BAPTIST CHILDREN'S HOME AND FAMILY SERVICES

FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

INDEX

Marion
2602 W DeYoung St
Marion, IL 62959

It's about time.

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Baptist Children's Home and Family Services
Carmi, Illinois

Opinion

We have audited the accompanying financial statements of the Baptist Children's Home and Family Services (a nonprofit organization)(the Organization), which comprise the statements of financial position as of December 31, 2024 and, 2023 and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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Marion, IL 62959

It's about time.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Atlas CPAs & Advisors PLLC

Marion, Illinois
April 22, 2025

BAPTIST CHILDREN'S HOME AND FAMILY SERVICES
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2024 AND 2023

ASSETS

	2024	2023
Cash and cash equivalents	$ 466,636	$ 507,756
Contributions receivable, net	-	1,420
Accounts receivable, net	20,415	37,247
Other assets	225	225
Contributions receivable - Bequests, net	100,000	15,000
Prepaid expenses	29,877	41,313
Investments - Without designation, at fair value	8,461,705	7,956,070
Land, buildings and equipment, net	1,566,021	1,624,800
Charitable gift annuity assets	13,579	13,310
Contributions receivable - Charitable gift annuity, net	12,482	11,535
Investments - Designated, at fair value	34,430	35,065
Perpetual trust assets	1,573,314	1,520,262
Total Assets	$ 12,278,684	$ 11,764,003

LIABILITIES AND NET ASSETS

	2024	2023
Accounts payable	$ 46,123	$ 57,675
Accrued liabilities	12,051	9,535
Estimated liability for future group medical insurance claims	19,000	40,000
Charitable gift annuity liability	48,090	48,612
Postretirement benefit obligation	888,853	909,623
Total Liabilities	1,014,117	1,065,445
Net Assets:		
Net assets without donor restrictions:		
Undesignated	991,934	975,854
Board designated	412,925	445,350
Quasi-endowment - Board Designated	8,043,314	7,528,570
Total Net Assets without Donor Restrictions	9,448,173	8,949,774
Net Assets with donor restrictions	1,816,394	1,748,784
Total Net Assets	11,264,567	10,698,558
Total Liabilities and Net Assets	$ 12,278,684	$ 11,764,003

The accompanying notes are an integral part of the financial statements.

BAPTIST CHILDREN'S HOME AND FAMILY SERVICES
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024			2023		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	**Without Donor Restrictions**	**With Donor Restrictions**	**Total**
Revenues, Gains, and Other Support:						
Gifts and special offerings	$ 2,272,290	$ 57,187	$ 2,329,477	$ 2,284,921	$ 141,560	$ 2,426,481
Direct support	30,020	-	30,020	19,080	-	19,080
Bequests	404,973	-	404,973	1,789,616	-	1,789,616
Change in value of split interest agreements	1,738	-	1,738	5,622	-	5,622
Adoption fees	112,571	-	112,571	92,769	-	92,769
Counseling fees	337,736	-	337,736	424,557	-	424,557
Farm income	55,510	-	55,510	55,510	-	55,510
Other income	19,037	-	19,037	7,818	-	7,818
Investment income (net of expenses)	241,191	5,415	246,606	198,445	4,782	203,227
Royalty income	24,334	-	24,334	33,926	-	33,926
Net unrealized and realized gains on investments	574,382	3,683	578,065	673,541	7,085	680,626
Unrealized gains on perpetual trusts	-	53,052	53,052	-	83,645	83,645
Net assets released from restrictions:						
Satisfaction of program and supporting service restrictions	51,727	(51,727)	-	110,737	(110,737)	-
Total Revenue, Gains, and Other Support	4,125,509	67,610	4,193,119	5,696,542	126,335	5,822,877
Expenses:						
Program Services:						
Residential Care	1,016,089	-	1,016,089	944,115	-	944,115
Maternity Center	617,660	-	617,660	705,242	-	705,242
Crisis Pregnancy Center	225,370	-	225,370	240,558	-	240,558
Metro-East Counseling Offices	89,411	-	89,411	86,348	-	86,348
Southeastern Illinois Counseling Offices	227,209	-	227,209	254,885	-	254,885
Central Illinois Counseling Offices	164,504	-	164,504	203,679	-	203,679
Total Program Services	2,340,243	-	2,340,243	2,434,827	-	2,434,827
Supporting Services:						
General expenses	219,671	-	219,671	194,960	-	194,960
Administration	505,366	-	505,366	504,700	-	504,700
Fund raising	410,548	-	410,548	338,661	-	338,661
Total Supporting Services	1,135,585	-	1,135,585	1,038,321	-	1,038,321
Total Expenses	3,475,828	-	3,475,828	3,473,148	-	3,473,148
Change in net assets before postretirement related change: other than net periodic postretirement benefit cost	649,681	67,610	717,291	2,223,394	126,335	2,349,729
Postretirement related changes other than net periodic postretirement benefit income	(151,282)	-	(151,282)	(93,774)	-	(93,774)
Change in net assets	498,399	67,610	566,009	2,129,620	126,335	2,255,955
Net assets, beginning of year	8,949,774	1,748,784	10,698,558	6,820,154	1,622,449	8,442,603
Net assets, end of year	$ 9,448,173	$ 1,816,394	$ 11,264,567	$ 8,949,774	$ 1,748,784	$ 10,698,558

The accompanying notes are an integral part of the financial statements.

BAPTIST CHILDREN'S HOME AND FAMILY SERVICES
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024

	Program Services							Support Services				
	Residential Care	Maternity Adoption, and Foster Care	Crisis Pregnancy Center	Metro East Counseling Center	Southeastern Illinois Counseling Center	Central Illinois Counseling Center	Subtotal	General Expenses	Administration Expenses	Fund Raising	Subtotal	Total
Salaries, contractors, and consultants	$ 551,998	$ 360,817	$ 117,426	$ 72,325	$ 148,410	$ 143,400	$ 1,394,376	$ -	$ 363,024	$ 174,475	$ 537,499	$ 1,931,875
Payroll taxes	40,986	26,967	8,443	1,522	5,959	2,032	85,909	-	27,358	13,007	40,365	126,274
Employee retirement and insurance	187,166	97,760	86,933	6,354	55,455	5,319	438,987	-	63,365	46,241	109,606	548,593
Promotion	334	5,282	3,354	308	504	299	10,081	-	-	115,999	115,999	126,080
Travel	3,203	4,217	3,259	124	1,875	87	12,765	67	2,830	18,834	21,731	34,496
Operating expenses	97,513	36,615	7,647	-	-	-	141,775	-	-	1,518	1,518	143,293
Activites program	3,883	-	5,324	-	-	-	9,207	-	-	-	-	9,207
Property tax and insurance	-	-	-	-	-	-	-	130,111	-	-	130,111	130,111
Other insurance	28,586	17,254	-	594	2,378	2,080	50,892	57,982	8,365	9,250	75,597	126,489
Professional services	-	-	-	-	-	-	-	21,640	-	-	21,640	21,640
Training	-	429	2,532	-	-	-	2,961	-	-	-	-	2,961
Professional development	3,099	1,049	1,368	7	781	7	6,311	-	8,107	240	8,347	14,658
Office expenses	2,574	8,837	3,154	1,706	2,765	3,655	22,691	7,638	8,356	4,902	20,896	43,587
Repairs and maintenance	35,084	7,836	8,167	-	-	-	51,087	-	7,577	-	7,577	58,664
License and fees	815	341	863	-	-	-	2,019	-	4,601	521	5,122	7,141
Utilities	8,635	7,720	6,741	2,400	3,215	1,838	30,549	-	6,215	998	7,213	37,762
Depreciation	82,850	28,419	26,886	-	-	-	138,155	100	-	11,247	11,347	149,502
Other	4,609	4,799	-	-	-	-	9,408	2,133	-	10,198	12,331	21,739
Computer expenses	13,173	9,318	7,636	4,071	5,867	5,787	45,852	-	5,568	3,118	8,686	54,538
Postretirement employee benefits	(48,419)	-	(64,363)	-	-	-	(112,782)	-	-	-	-	(112,782)
Total	$ 1,016,089	$ 617,660	$ 225,370	$ 89,411	$ 227,209	$ 164,504	$ 2,340,243	$ 219,671	$ 505,366	$ 410,548	$ 1,135,585	$ 3,475,828

The accompanying notes are an integral part of the financial statements.

BAPTIST CHILDREN'S HOME AND FAMILY SERVICES
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023

	Program Services							Support Services				
	Residential Care	Maternity Adoption, and Foster Care	Crisis Pregnancy Center	Metro East Counseling Center	Southeastern Illinois Counseling Center	Central Illinois Counseling Center	Subtotal	General Expenses	Administration Expenses	Fund Raising	Subtotal	Total
Salaries, contractors, and consultants	$ 457,388	$ 336,865	$ 109,925	$ 65,437	$ 149,720	$ 177,604	$ 1,296,939	$ -	$ 353,246	$ 144,533	$ 497,779	$ 1,794,718
Payroll taxes	49,793	36,060	11,145	1,493	8,402	5,511	112,404	-	32,000	16,128	48,128	160,532
Employee retirement and insurance	147,313	173,630	72,996	8,193	79,029	6,167	487,328	-	53,203	36,454	89,657	576,985
Promotion	1,351	9,358	3,765	316	849	262	15,901	-	75	94,136	94,211	110,112
Travel	1,279	8,610	3,417	147	1,462	252	15,167	-	6,218	13,970	20,188	35,355
Operating expenses	85,851	39,826	2,459	1,242	-	-	129,378	-	449	340	789	130,167
Activites program	1,543	-	-	-	-	-	1,543	-	-	-	-	1,543
Property tax and insurance	-	-	-	-	-	-	-	107,525	-	-	107,525	107,525
Other insurance	18,195	10,966	3,247	959	1,561	1,460	36,388	57,547	4,945	5,756	68,248	104,636
Professional services	-	-	-	-	-	-	-	21,000	-	-	21,000	21,000
Training	-	46	2,251	-	-	345	2,642	1,417	-	-	1,417	4,059
Professional development	1,402	1,770	2,448	-	198	-	5,818	-	8,286	1,180	9,466	15,284
Office expenses	1,357	9,252	2,851	85	2,267	2,092	17,904	7,371	8,593	14,531	30,495	48,399
Repairs and maintenance	35,084	4,846	7,982	-	-	-	47,912	-	2,661	-	2,661	50,573
License and fees	508	265	655	31	184	218	1,861	-	17,124	444	17,568	19,429
Utilities	8,601	6,983	6,726	2,430	3,296	2,040	30,076	-	6,728	777	7,505	37,581
Depreciation	87,903	27,971	24,552	-	-	-	140,426	100	5,267	7,536	12,903	153,329
Other	73,947	28,975	35,000	2,000	2,000	2,000	143,922	-	-	-	-	143,922
Computer expenses	14,001	9,819	6,676	4,015	5,917	5,728	46,156	-	5,905	2,876	8,781	54,937
Postretirement employee benefits	(41,401)	-	(55,537)	-	-	-	(96,938)	-	-	-	-	(96,938)
Total	$ 944,115	$ 705,242	$ 240,558	$ 86,348	$ 254,885	$ 203,679	$ 2,434,827	$ 194,960	$ 504,700	$ 338,661	$ 1,038,321	$ 3,473,148

The accompanying notes are an integral part of the financial statements.

BAPTIST CHILDREN'S HOME AND FAMILY SERVICES
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
Cash Flows from Operating Activities:		
Cash received from contributors	$ 2,650,870	$ 5,290,308
Cash received from services	497,159	518,204
Cash received from farm rental	55,510	55,510
Cash received (paid) from miscellaneous receipts	(8,280)	(2,580,023)
Interest and royalties received	27,480	242,775
Cash paid for program services	(2,512,295)	(2,283,393)
Cash paid for supporting services	(1,004,683)	(1,021,936)
Net Cash Provided (Used) by Operating Activities	(294,239)	221,445
Cash Flows From Investing Activities:		
Proceeds from sales of investments	745,959	-
Donated investments	(426,587)	(94,754)
Proceeds from sales of property and equipment	24,470	-
Purchase of property and equipment	(90,723)	(113,708)
Net Cash Provided (Used) by Investing Activities	253,119	(208,462)
Net increase (decrease) in cash and cash equivalents	(41,120)	12,983
Cash and cash equivalents, beginning of year	507,756	494,773
Cash and cash equivalents, end of year	$ 466,636	$ 507,756
Reconciliation of Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Change in net assets	$ 566,009	$ 2,255,955
Adjustments to reconcile change in net assets to cash provided (used) by operating activities:		
Depreciation	149,502	153,329
Gain on sales of property and equipment	(24,470)	-
Net unrealized and realized gains on investments	(824,372)	(641,754)
Net unrealized and realized gains on split-interest agreements	(1,738)	-
Net unrealized and realized gains on perpetual trusts	(53,052)	(2,710,358)
Increase (Decrease) in accounts receivable	16,832	(18,202)
Decrease in prepaid expenses	11,436	12,863
(Increase) Decrease in contributions receivable	1,420	(1,420)
(Increase) Decrease in contributions receivable - bequests	(85,000)	1,217,191
Increase (Decrease) in accounts payable	(11,552)	844
Increase (Decrease) in accrued liabilities	2,516	(9,060)
Decrease in postretirement benefit liability	(20,770)	(52,943)
Increase (Decrease) in estimated liability for future group medical insurance claims	(21,000)	15,000
Net Cash Provided (Used) by Operating Activities	$ (294,239)	$ 221,445

The accompanying notes are an integral part of the financial statements.

1. NATURE AND PURPOSE OF OPERATIONS

Nature and purpose of operations. Baptist Children's Home and Family Services (Organization), a ministry affiliated with the Illinois Baptist State Association since 1918, provides Christ-centered services that protect, heal and restore children and families in crisis.

The Organization provides care to over 1,500 children and adults annually across Illinois. Abused, neglected and troubled teenagers are served at Baptist Children's Home in Carmi, Illinois; women experiencing a crisis pregnancy are cared for at Angels' Cove in Mount Vernon, Illinois; support and information about pregnancy, sexual health and life are provided by GraveHaven, in Mount Vernon, Illinois; infants and older children are cared for in adoptive homes and foster homes across Illinois; and children and adults receive outpatient counseling services through Pathways Counseling offices in Swansea, Maryville, Wood River, Carlinville, Litchfield, Vandalia, Salem, Harrisburg, Chatham, Effingham, Benton, McLeansboro, Mt. Vernon and Carmi, Illinois.

The Organization's primary funding sources are contributions from churches, individuals, and estate gifts. The services are marketed throughout the state.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of presentation. These financial statements are intended to present the financial position, results of operations and cash flows of the Organization in conformity with accounting principles generally accepted in the United States of America.

Use of estimates. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents. Cash and cash equivalents include cash on hand and deposits in banks. Cash equivalents also include, when applicable, short-term highly liquid securities that are both readily convertible to cash and have an original maturity of three months or less. The Organization maintains cash and cash equivalents in financial institutions which may, at times, exceed federally insured limits. The Organization has not experienced any losses on such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

Investments. Investments consist of funds placed with the Baptist Foundation of Illinois and the Southern Baptist Foundation (Pooled Funds) and are stated at fair value. Funds deposited in the Pooled Funds are invested in money market funds, equities, government bonds, and corporate bonds. The Pooled Funds allocate all interest and dividend income and unrealized gain or loss to the participant's deposit in the pool. Interest and dividend income and the realized and unrealized gain or loss on investments are reported in the statement of activities as unrestricted investment income unless a donor or law restricts its use temporarily or permanently. Donated investments are recorded at fair value on the date of donation and thereafter carried in accordance with the above provisions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Land, building, equipment, and depreciation. The Organization reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service. Purchased fixed assets of $2,000 or greater with a life expectancy of three or more years are carried at cost. Depreciation is computed using the straight-line method over the assets' estimated useful lives.

Split-Interest agreements. The Organization is the beneficiary of charitable gift annuities under which the assets funding the agreements were transferred to the Organization. Under these agreements, the Organization is to pay fixed amounts for specified periods of time to the donors. The assets received are recorded at fair market value in the financial statements. The annuity liabilities are recorded at the present value of expected future cash flows to be paid to the annuity beneficiaries. Discount rates used in calculating the present values of the annuity liabilities range from 3.2% to 6.8%, as established by the IRS. Present value calculations on some annuities are based upon single life expectancy, while others are based upon double life expectancy.

The Organization is the beneficiary of charitable gift annuities under which a third party maintains control of the donated assets. Under these agreements, the Organization will receive their portion of the donated assets upon the donor's death. A receivable has been recorded, at the present value of the estimated future distributions, in the financial statements. The discount rates used in calculating the present value range from 1.4% to 2.0%, as established by the IRS. The present value calculation is based upon double life expectancy.

Beneficial interest in perpetual trusts. The Organization is the beneficiary of perpetual trusts held by third parties, at fair value, under which income is received for unrestricted use. As of December 31, 2024 and 2023, the Organization's beneficial interest in perpetual trust assets was $1,573,314 and $1,520,262, respectively.

Sick and vacation pay. The Organization's policy is to recognize the cost of compensated absences when the employees are actually paid. Employees of the Organization are entitled to paid sick days, which may accumulate up to 90 days. There is no vesting in accumulated sick pay. Employees are also entitled to paid vacation, depending on length of service. Employees are encouraged to take vacations within the calendar year. However, when workload prohibits the taking of vacation, it may be carried over with manager approval. As of December 31, 2024 and 2023, the liability for unused vacation was $5,934 and $2,641, respectively.

Health care contingency. The Organization maintains a self-insurance program for its employees' health care costs. The Organization is liable for annual losses on claims up to $30,000 per individual. The Organization has third-party insurance coverage for any annual losses in excess of such amounts. Self-insurance costs are accrued based on claims reported as of the statement of financial position date as well as an estimated liability for claims incurred but not reported. The total accrued liability for self-insurance costs were $19,000 and $40,000 as of December 31, 2024 and 2023, respectively.

Classes of net assets. The Board of Trustees reports information regarding its financial position and activities according to the following classes of net assets:

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net assets without donor restrictions are currently available at the discretion of the Organization's Board for use in operations, those designated for specific purposes based on the actions of the Organization's Board, including funds held for quasi-endowment.

Net assets with donor restrictions are those contributed with donor stipulations for specific operating purposes or programs, or those with time restrictions and those which represent permanent endowments and perpetual trusts where it is stipulated by donors that the principal remains in perpetuity and only the income is available as unrestricted or temporarily restricted, as per endowment agreements.

<u>Revenues and expenses.</u> The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated amounts. Gifts and special offerings are considered to be available for unrestricted use unless specifically restricted by the donor. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restriction.

Volunteers have donated significant amounts of time in specific programs and solicitations. However, no amounts for these donated services have been reflected in the financial statements because these donations do not meet the criteria for recognition under accounting principles generally accepted in the United States of America.

Unconditional promises to give are recognized as revenue or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

All other revenue is recorded when earned.

<u>Income Taxes.</u> The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (Code) and is not a private foundation under Section 509(a) of the Code.

Management has evaluated the Organization's positions as of December 31, 2024 and concluded that that the Organization has taken no uncertain tax positions that require adjustment to or disclosure in the financial statements to comply with the provisions of the accounting guidance for uncertainty in income taxes.

<u>Expenses are recorded when incurred.</u> The costs of providing various programs and supporting services have been presented on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program and supporting services benefited.

<u>Leases.</u> In February 2016 the FASB issued ASU No. 2016 02, Leases (Topic 842). This new standard is intended to improve financial reporting about leasing transactions by requiring entities that lease assets to recognize on their statement of financial position the assets and liabilities for the rights and obligations created by those leases, and to provide additional disclosures regarding the leases. Leases with terms (as defined by the ASU) of twelve months or less are not required to be reflected on an entity's statement of financial position.

The Organization determines if a contract is, or contains, a lease at inception or modification of the agreement. A contract is, or contains, a lease if there are identified assets and the right to control the use of an identified asset is conveyed for a period of time in exchange for consideration. Control

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

over the use of the identified asset means that the lessee has both the right to obtain substantially all of the economic benefits from the use of the asset and the right to direct the use of the asset.

For leases with terms greater than a year, the Organization records right-of-use ("ROU") assets and lease liabilities on the balance sheet, as measured on a discounted basis. For finance leases, the Organization recognize interest expense associated with the lease liability and depreciation expense associated with the ROU asset; for operating leases, the Organization recognizes straight-line lease expense.

The Organization will not recognize ROU assets or lease liabilities for leases with a term of 12 months or less. However, costs related to short-term leases with terms greater than one month, which the Organization deems material, will be disclosed as a component of lease expenses when applicable.

Finance and operating lease ROU assets and liabilities are recognized based on the present value of future minimum lease payments over the expected lease term at commencement. As the implicit rate is not determinable in most of the Organization's leases, management uses the Organization's incremental borrowing rate in determining the present value of future payments. The expected lease terms include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise such option. Lease expense for minimum lease payments is recognized on a straight-line basis over the expected lease term. The implementation of ASC 842 had no impact on the Organization's current year financial statements.

3. CURRENT ASSETS AND CURRENT LIABILITIES

The following is a summary of those assets and liabilities expected to be available for operations or to mature within one year of December 31:

	2024	2023
Current Assets:		
Cash	$ 466,636	$ 507,756
Contributions receivable, net	-	1,420
Accounts receivable, net	20,415	37,246
Other Assets	225	225
Contributions receivable - Bequests, net	100,000	15,000
Prepaid expenses	29,877	41,313
Investments, at fair value	848,000	738,500
Charitable gift annuity assets	13,579	13,310
Total Current Assets	$ 1,478,732	$ 1,354,770
Current Liabilites:		
Accounts payable	$ 46,123	$ 57,675
Accrued liabilites	12,051	9,535
Estimated liability for future group medical insurance claims	19,000	40,000
Charitable gift annuity liability	13,579	13,310
Postretirement benefit obligation	67,535	74,665
Total Current Liabilites	$ 158,288	$ 195,185
Excess of Current Assets over Liabilites	$ 1,320,444	$ 1,159,585

4. LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, are made up of the following:

Cash	$ 466,636
Accounts receivable, net	20,415
Contributions receivable - Bequests, net	100,000
Investments, at fair value	848,000
Charitable gift annuity assets	13,579
	$ 1,448,630

The Organization's endowment funds consist of donor-restricted endowments and a quasi-endowment. Income from donor-restricted endowments is restricted for specific purpose and, therefore, is not available for general expenditures. As of December 31, 2024 and 2023 the Organization has quasi-endowment funds of $8,043,314 and $7,528,570, respectively. Although the Organization does not intend to spend from its quasi-endowment fund other than amounts appropriated for general expenditures as part of its annual budget approval and appropriation process, amounts from its quasi-endowment could be made available if necessary.

5. INVESTMENTS

Investments consist of the following at December 31:

	2024	2023
Baptist Foundation of Illinois		
Equities	$ 109,611	$ 313,187
ETPs, Mutual, Closed-end, and Interval Funds	115,001	110,250
Corporate bonds	301,799	17,562
Municipal bonds	441,138	477,097
Cash & Cash Equivalent	4,653	57,550
	$ 972,202	$ 975,646
Southern Baptist Foundation		
Money market accounts	$ 1,729,629	$ 1,984,986
Balanced fund	57,481	51,195
Equity fund	4,170,430	3,463,171
Flexible income fund	33,502	34,536
Income fund	1,532,891	1,481,601
	$ 7,523,933	$ 7,015,489
Total Investments	$ 8,496,135	$ 7,991,135

5. **INVESTMENTS (Continued)**

Investments are held for the following purposes at December 31:

	2024			
	Cost	Market Value	Gross Unrealized Gain	Gross Unrealized Loss
Investments:				
Quasi-Endowment Fund	$ 5,450,642	$7,368,962	$ 1,918,320	$ -
Quasi-Endowment Fund invested through Baptist Foundation of Illinois	1,105,752	972,202	-	133,550
Donor Restricted Fund	122,634	120,383	-	2,251
Operations Reserve	158	158	-	-
Total Investments - Without Designation	6,679,186	8,461,705	1,918,320	135,801
Investments - Designated:				
Williams Scholarship Fund	36,000	28,171	-	7,829
Heaton Education Fund	7,999	6,259	-	1,740
Total Investments - Designated	43,999	34,430	-	9,569
Total Investments	$ 6,723,185	$8,496,135	$ 1,918,320	$ 145,370

	2023			
	Cost	Market Value	Gross Unrealized Gain	Gross Unrealized Loss
Investments:				
Quasi-Endowment Fund	$ 5,597,385	$6,866,087	$ 1,268,702	$ -
Quasi-Endowment Fund invested through Baptist Foundation of Illinois	1,037,021	975,659	-	61,362
Donor Restricted Fund	120,750	114,166	-	6,584
Operations Reserve	158	158	-	-
Total Investments - Without Designation	6,755,314	7,956,070	1,268,702	67,946
Investments - Designated:				
Williams Scholarship Fund	35,987	28,690	-	7,297
Heaton Education Fund	7,996	6,375	-	1,621
Total Investments - Designated	43,983	35,065	-	8,918
Total Investments	$ 6,799,297	$7,991,135	$ 1,268,702	$ 76,864

5. INVESTMENTS (Continued)

The following schedule summarizes the investment return and its classification in the statement of activities for the year ended December 31:

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Interest income	$ 241,191	$ 5,415	$ 246,606
Net realized and unrealized gain	574,382	3,683	578,065
Royalty income	24,334	-	24,334
Total investment return	$ 839,907	$ 9,098	$ 849,005

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Interest income	$ 198,445	$ 4,782	$ 203,227
Net realized and unrealized gain	673,541	7,085	680,626
Royalty income	33,926	-	33,926
Total investment return	$ 905,912	$ 11,867	$ 917,779

6 LAND, BUILDINGS AND EQUIPMENT

Land, buildings, equipment and accumulated depreciation are summarized as follows at December 31:

	2024	2023
Land	$ 77,545	$ 77,545
Buildings and improvements	4,202,390	4,169,771
Equipment and furniture	1,225,716	1,212,468
Total	5,505,651	5,459,784
Less: Accumulated depreciation	3,939,630	3,834,984
Land, Buildings and Equipment - Net	$ 1,566,021	$ 1,624,800

Depreciation expense for the years ended December 31, 2024 and 2023 were $149,502 and $153,329 respectively.

7. LEASED PROPERTY

The Organization leases 432 acres of farmland and agricultural buildings to a tenant under a lease which expires in 2025. At December 31, 2024 and 2023, the leased property was carried at a cost of $86,277, with accumulated depreciation of $77,307 and $77,207, respectively. Rent is recorded as income over the term of the lease.

The following is the minimum future rental of the agricultural land and buildings under non-cancellable leases for the year ending December 31:

2025	$ 55,510
Total minimum future rental income	$ 55,510

8. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at December 31, 2024 and 2023 are restricted to:

	2024	2023
Maternity Center operations	$ 64,975	$ 69,073
Scholarships	72,411	71,852
Various donor restrictions	71,264	52,532
Investments held in perpetuity, the income from which is expendable to grant scholarships	34,430	35,065
Investments held in perpetual trusts, the income from which is expendable for general operations	1,573,314	1,520,262
Total	$ 1,816,394	$ 1,748,784

9. RELEASE OF NET ASSETS WITH DONOR RESTRICTIONS

Net assets were released from restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors. Net assets released from restrictions for the year ended December 31:

	2024	2023
Residential care	$ 9,124	$ 75,739
Maternity center operations	24,620	3,017
Crisis Pregnancy Center	5,606	21,963
Faith Adoption	2,143	1,898
Fundraising	1,599	-
Counseling	5,635	4,120
Scholarships	3,000	4,000
Satisfaction of program and supporting service restrictions	$ 51,727	$ 110,737

10. RETIREMENT PROGRAM

The Organization maintains a retirement program with GuideStone Financial Resources of the Southern Baptist Convention. The plan covers all employees who are regularly scheduled to work at least 1,500 hours annually. Contributions to the plan are based upon years of service to the Organization. The contributions for the years ended December 31, 2024 and 2023 were $90,242 and $81,104 , respectively.

11. CONTRIBUTIONS RECEIVABLE

Contributions receivable includes 2024 and 2023 contributions received in January, 2025 and 2024, respectively. The total contributions receivable at December 31, 2024 and 2023 was $0 and $1,420, respectively.

12. POSTRETIREMENT BENEFITS

The Organization has a policy regarding postretirement health care benefits, postretirement life insurance, and postretirement gifts at the expense of the Organization. FASB ASC 715-60 requires a reconciliation of the funded status of the plan. The December 31, 2024 and 2023 reconciliations are as follows:

	2024	2023
Accumulated postretirement benefit obligation	$ 888,853	$ 909,623
Plan assets at fair value	-	-
Funded status	888,853	909,623
Unrecognized net gain	362,344	513,626
Accrued/(prepaid) postretirement benefit/cost	1,251,197	1,423,249
Other comprehensive income recognized	(362,344)	(513,626)
Net recognized cost	$ 888,853	$ 909,623
Current liability	$ 67,535	$ 74,665
Noncurrent liability	821,318	834,958
	$ 888,853	$ 909,623

The accumulated postretirement benefit obligation (APBO) is the actuarial present value of all benefits attributed to service rendered prior to the valuation date, using a linear proration based on service rendered to date compared to service rendered to decrement, capped at full eligibility. It is calculated based on the projected unit cost method.

The fair value of the plan assets represents the market value of assets.

Prior service cost is the cost of retroactive benefits granted in a plan amendment. The unrecognized prior service cost is the portion of prior service cost that has not been recognized as a part of net periodic postretirement benefit cost. Amortization of the unrecognized prior service cost is required and shall be the unrecognized prior service cost divided by the average remaining service to full eligibility of the active participants who have not reached full eligibility and are expected to receive benefits under the plan.

12. POSTRETIREMENT BENEFITS (Continued)

Gains and losses are changes in the amount of either the APBO or plan assets resulting from experiences different from that assumed and from changes in assumptions. The unrecognized net gain or loss is the cumulative net gain or loss that has not been recognized as a part of net periodic postretirement benefit cost. Amortization of an unrecognized net gain or loss is included as a component of net periodic postretirement benefit cost for a year if, as of the beginning of the year, that unrecognized net gain or loss exceeds 10 percent of the greater of the APBO or the plan assets at fair value. If amortization is required, the amortization shall be that excess divided by the average remaining service period of active participants expected to receive benefits under the plan.

The unrecognized transition obligation is that portion of the transition obligation or asset that has not been recognized either immediately or on a delayed basis as a part of net periodic postretirement cost, as an offset to certain gains, or as a part of accounting for the effects of a settlement or curtailment.

The transition obligation or asset at the date of initial application of SFAS No. 106 was calculated as the APBO minus the fair value of plan assets minus any accrued or prepaid postretirement benefit cost as of that time.

Since there are no plan assets currently being set aside exclusively for postretirement benefits other than pensions, benefits actually paid on behalf of retired participants can be considered the only contributions, which are paid on a pay-as-you-go basis.

The current liability is used principally to designate obligations whose liquidation is reasonably expected to require the use of existing resources properly classifiable as current assets, or the creation of other current liabilities. This classification is intended to include debts which arise from operations directly related to the operating cycle, such as accruals for wages, etc. The current liability classification is also intended to include obligations for items that are generally due on demand or will be due within one year from the balance sheet date (or during the operating cycle, if longer), even though liquidation may not be expected within that period. For purposes of postretirement benefit obligations, this usually consists of those benefits that are expected to be paid during the operating cycle.

The change in the post-retirement benefit obligation consists of the following at December 31, 2024:

Change in Accumulated Postretirement Benefit Obligation for 2024:	
December 31, 2023 Accumulated Postretirement Benefit Obligation	$ 909,623
+ Service cost for 2024	6,019
+ Interest cost for 2024	43,762
- Benefits paid for 2024	(59,270)
- Change in discount rate assumption	(50,088)
+ Change in other economic assumptions	14,516
- Change in demographic assumptions	78
- Actuarial loss	24,213
December 31, 2024 Accumulated Postretirement Benefit Obligation	$ 888,853

12. POSTRETIREMENT BENEFITS (Continued)

ASU 2018-14 will explicitly require an explanation of the reasons for significant gains and losses related to changes in the benefit obligation for the period. As such, note that the discount rate gain of about $50,000 was the result of the rate increasing from 4.98% to 5.55% The other economic assumption loss of not quite $14,000 was due to updating the health care cost trend rates to the 2024-2025 basis, while the tiny demographic assumption loss of less than $100 came from revising the disability table to the 2024 OASDI basis. Finally, the remaining actuarial loss of a bit over $24,000 was due to other plan experience; this was from the greater than expected growth in health care premiums and the miscellaneous net unfavorable census changes that differed from anticipated movement, offset somewhat by the positive impact of actual versus expected benefits paid (including interest timing adjustments).

Change in Plan Assets for 2024:	
December 31, 2023 plan assets at fair value	$ -
+ Contributions for 2024	59,270
- Benefits paid for 2024	(59,270)
+ Actual return on assets for 2024	-
December 31, 2024 plan assets at fair value	$ -

Change in Accrued Postretirement Benefit Cost for 2024:	
December 31, 2023 (Accrued) benefit cost	$ (1,423,249)
+ Net Benefit Income for 2024	112,782
+ Contributions for 2024	59,270
December 31, 2024 (Accrued) benefit cost	$ (1,251,197)

Change in Accumulated Other Comprehensive Income for 2024:	
December 31, 2023 Accumulated Other Comprehensive Income	$ 513,626
+ Gain Recognized by Net Benefit Cost for 2024	(162,563)
+ New Unrecognized Gain for 2024	11,281
December 31, 2024 Accumulated Other Comprehensive Income	$ 362,344

Change in Net Recognized Cost for 2024:	
December 31, 2023 Net recognized cost	$ (909,623)
+ Net Benefit Income for 2024	112,782
+ Contributions for 2024	59,270
+ Other Comprehensive Income Recognized During 2024	(151,282)
December 31, 2024 Net recognized cost	$ (888,853)

The net periodic postretirement benefit costs are broken into several separate components. The 2024 and projected 2025 net periodic postretirement benefit cost and the assumptions utilized in making the calculations are shown below:

12. POSTRETIREMENT BENEFITS (Continued)

	2024	Projected 2025
Service cost	$ 6,019	$ 6,639
Interest cost	43,762	47,851
Gain to the extent recognized	(162,563)	(85,456)
Total Net Periodic Postretirement Benefit Cost	$ (112,782)	$ (30,966)

The service cost is the actuarial present value of the benefits attributed to service during the fiscal year. It is what is customarily referred to as the normal cost and is calculated according to the projected unit cost method. The interest cost represents the increase in the APBO due to the passage of time.

The expected return on plan assets is based on the fair value of plan assets and takes into account contributions and benefit payments.

Disclosure Assumptions:	2024	2023
Discount rate	5.55%	4.98%
Salary scale	3.00%	3.00%
Expected long-term health care costs increase		
Initial rate		
- Pre-65 (Medical/Rx)	7.90%/11.40%	6.80%/9.90%
- Post-65 (Medical/Rx)	5.00%/6.60%	4.40%/6.60%
Ultimate rate		
- Pre-65 (Medical/Rx)	4.37%/4.87%	4.37%/4.87%
- Post-65 (Medical/Rx)	4.37%/4.87%	4.40%/4.87%
Time to ulitmate rate	8 years	8 years
Weighted average remaining service -		
Active participants	3.2 years	2.6 years
Mortality basis	Pri-2012 Total Dataset (generational projection using MP-2021-GFR)	Pri-2012 Total Dataset (generational projection using MP-2021-GFR)

Information About Employer's Obligation as of December 31, 2024:

Accumulated postretirement benefit obligation for inactive participants	$ 635,580
Accumulated postretirement benefit obligation for active fully eligible participants	202,768
Accumulated postretirement benefit obligation for active participants other than active fully eligible participants	50,505
Accumulated Postretirement Benefit Obligation	$ 888,853

12. POSTRETIREMENT BENEFITS (Continued)

Projected benefit payments for each of the next five years and for the five years following December 31, 2024, in the aggregate, are as follows:

Fiscal Year	Expected Benefit Payments
2025	$ 67,535
2026	60,379
2027	64,644
2028	65,929
2029	73,743
2030 - 2034	363,519
	$ 695,749

13. FAIR VALUE MEASUREMENTS

FASB ASC 820, Fair Value Measurements and Disclosures, provides the framework for measuring fair value. The standard establishes a three-level valuation hierarchy for disclosure based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). An asset's fair value measurement level within the hierarchy is based on the lowest level of input that is significant to the valuation.

The three levels are defined as follows:

- Level 1 – Inputs to the valuation methodology are quoted prices for identical assets or liabilities in active markets.
- Level 2 – Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The Organization uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs were used only when Level 1 or Level 2 inputs were not available. Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs have the lowest priority.

The methods and assumptions described above were used to estimate the fair value of each class of financial instruments for which it is practical to estimate the fair value.

The valuation of financial instruments carried at fair value on a recurring basis as follows:

13. FAIR VALUE MEASUREMENTS (Continued)

Assets measured at fair value on a recurring basis

		Fair Value Measurements Using:		
December 31, 2024	Fair Value	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Unobservable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Baptist Foundation of Illinois:				
Equities	$ 109,611	$ 109,611	$ -	$ -
ETPs, Mutual, Closed-end, and Interval Funds	115,001	115,001	-	-
Corporate bonds	301,799	301,799	-	-
Municipal bonds	441,138	441,138	-	-
Cash & Cash Equivalent	4,653	4,653	-	-
	$ 972,202	$ 972,202	$ -	$ -
Southern Baptist Foundation				
Money market accounts	$ 1,729,629	$ 1,729,629	$ -	$ -
Balanced fund	57,481	57,481	-	-
Equity fund	4,170,430	4,170,430	-	-
Flexible income fund	33,502	33,502	-	-
Income fund	1,532,891	1,532,891	-	-
	$ 7,523,933	$ 7,523,933	$ -	$ -
Total Investments	$ 8,496,135	$ 8,496,135	$ -	$ -

		Fair Value Measurements Using:		
December 31, 2023	Fair Value	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Unobservable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Baptist Foundation of Illinois:				
Equities	$ 313,187	$ 313,187	$ -	$ -
ETPs, Mutual, Closed-end, and Interval Funds	110,250	110,250	-	-
Corporate bonds	17,562	17,562	-	-
Municipal bonds	477,097	477,097	-	-
Cash & Cash Equivalent	57,550	57,550	-	-
	$ 975,646	$ 975,646	$ -	$ -
Southern Baptist Foundation				
Money market accounts	$ 1,984,986	$ 1,984,986	$ -	$ -
Balanced fund	51,195	51,195	-	-
Equity fund	3,463,171	3,463,171	-	-
Flexible income fund	34,536	34,536	-	-
Income fund	1,481,601	1,481,601	-	-
	$ 7,015,489	$ 7,015,489	$ -	$ -
Total Investments	$ 7,991,135	$ 7,991,135	$ -	$ -

There have been no changes in the methodologies used during the year ended December 31, 2024 and 2023.

14. ENDOWMENT FUNDS

The Organization's endowment consists of two donor funds restricted for scholarships and quasi-endowment funds. Its endowment includes both donor restricted endowment funds and funds designated by the Board of Trustees to function as endowments. Net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Trustees of the Organization has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift, as of the gift date of the donor restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, the Organization considers the following factors in making the determination to appropriate or accumulate donor restricted endowment funds:

a. The duration and preservation of the fund
b. The purposes of the Organization and the donor restricted endowment fund
c. General economic conditions
d. The possible effect of inflation and deflation
e. The expected total return from income and the appreciation of investments
f. Other resources of the Organization
g. The investment policies of the Organization

Endowment net asset composition by type of funds as of 2024:

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor restricted funds	$ -	$ 34,430	$ 34,430
Board designated funds	8,043,314	-	8,043,314
Total funds	$ 8,043,314	$ 34,430	$ 8,077,744

14. ENDOWMENT FUNDS (Continued)

Change in endowment net assets for the year ended December 31, 2024:

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ 7,528,570	$ 35,065	$ 7,563,635
Investment return:			
Investment income	240,685	1,455	242,140
Net gains/(losses) (realized and unrealized)	574,382	(635)	573,747
Total investment return	815,067	820	815,887
Contributions	438,177	-	438,177
Amounts appropriated for expenditure	(738,500)	(1,455)	(739,955)
	514,744	(635)	514,109
Endowment net assets, end of year	$ 8,043,314	$ 34,430	$ 8,077,744

Endowment net asset composition by type of funds as of 2023:

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor restricted funds	$ -	$ 35,065	$ 35,065
Board designated funds	7,528,570	-	7,528,570
Total funds	$ 7,528,570	$ 35,065	$ 7,563,635

Change in endowment net assets for the year ended December 31, 2023:

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ 5,447,201	$ 34,728	$ 5,481,929
Investment return:			
Investment income	198,445	4,782	203,227
Net gains (realized and unrealized)	673,541	7,085	680,626
Total investment return	871,986	11,867	883,853
Contributions	1,661,627	99,207	1,760,834
Amounts appropriated for expenditure	(452,244)	(110,737)	(562,981)
	2,081,369	337	2,081,706
Endowment net assets, end of year	$ 7,528,570	$ 35,065	$ 7,563,635

14. ENDOWMENT FUNDS (Continued)

Funds with Deficiencies:
From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or SPMIFA requires the Organization to retain as a fund of perpetual duration. There were no deficiencies as of December 31, 2024 and 2023.

Return Objectives and Risk Parameters:
The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor restricted funds that the Organization must hold in perpetuity as well as the quasi-endowment fund. The Organization expects its endowment funds, over time, to provide an average rate of return between 5% and 9% annually. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives:
To satisfy its long-term rate of return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to the Spending Policy:
The Organization has a policy of appropriating the distribution each year the interest income on the donor restricted funds and an annually approved amount for the quasi-endowment fund.

15. CONTRIBUTED FACILITIES

During the year ended December 31, 2024 and 2023, the Organization maintained counseling offices in various locations throughout the State of Illinois. The use of this office space was donated by various churches or associations. Contribution revenue of $16,800 and rent expense of $16,800 have been recorded in the financial statements as a result of these transactions for each of the years ended December 31, 2024 and 2023, respectively.

16. SUBSEQUENT EVENTS

In preparing the financial statements, the Organization has evaluated events and transactions for potential disclosure through April 22, 2025, the date the financial statements were available to be issued. Management has determined that there are no events that have occurred subsequent to December 31, 2024, that would require disclosure.