child Summaries	Fee for service	N/A	N/A	187,940
Shelter - CPCS Prevention Service	Fee for service	N/A	N/A	289,046
Adoption Counseling	Fee for service	N/A	N/A	23,964
Passed through the Family Youth Services Bureau:				
Basic Center Grant	Federal grant	93.620	N/A	80,571
Affordable Care Act (ACA) Personal Responsibility Education Program	Federal grant	93.092	N/A	17,923
Passed through Indiana Department of Health:				
Maternal and Child Health Services Block Grant	Fee for service	93.990	N/A	10,190
Passed through the Administration for Children and Families:				
Subaward from the Trustees of Indiana University (Strengthening Families)	Federal grant	93.670	N/A	<u>58,516</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>				<u>23,520,745</u>
<b>NONFEDERAL AWARDS</b>				
<b>INDIANA DEPARTMENT OF CHILD SERVICES</b>				
Direct programs:				
Courage Center	Fee for service	N/A	N/A	1,853,895
Passed through Choices Coordinated Care Solutions:				
Dawn Program	Fee for service	N/A	N/A	1,039,403
<b>STATE OF INDIANA (IC 31-26-1)</b>				
Direct programs:				
Shelter - YSB	Fee for service	N/A	N/A	24,298
Medicaid	Fee for service	N/A	N/A	122,926
<b>INDIANA FAMILY AND SOCIAL SERVICES ADMINISTRATION</b>				
System of Care (SOC) - Marion County	Fee for service	N/A	N/A	<u>21,248</u>
<b>TOTAL EXPENDITURES OF NONFEDERAL AWARDS</b>				<u>3,061,770</u>
<b>TOTAL EXPENDITURES OF FEDERAL, STATE, AND LOCAL GOVERNMENT AWARDS</b>				<u>\$ 26,582,515</u>

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

**CONSOLIDATING SCHEDULE - STATEMENT OF FINANCIAL POSITION INFORMATION  
December 31, 2020**

	Children's Bureau, Inc.	Children's Bureau Foundation, Inc.	Eliminations	Consolidated
<b>ASSETS</b>				
Cash	\$ 6,898,825	\$ 196,799		\$ 7,095,624
Grants receivable	4,853,536			4,853,536
Promises to give	281,331			281,331
Investments	1,004,448			1,004,448
Prepaid expenses and other assets	1,081,695	24,348	\$ (22,800)	1,083,243
Investments - endowment		14,744,132		14,744,132
Property and equipment, net	3,180,819	8,681,399		11,862,218
<b>TOTAL ASSETS</b>	<u>\$17,300,654</u>	<u>\$23,646,678</u>	<u>\$ (22,800)</u>	<u>\$40,924,532</u>
<b>LIABILITIES</b>				
Accounts payable and other liabilities	\$ 774,759	\$ 4,967	\$ (22,800)	\$ 756,926
Accrued payroll	1,034,209			1,034,209
Note payable - bank	2,473,600			2,473,600
FSC loan		685,479		685,479
Total Liabilities	<u>4,282,568</u>	<u>690,446</u>	<u>(22,800)</u>	<u>4,950,214</u>
<b>NET ASSETS</b>				
Without donor restrictions	12,044,227	10,993,400		23,037,627
With donor restrictions	973,859	11,962,832		12,936,691
Total Net Assets	<u>13,018,086</u>	<u>22,956,232</u>		<u>35,974,318</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$17,300,654</u>	<u>\$23,646,678</u>	<u>\$ (22,800)</u>	<u>\$40,924,532</u>

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

**CONSOLIDATING SCHEDULE - STATEMENT OF ACTIVITIES INFORMATION  
Year Ended December 31, 2020**

	Without Donor Restrictions			Total
	Children's Bureau, Inc.	Children's Bureau Foundation, Inc.	Eliminations	
<b>REVENUE, GAINS AND SUPPORT</b>				
Revenue and gains:				
Investment return	\$ 8,046	\$ 316,238		\$ 324,284
Miscellaneous income (expense)	128,771	297,266	\$ (273,600)	152,437
Total Revenue and Gains	<u>136,817</u>	<u>613,504</u>	<u>(273,600)</u>	<u>476,721</u>
Support:				
Contributions	1,368,260		(300,603)	1,067,657
Government grant revenue and Medicaid	17,084,842			17,084,842
Service revenue	6,890,863			6,890,863
Brokered government grant revenue	2,606,810			2,606,810
Non-government grants	428,508			428,508
United Way	733,743			733,743
Special events	88,351			88,351
Total Support	<u>29,201,377</u>		<u>(300,603)</u>	<u>28,900,774</u>
Net assets released from restrictions	<u>402,528</u>			<u>402,528</u>
Total Revenue, Gains and Support	<u>29,740,722</u>	<u>613,504</u>	<u>(574,203)</u>	<u>29,780,023</u>
<b>EXPENSES</b>				
Program services	24,762,270	273,232		25,035,502
Supporting services:				
Management and general	3,489,782	461,250	(574,203)	3,376,829
Fundraising	931,828	1,728		933,556
Total Expenses	<u>29,183,880</u>	<u>736,210</u>	<u>(574,203)</u>	<u>29,345,887</u>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	556,842	(122,706)		434,136
<b>NET ASSETS</b>				
Beginning of Year	<u>11,487,385</u>	<u>11,116,106</u>		<u>22,603,491</u>
End of Year	<u>\$ 12,044,227</u>	<u>\$ 10,993,400</u>	<u>\$ -</u>	<u>\$ 23,037,627</u>

**With Donor Restrictions**

<b>Children's Bureau, Inc.</b>	<b>Children's Bureau Foundation, Inc.</b>	<b>Total</b>	<b>Consolidated</b>
\$ 14,078	\$ 1,360,031	\$ 1,374,109	\$ 1,698,393
<u>14,078</u>	<u>1,360,031</u>	<u>1,374,109</u>	<u>152,437</u>
			1,850,830
			7,004
		7,004	1,074,661
			17,084,842
			6,890,863
			2,606,810
605,000		605,000	1,033,508
277,331		277,331	1,011,074
			<u>88,351</u>
<u>889,335</u>		<u>889,335</u>	<u>29,790,109</u>
(402,528)		(402,528)	
<u>500,885</u>	<u>1,360,031</u>	<u>1,860,916</u>	<u>31,640,939</u>
			25,035,502
			3,376,829
			<u>933,556</u>
			<u>29,345,887</u>
500,885	1,360,031	1,860,916	2,295,052
<u>472,974</u>	<u>10,602,801</u>	<u>11,075,775</u>	<u>33,679,266</u>
<u>\$ 973,859</u>	<u>\$11,962,832</u>	<u>\$12,936,691</u>	<u>\$ 35,974,318</u>

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

**CONSOLIDATING SCHEDULE - STATEMENT OF CASH FLOWS INFORMATION  
Year Ended December 31, 2020**

	Children's Bureau, Inc.	Children's Bureau Foundation, Inc.	Eliminations	Consolidated
<b>OPERATING ACTIVITIES</b>				
Increase in net assets	\$ 1,057,727	\$ 1,237,325		\$ 2,295,052
Adjustments to reconcile increase in net assets to net cash provided (used) by operating activities:				
Depreciation	527,519	392,800		920,319
Net realized and unrealized gain on investments	(14,375)	(1,478,428)		(1,492,803)
Increase in certain assets:				
Grants receivable	(1,333,691)			(1,333,691)
Promises to give	(58,151)			(58,151)
Prepaid expenses and other assets	(570,079)	(7,800)	\$ 7,800	(570,079)
Increase (decrease) in certain liabilities:				
Accounts payable and other liabilities	(75,121)	326	(7,800)	(82,595)
Accrued payroll	95,227			95,227
Net Cash Provided (Used) by Operating Activities	<u>(370,944)</u>	<u>144,223</u>	<u>-</u>	<u>(226,721)</u>
<b>INVESTING ACTIVITIES</b>				
Purchases of property and equipment	(615,551)			(615,551)
Purchases of investments		(3,939,045)		(3,939,045)
Sales and maturities of investments		3,632,982		3,632,982
Net Cash Used by Investing Activities	<u>(615,551)</u>	<u>(306,063)</u>		<u>(921,614)</u>
<b>FINANCING ACTIVITIES</b>				
Borrowings on note payable - bank	2,473,600			2,473,600
Principal payments on FSC loan		(107,597)		(107,597)
Net Cash Provided (Used) by Financing Activities	<u>2,473,600</u>	<u>(107,597)</u>		<u>2,366,003</u>
<b>NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS</b>	1,487,105	(269,437)		1,217,668
<b>CASH AND EQUIVALENTS</b>				
Beginning of Year	<u>6,416,168</u>	<u>745,273</u>		<u>7,161,441</u>
End of Year	<u>\$ 7,903,273</u>	<u>\$ 475,836</u>	<u>\$ -</u>	<u>\$ 8,379,109</u>
<b>CASH AND EQUIVALENTS</b>				
Cash	\$ 6,898,825	\$ 196,799		\$ 7,095,624
Cash equivalents held in investments	1,004,448			1,004,448
Cash equivalents held in investments - endowment		279,037		279,037
<b>TOTAL CASH AND EQUIVALENTS</b>	<u>\$ 7,903,273</u>	<u>\$ 475,836</u>		<u>\$ 8,379,109</u>
<b>SUPPLEMENTAL DISCLOSURES</b>				
Interest paid		\$ 37,403		\$ 37,403