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LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.
RUSTON, LOUISIANA

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RUSTON, LOUISIANA

**REPORT ON INTERNAL CONTROLS AND COMPLIANCE
BASED ON AN AUDIT PERFORMED IN ACCORDANCE WITH
GOVERNMENT ACCOUNTING STANDARDS**

**APPENDIX TO REPORT ON INTERNAL CONTROLS AND
COMPLIANCE BASED ON AN AUDIT OF THE FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT ACCOUNTING STANDARDS**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date: **APR 15 1998**
**FINANCIAL STATEMENTS AND
SUPPLEMENTARY DATA
DECEMBER 31, 1997 AND 1998
AND
INDEPENDENT AUDITORS' REPORT**

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February 18, 1998

Mr. Tarell DeVille
Louisiana United Methodist Children
And Family Services, Inc.
P.O. Box 829
Ruston, Louisiana 71273-0829

Dear Mr. DeVille:

In connection with our audit of your financial statements for the year ended December 31, 1997, we issued our report on internal controls and compliance dated February 18, 1998. In that report we stated that we identified no material weaknesses in internal control and no instances of noncompliance that required to be reported.

During our audit, we discussed with you the Organization's plans to actively seek donated services from area churches and organized groups. We also discussed the need to establish a method to determine the fair value for donated services and procedures to record the value of the services in the accounting records. Along the same lines your procedure for recording the value of non-cash contributions should be refined so that such contributions are timely recorded and included in your interim financial statements.

We also discussed the Organization's desires and efforts to maintain cash balances in banks within the level secured by FDIC insurance. Your repurchase agreement with Bank One does an excellent job at accomplishing your goals. However, under the agreement, the bank will "sweep" into investments only collected funds. Accordingly, on certain dates, the bank statement will reflect a balance in excess of \$100,000. The balance would primarily be recently deposited checks on out-of-town banks that had not cleared the Federal Reserve Bank.

If the situation described above is a concern, you might request the bank to secure your banking activities by pledging specific investments as security for your account.

Sincerely,


Dave E. Minchew, CPA

GEM/s

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**REPORT ON INTERNAL CONTROLS AND
COMPLIANCE BASED ON AN AUDIT PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

We have audited the financial statements, as listed in the table of contents, of Louisiana United Methodist Children and Family Services, Inc., as of and for the year ended December 31, 1997 and 1998 and have issued our report thereon, dated February 18, 1998. We have conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. The attached Appendix is an integral part of this report.

In planning and performing our audit, we obtained an understanding of the Louisiana United Methodist Children and Family Services, Inc.'s internal control and assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements. We also tested the Louisiana United Methodist Children and Family Services, Inc.'s compliance with laws, regulations, and other provisions of contracts and grants that could have a direct and material effect on the financial statements.

We identified no material weaknesses in internal control and no instances of noncompliance that are required to be reported herein under Government Auditing Standards. We noted other matters involving the design and operations of internal control that we have reported to management of Louisiana United Methodist Children and Family Services, Inc. in a separate letter dated February 18, 1998. However, our consideration of the Louisiana United Methodist Children and Family Services, Inc.'s internal control and our testing of its compliance with laws, regulations, and provisions of contracts and grants were not designed to and did not provide sufficient evidence to express an opinion on such matters and would not necessarily disclose all matters that might be material weaknesses. Accordingly, we do not express an opinion on Louisiana United Methodist Children and Family Services, Inc.'s internal control or on its compliance with laws, regulations, and provisions of contracts and grants.

This report is intended for the information of the audit committee, management, and federal awarding agencies and regulatory and legislative bodies.

Minschew, Robinson, Gardner, Langston and Bryan

February 18, 1998

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**APPENDIX TO REPORT ON INTERNAL CONTROLS
AND COMPLIANCE BASED ON AN AUDIT OF THE
FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT ACCOUNTING STANDARDS**

Responsibility of Management

The management of Louisiana United Methodist Children and Family Services, Inc. is responsible for compliance with laws, regulations, contracts, and grants applicable to Louisiana United Methodist Children and Family Services, Inc., and for establishing and maintaining internal control. The objectives of internal control are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition and transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles.

Definitions

Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of internal control that, in our judgment, could adversely affect the Louisiana United Methodist Children and Family Services, Inc.'s ability to record, process, summarize, and report financial data consistent with the assertion of management in the financial statements.

A material weakness is a reportable condition in which the design or operation of internal control does not reduce to a relatively low level the risk that errors and irregularities in amounts that would be material in relation to the financial statements being audited could occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Hinchew, Robinson, Gardner, Langston and Bryan

February 18, 1998

**LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.
RUSTON, LOUISIANA**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY DATA
DECEMBER 31, 1997 AND 1996
AND
INDEPENDENT AUDITORS' REPORT**

LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.

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**INDEPENDENT AUDITORS' REPORT ON FINANCIAL
STATEMENTS BASED ON AN AUDIT PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

We have audited the accompanying statements of financial position of Louisiana United Methodist Children and Family Services, Inc., as of December 31, 1997 and 1996, and the related statements of activities and cash flows for the years then ended, as listed in the table of contents. These financial statements are the responsibility of Louisiana United Methodist Children and Family Services, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Louisiana United Methodist Children and Family Services, as of December 31, 1997 and 1996, and the changes in net assets and cash flows for the years then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated February 18, 1998 on our consideration of Louisiana United Methodist Children and Family Services, Inc.'s internal control and tests of its compliance with laws and regulations.

Mincew, Robinson, Gardner, Langston and Bryan

February 18, 1998

**LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.**

**COMBINED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 1997 AND 1996**

	Current Operating Fund	Endowment Fund	Local Investment Fund	General Fund Assets	Total 1997	Total 1996
ASSETS						
Current Assets						
Cash and cash equivalents	\$ 158,868	\$ 841,888	\$ 198,131	\$	\$ 1,098,887	\$ 721,713
Accounts receivable	205,797		88,345		294,142	372,022
Prepaid expenses	28,622				28,622	34,896
Prepaid tuition - temporarily restricted			13,185		13,185	
Total current assets	\$ 393,287	\$ 841,888	\$ 299,661	\$	\$ 1,535,836	\$ 1,128,631
Other Assets						
Prepaid tuition - temporarily restricted	\$	\$	\$ 12,882	\$	\$ 12,882	\$
Long-Term Investments						
Certificates of deposit - restricted	\$	\$	\$ 47,340	\$	\$ 47,340	\$ 88,134
Stocks, bonds and notes		21,723,858	16,231		21,741,079	19,856,710
Investment property			882,884		882,884	822,082
Trust funds - restricted			688,838		688,838	871,222
Total long-term investments	\$	\$ 21,723,858	\$ 1,578,094	\$	\$ 23,990,792	\$ 20,738,148
Property and Equipment						
Land and improvements	\$	\$	\$	\$ 44,828	\$ 44,828	\$ 44,828
Property, plant and equipment				7,411,748	7,411,748	4,488,076
Less: Accumulated depreciation				(7,052,882)	(7,052,882)	(4,788,076)
Total property and equipment	\$	\$	\$	\$ 44,694	\$ 44,694	\$ 304,828
Total Assets	\$ 393,287	\$ 22,588,746	\$ 1,578,094	\$ 44,694	\$ 24,604,821	\$ 22,155,637
LIABILITIES						
Current Liabilities						
Accounts payable	\$ 47,128	\$	\$	\$	\$ 47,128	\$ 148,081
Accrued compensation	(54,251)				(54,251)	(114,864)
Total current liabilities	\$ (6,123)	\$	\$	\$	\$ (6,123)	\$ 33,217
Net Assets						
Unrestricted	\$ 387,164	\$ 22,588,746	\$ 762,788	\$ 4,604,884	\$ 28,343,582	\$ 24,911,761
Temporarily restricted			799,306		799,306	821,882
Total net assets	\$ 387,164	\$ 22,588,746	\$ 1,562,094	\$ 4,604,884	\$ 29,142,888	\$ 25,733,643
Total Liabilities and Net Assets	\$ 381,041	\$ 22,588,746	\$ 1,562,094	\$ 4,604,884	\$ 29,136,769	\$ 25,766,860

The accompanying notes are an
integral part of this statement.

**LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.**

**COMBINED STATEMENTS OF ACTIVITIES
For The Years Ending December 31, 1997 and 1996**

	General Operating Fund	Endowment Fund	Local Investment Fund	General Fund Assets	Total Net Assets 1997	Total Net Assets 1996
UNRESTRICTED SUPPORT AND REVENUE:						
Contributions	\$ 404,700	\$ -	\$ 200,000	\$ -	\$ 604,700	\$ 483,300
Children's lease offerings	71,281				71,281	181,848
Gifts and bequests			1,000		1,000	18,774
Child care support	2,000,110				2,000,110	2,607,288
Independent living services	89,400				89,400	60,480
Other federal grants for children						15,737
Family development services	11,046				11,046	40,480
Trust funds	66,467		1,836		68,303	68,308
Interest income	4,408		972		5,380	36,544
Dividend income	11,580		303,279		314,859	251,118
Revolutions	11,760	1,088,004	1,170		1,100,934	400,000
Net realized and unrealized gain on investments						2,581,125
Other investment income			20,104		20,104	200,181
	<u>\$ 3,603,362</u>	<u>\$ 1,788,008</u>	<u>\$ 525,082</u>	<u>\$ -</u>	<u>\$ 5,916,452</u>	<u>\$ 6,927,125</u>
EXPENSES:						
Administrative and general	\$ 494,440	\$ 108,748	\$ 13,647	\$ -	\$ 616,835	\$ 551,227
Plant operation and maintenance	276,000				276,000	390,000
Emergency shelter care	411,467				411,467	544,131
Residential group care	1,094,000				1,094,000	1,330,000
Eden street shelter	201,188				201,188	484,184
Adoptive placement	70,000				70,000	87,368
Family development services	100,474				100,474	188,113
Support and independent living	78,494				78,494	68,871
Support children's housing	20,075				20,075	35,488
Public relations and development	247,444				247,444	236,450
Debt service	50,474				50,474	200,100
Child support services	48,740				48,740	389,111
Provision for doubtful debts				271,000	271,000	271,000
	<u>\$ 4,089,084</u>	<u>\$ 126,746</u>	<u>\$ 13,647</u>	<u>\$ 271,000</u>	<u>\$ 4,499,177</u>	<u>\$ 4,717,812</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	<u>\$ (485,722)</u>	<u>\$ 2,661,260</u>	<u>\$ 511,435</u>	<u>\$ (271,000)</u>	<u>\$ 3,415,973</u>	<u>\$ 2,209,313</u>
CHANGE IN UNRESTRICTED NET ASSETS FROM OPERATIONS	<u>\$ (485,722)</u>	<u>\$ 2,661,260</u>	<u>\$ 511,435</u>	<u>\$ (271,000)</u>	<u>\$ 2,415,973</u>	<u>\$ 2,209,313</u>
OTHER CHANGES IN NET ASSETS						
Property and equipment acquisition and transfers	23,797		(60,771)	60,000		
Operating transfers	65,441	(1,714,891)	884,021			
Endowment transfers		217,121	(282,481)			
	<u>\$ 89,238</u>	<u>\$ (1,497,770)</u>	<u>\$ 301,550</u>	<u>\$ 60,000</u>	<u>\$ (1,147,082)</u>	<u>\$ -</u>
CHANGE IN UNRESTRICTED NET ASSETS	<u>\$ 39,516</u>	<u>\$ 2,163,490</u>	<u>\$ 219,885</u>	<u>\$ 60,000</u>	<u>\$ 1,268,884</u>	<u>\$ 2,209,313</u>
CHANGE IN PERSISTENTLY RESTRICTED NET ASSETS						
Net realized and unrealized gain on investments					91,170	68,078
Contributions					20,000	20,000
	<u>\$ 0.000</u>	<u>\$ 0.000</u>	<u>\$ 0.000</u>	<u>\$ 0.000</u>	<u>\$ 1,100,000</u>	<u>\$ 2,297,151</u>
NET ASSETS - BEGINNING OF YEAR	<u>270,000</u>	<u>60,884,817</u>	<u>1,470,700</u>	<u>1,000,000</u>	<u>70,000,000</u>	<u>70,000,000</u>
NET ASSETS - END OF YEAR	<u>\$ 309,516</u>	<u>\$ 62,048,307</u>	<u>\$ 1,690,585</u>	<u>\$ 1,060,000</u>	<u>\$ 72,060,408</u>	<u>\$ 72,297,151</u>

The accompanying notes are an integral part of this statement.

**LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.**

**COMBINED STATEMENTS OF CASH FLOWS
For The Years Ended December 31, 1997 and 1996**

	General Operating Fund	Postmanor Fund	Level Treatment Fund	General Fund Trust	Total 1997	Total 1996
CASH FLOWS FROM OPERATING ACTIVITIES:						
Cash received from services	\$ 1,100,001	\$	\$	\$	\$ 1,100,001	\$ 1,095,000
Cash received from contributions	488,000		229,000		717,000	556,112
Income from investments	53,230		7,000		60,230	40,000
Interest received	4,000	495,400	650		500,050	418,787
Dividends received		295,177	1,600		296,777	288,000
Receipt from sale of real property			400		400	
Disbursements on capital	(24,200)				(24,200)	
Cash paid for supplies and utilities	(1,440,200)	(1,017,750)	(172,200)		(2,630,150)	(2,418,287)
Cash received from other funds	200,000	(1,270,000)	600,000			
	\$ 71,831	\$ (1,179,250)	\$ 1,128,000	\$	\$ (70,419)	\$ 20,620
Net cash provided by operating activities					\$ (70,419)	\$ 20,620
CASH FLOWS FROM INVESTING ACTIVITIES:						
Proceeds from sale of investments	\$	\$ (1,000,000)	\$	\$	\$ (1,000,000)	\$ (4,210,201)
Purchase of investments		(200,000)	(1,000,000)		(1,200,000)	(1,894,078)
Purchase of property and equipment	(83,000)	21,000	(200,000)		(162,000)	(210,000)
Repayment on loans		21,000	(200,000)		(179,000)	
	\$ (83,000)	\$ 1,201,000	\$ (1,200,000)	\$	\$ (82,000)	\$ (200,000)
Net cash used in investing activities					\$ (162,000)	\$ (210,000)
INCREASE IN CASH AND CASH EQUIVALENTS	\$ 43,831	\$ 2,322	\$ 10,000	\$	\$ 56,153	\$ (289,380)
CASH AND CASH EQUIVALENTS -						
beginning of year	107,000	229,000	28,000		364,000	653,680
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 150,831	\$ 231,322	\$ 38,000	\$	\$ 420,153	\$ 364,300
RECONCILIATION OF CHANGE IN NET ASSETS TO CASH PROVIDED BY OPERATING ACTIVITIES:						
Change in net assets	\$ 37,000	\$ 1,860,000	\$ 100,000	\$ 670,000	\$ 2,067,000	\$ 2,297,041
Net assets and cash provided				270,000	270,000	284,200
Depreciation						(28,111)
Increase in receivables and prepaids plus	7,700	(23,000)	(50,000)		(65,300)	(28,111)
Decrease in prepaid expenses	(1,000)				(1,000)	4,000
Increase in payable, cash in hand expenses	1,200		(10,000)		(9,800)	11,000
Realized and unrealized gain on investments		(1,000,000)	200,000		(800,000)	(1,000,000)
Provision depreciation and equipment	20,000		1,000,000		1,020,000	
Income tax expense on investments		(1,000)			(1,000)	
Transfer from other funds		200,000	21,000	(200,000)		
	\$ 37,000	\$ 1,860,000	\$ 100,000	\$ 670,000	\$ 2,067,000	\$ 2,297,041
NET CASH PROVIDED BY						
OPERATING ACTIVITIES:	\$ 17,831	\$ (1,000,000)	\$ 1,238,000	\$	\$ 255,831	\$ 60,640

Supplemental disclosure of non-cash
including contributing transactions:
During 1997 certain payables were forgiven of
\$ 200,000 in purchase building and equipment.

The accompanying notes are an
integral part of this statement.

LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.

GENERAL OPERATING FUND
STATEMENTS OF FINANCIAL POSITION
December 31, 1997 and 1996

ASSETS

	<u>1997</u>	<u>1996</u>
Current assets		
Cash and cash equivalents	\$ 150,968	\$ 107,297
Accounts receivable	315,787	323,383
Prepaid expenses	39,823	39,270
Total Current Assets	<u>\$ 506,578</u>	<u>\$ 469,950</u>

LIABILITIES

Current Liabilities		
Accounts payable	\$ 47,136	\$ 66,193
Accrued compensation	154,251	133,963
Total Current Liabilities	<u>\$ 201,387</u>	<u>\$ 300,157</u>

NET ASSETS

Unrestricted net assets	<u>304,871</u>	<u>269,793</u>
Total Liabilities and Net Assets	<u>\$ 506,258</u>	<u>\$ 469,119</u>

The accompanying notes are an
integral part of this statement.

**LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.**

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**GENERAL OPERATING FUND
STATEMENTS OF ACTIVITIES
For the Years Ended December 31, 1997 and 1996**

	1997	1996
UNRESTRICTED REVENUES AND SUPPORT		
Contributions	\$ 401,796	\$ 345,936
Children's home savings	73,381	15,181
Special events	19,946	3,402
Child care support	2,039,115	2,837,345
Independent living services	89,488	90,660
Other federal grants for child care		15,737
Family development services	37,949	42,460
Training fees and evaluation	19,559	16,813
Trust funds	66,497	63,069
Interest income	6,839	2,886
Outdoor wilderness learning	6,036	2,015
Miscellaneous income	18,918	18,871
Total revenue and support	\$ 3,690,301	\$ 3,444,669
EXPENSES		
Administrative and general	\$ 633,343	\$ 636,199
Plant operation and maintenance	378,523	390,589
Emergency shelter care	611,469	514,723
Residential group care	1,266,312	1,330,263
Educational services	219,156	183,354
Religious education	73,230	67,369
Family development services	185,474	185,312
Outreach and independent living services	79,464	93,937
Outdoor wilderness learning	26,975	15,668
Public relations and development	247,403	259,425
Capital expenditures	31,797	21,149
Respite group care	52,479	303,780
Changing aggressive behavior program	401,232	380,737
Total expenses	\$ 4,997,856	\$ 4,282,393
REVENUE OVER EXPENSES	\$ (837,655)	\$ (847,924)
NET ASSETS TRANSFERRED FROM OTHER FUNDS	\$ 875,463	\$ 786,712
INCREASE IN UNRESTRICTED NET ASSETS	\$ 37,908	\$ (61,212)
NET ASSETS AT BEGINNING OF YEAR	266,962	328,172
NET ASSETS AT END OF YEAR	\$ 304,870	\$ 266,960

The accompanying notes are an integral part of this statement.

**LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.**

**GENERAL OPERATING FUND
STATEMENTS OF CASH FLOWS
As of December 31, 1997 and 1996**

	<u>1997</u>	<u>1996</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from services	\$ 3,120,001	\$ 2,955,999
Cash received from contributions	498,590	381,997
Income from trust funds	53,330	41,196
Interest received	6,838	2,886
Miscellaneous receipts	10,817	4,000
Transfer from local investment fund		18,721
Transfer from endowment fund	880,785	784,827
Cash paid to employees and suppliers	<u>(6,460,395)</u>	<u>(4,223,358)</u>
Net cash provided by operating activities	\$ 77,187	\$ (20,648)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	<u>\$ (33,616)</u>	<u>\$ (18,330)</u>
Net cash used in investing activities	\$ (33,616)	\$ (18,330)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ 43,571	\$ (32,999)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>107,297</u>	<u>160,296</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 150,868</u>	<u>\$ 127,297</u>
RECONCILIATION OF CHANGES IN NET ASSETS TO CASH PROVIDED BY OPERATING ACTIVITIES		
Change in net assets	\$ 37,909	\$ (81,210)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
(increase) decrease in accounts receivable	7,786	(38,288)
(increase) decrease in prepaid expenses	(3,368)	4,002
(increase) decrease in accounts payable	(19,057)	18,968
Increase in accrued wages	20,287	24,830
Operating transfers	<u>33,616</u>	<u>18,330</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 77,187</u>	<u>\$ 33,680</u>

The accompanying notes are an
integral part of this statement.

LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.ENDOWMENT FUND
STATEMENTS OF FINANCIAL POSITION
As of December 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
ASSETS		
Investments - The Trust Company of Louisiana - custodian	<u>\$ 22,315,450</u>	<u>\$ 20,154,757</u>
NET ASSETS		
Unrestricted net assets	<u>\$ 22,315,450</u>	<u>\$ 20,154,757</u>

The accompanying notes are an
integral part of this statement.

**LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.**

**ENDOWMENT FUND
STATEMENTS OF ACTIVITIES
For The Years Ended December 31, 1997 and 1996**

	1997	1996
REVENUE		
Dividend income	\$ 342,279	\$ 299,425
Interest income	434,262	381,308
Realized and unrealized gain on investments	3,088,924	2,381,573
	\$ 3,790,465	\$ 3,022,306
EXPENSES		
Bank custody fees	\$ 28,347	\$ 25,840
Management fees	108,288	97,748
	\$ 136,745	\$ 123,588
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ 3,640,720	\$ 2,898,718
OTHER CHANGES IN NET ASSETS		
Operating transfers	(1,733,486)	(840,487)
Transfer from local investment fund	247,459	123,588
CHANGE IN UNRESTRICTED NET ASSETS	\$ 2,100,693	\$ 2,181,819
UNRESTRICTED NET ASSETS AT BEGINNING OF YEAR - RE-STATED	20,194,757	17,872,916
UNRESTRICTED NET ASSETS AT END OF YEAR	\$ 22,295,450	\$ 20,054,735

The accompanying notes are an integral part of this statement.

**LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.**

**ENDOWMENT FUND
STATEMENTS OF CASH FLOWS**

For The Years Ended December 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest received	\$ 405,492	\$ 414,764
Dividends received	365,777	258,643
Transfers to Operating Fund	(873,623)	(794,877)
Transfers to Local Investment Fund	(858,023)	(80,000)
Cash paid to suppliers of services	(138,745)	(123,588)
	<u>\$ (1,188,922)</u>	<u>\$ (315,058)</u>
Net cash used by operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of securities	\$ 21,261,796	\$ 24,210,311
Transfers from Local Investment Fund	247,458	123,588
Purchase of securities	(20,403,930)	(23,884,979)
	<u>\$ 1,205,324</u>	<u>\$ 848,920</u>
Net cash provided by investing activities		
INCREASE IN CASH AND CASH EQUIVALENTS	<u>\$ 6,332</u>	<u>\$ 333,862</u>
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>535,268</u>	<u>201,403</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 541,600</u>	<u>\$ 535,268</u>
RECONCILIATION OF CHANGES TO NET ASSETS TO CASH PROVIDED BY OPERATING ACTIVITIES		
Changes in net assets	\$ 2,190,690	\$ 2,181,841
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Increase in receivables	(21,811)	(9,252)
Net realized and unrealized gain on investments	(3,086,824)	(2,381,579)
Operating transfers	(247,458)	(123,688)
Amortization of bond premiums (discounts)	(1,282)	17,522
	<u>\$ (1,188,922)</u>	<u>\$ (315,058)</u>
NET CASH USED BY OPERATIONS		

The accompanying notes are an
integral part of this statement.

**LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.**

**LOCAL INVESTMENT FUND
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 1997 AND 1996**

ASSETS

	1997	1996
Current Assets		
Cash and cash equivalents	\$ 190,181	\$ 78,808
Accounts receivable	80,345	49,440
Unconditional promises to give - temporarily restricted	13,185	
Total current assets	\$ 283,711	\$ 128,048
Other Assets		
Unconditional promises to give - temporarily restricted	\$ 12,000	\$
Long-Term Investments		
Certificates of deposits - temporarily restricted	\$ 67,540	\$ 66,198
Stocks and bonds	20,221	20,221
Louise Briley Leslie Trust Fund - temporarily restricted	666,869	571,727
Leslie Howard Property	462,035	462,035
R.D. Webb Property	97	97
R.D. Skelley Property	801	801
L.V. Lindingham Property	100	100
A.P. White Property	28,000	28,000
Total long-term investments	\$ 1,279,604	\$ 1,180,179
Total Assets	\$ 1,313,085	\$ 1,308,227

LIABILITIES

Current Liabilities		
Accounts payable	\$	\$ 128,868

NET ASSETS

Unrestricted	\$ 752,780	\$ 541,444
Temporarily restricted	760,305	827,803
	\$ 1,313,085	\$ 1,179,269
Total Liabilities and Net Assets	\$ 1,313,085	\$ 1,308,227

The accompanying notes are an integral part of this statement.

**LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.**

**LOCAL INVESTMENT FUND
STATEMENTS OF ACTIVITIES
For The Years Ended December 31, 1997 and 1996**

	<u>1997</u>	<u>1996</u>
UNRESTRICTED REVENUE AND SUPPORT		
Louise Howard Property	\$ 25,350	\$ 52,867
R.D. Webb Property	232,943	206,885
Shelley Property	23,369	26,621
Trust Funds	7,839	8,119
Wills and bequests	3,366	18,751
Contributions and memorials	330,557	137,295
Interest income	972	1,128
Dividend income	162	7,753
Miscellaneous income	1,772	983
	<u>\$ 629,932</u>	<u>\$ 690,574</u>
Total revenue and support		
EXPENSES		
Administrative and general	\$ 13,047	\$ 71,749
Capital expenses	910,771	429,189
	<u>\$ 923,818</u>	<u>\$ 500,938</u>
Total expenses		
EXCESS OF REVENUE OVER EXPENSES	\$ (293,886)	\$ (40,364)
OTHER CHANGES IN NET ASSETS		
Operating transfers		(28,222)
Transfer to Endowment Fund	(247,459)	(123,588)
Transfer from Endowment Fund	858,023	80,000
		<u>\$ (110,156)</u>
CHANGE IN UNRESTRICTED NET ASSETS	\$ 212,678	\$ (110,156)
CHANGE IN TEMPORARILY RESTRICTED ASSETS		
Net realized and unrealized gain in investments	\$ 95,173	\$ 68,276
Contributions	25,648	
	<u>\$ 120,821</u>	<u>\$ 68,276</u>
INCREASE IN NET ASSETS	\$ 307,851	\$ (31,880)
NET ASSETS - BEGINNING OF YEAR - RESTATED	<u>1,170,369</u>	<u>1,201,249</u>
NET ASSETS - END OF YEAR	<u>\$ 1,513,093</u>	<u>\$ 1,178,369</u>

The accompanying notes are an integral part of this statement.

LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.

LOCAL INVESTMENT FUND
STATEMENTS OF CASH FLOWS
For The Years Ended December 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from contributions	\$ 338,923	\$ 196,146
Income from trust funds	7,888	8,795
Interest received	972	1,128
Miscellaneous receipts	430	562
Dividends received	162	253
Receipts from investment properties	253,806	278,344
Cash paid to suppliers	(13,244)	(71,240)
Operating transfers	<u>858,023</u>	<u></u>
Net cash provided by operating activities	\$ 1,338,660	\$ 373,888
CASH FLOWS FROM INVESTING ACTIVITIES		
Transfer to Endowment Fund	\$ (247,458)	\$ (43,688)
Capital purchases for Plant Fund	(1,039,629)	(300,322)
Operating transfers	<u></u>	<u>(18,721)</u>
Net cash used by investing activities	\$ (1,287,087)	\$ (362,731)
INCREASE IN CASH AND CASH EQUIVALENTS	\$ 51,573	\$ 11,257
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>78,608</u>	<u>67,351</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 130,181</u>	<u>\$ 78,608</u>
RECONCILIATION OF CHANGES TO NET ASSETS TO CASH PROVIDED BY OPERATING ACTIVITIES		
Change in net assets	\$ 300,494	\$ (21,880)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Increase in receivables and premiums to give	(56,750)	(7,445)
Realized and unrealized gains on investments	(96,515)	(88,276)
Increase in accounts payable	(138,858)	138,866
Transfer to other funds	247,458	62,309
Purchase of property and equipment	<u>1,039,629</u>	<u>300,322</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 1,338,660</u>	<u>\$ 373,888</u>

The accompanying notes are an
integral part of this statement.

LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.

GENERAL FIXED ASSETS
STATEMENTS OF FINANCIAL POSITION IN NET ASSETS
As of December 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
ASSETS		
Autos, trucks and buses	\$ 381,879	\$ 353,811
Tractors and ground equipment	120,785	108,731
Furniture, fixtures and equipment	1,158,838	994,400
Building and improvements	5,772,346	5,023,831
Land and land improvements	<u>80,220</u>	<u>80,220</u>
	\$ 7,506,968	\$ 6,573,795
Less: Accumulated depreciation	<u>(3,002,094)</u>	<u>(2,738,177)</u>
	<u>\$ 4,504,874</u>	<u>\$ 3,834,618</u>
 INVESTMENT IN GENERAL FIXED ASSETS		
 Fund Balance - General Fixed Assets	 <u>\$ 4,504,874</u>	 <u>\$ 3,834,618</u>

The accompanying notes are an
integral part of this statement.

**LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.**

**GENERAL FIXED ASSETS
STATEMENTS OF ACTIVITIES
For The Years Ended December 31, 1997 and 1996**

	<u>1997</u>	<u>1996</u>
EXPENSES		
Provision for depreciation	\$ 272,300	\$ 251,209
EXCESS OF EXPENSES OVER REVENUE	\$ (272,300)	\$ (251,209)
ACQUISITION OF PROPERTY AND EQUIPMENT WITH TRANSFERS FROM OTHER CURRENT FUNDS	<u>942,998</u>	<u>459,329</u>
CHANGE IN NET ASSETS	\$ 670,698	\$ 199,090
NET ASSETS - BEGINNING OF YEAR	<u>3,834,618</u>	<u>3,635,528</u>
NET ASSETS - END OF YEAR	<u>\$ 4,505,316</u>	<u>\$ 3,834,618</u>

The accompanying notes are an
integral part of this statement.

LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.

GENERAL FIXED ASSETS
STATEMENTS OF CASH FLOWS
For The Years Ended December 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
CASH FLOWS FROM OPERATING ACTIVITIES	\$ 0	\$ 0
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>0</u>	<u>0</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 0</u>	<u>\$ 0</u>
RECONCILIATION OF CHANGES IN NET ASSETS TO CASH PROVIDED BY OPERATING ACTIVITIES		
Change in net assets	\$ 470,266	\$ 199,090
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	272,300	291,239
Transfer from other funds	<u>(942,500)</u>	<u>(650,329)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 0</u>	<u>\$ 0</u>

The accompanying notes are an
integral part of this statement.

LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Purpose

Louisiana United Methodist Children and Family Services, Inc. is a Louisiana non-profit corporation owned by the Louisiana Annual Conference of the United Methodist Church. All powers and authority of Louisiana United Methodist Children and Family Services, Inc. (the corporation) shall be vested in and exercised by a Board of Directors and the property, business and affairs of the corporation shall be managed under the direction of the Board. The Corporation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1954.

The Louisiana United Methodist Children and Family Services, Inc. (sometimes doing business as "The Louisiana Methodist Children's Home") seeks to minister to the diverse needs of Louisiana's children and families experiencing stress, brokenness and other special circumstances. The Organization was formed for educational, oleisomystry, literary, scientific, and charitable objectives and purpose. The Organization develops, administers and operates various residential and outpatient programs. These programs provide intensive, therapeutic, educational, recreational and social services for the youth and their families.

The Organization receives a significant portion of its revenue from grants/contracts from government agencies; thus, the Home is subject to possible cutbacks due to changes in funding priorities. During 1997 and 1996, the Home received approximately 75 and 79 percent of its gross public support from such grants/contracts.

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements for Not-for-Profit Organizations*. Under SFAS No. 117, the Home is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. No permanently restricted assets were held during 1997 and 1996 and accordingly, these financials do not reflect any activity related to this class of net assets for 1997 and 1996.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows the Organization considers all unrestricted highly liquid investments with a maturity of three months or less to be cash and cash equivalents.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. This will affect the reported amounts of assets and liabilities, 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 these estimates.

LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Donated Property and Services

Donated securities and property are recognized at fair market value at the time the assets are made available to the Organization. No amounts have been reflected in the financial statements for donated services. The Organization pays for most services requiring specific expertise.

Fleet and Equipment

Fixed assets are recorded at cost, if purchased, or market value at time of donation. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets ranging from 2 to 40 years.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized.

Gifts of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a 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 restrictions.

The Organization primarily receives only unrestricted contributions with the exception of certain bequests of future interest in testamentary trusts; these net assets are temporarily restricted by the donor until the trust matures at some future date and unconditional promises to give to be received in future periods.

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

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities.

Costs are allocated between fund raising, management and general or the appropriate program based on evaluations of the related benefits. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

**LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.**

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Con'd)

Cash Risk

The Organization maintains several cash accounts in one institution with location in Ruston, Louisiana. The balances are insured by the Federal Deposit Insurance Corporation up to \$100,000. At December 31, 1997, the Organization's uninsured cash balances totaled \$33,340, with \$234,000 secured by repurchase agreement.

NOTE 2 - DEFINED CONTRIBUTION PLAN

The Louisiana United Methodist Children and Family Services, Inc. sponsors substantially all of its employees in the Lay Employee's Pension Fund of the United Methodist Church whereby it matches the employee's contribution two for one up to a maximum cost to the Corporation of 6% of employee's gross earnings. Contribution by the Corporation totals \$84,776 for 1997 and \$68,323 for 1996.

NOTE 3 - INVESTMENTS

The Organization's investments and certain cash and cash equivalents are held primarily by a national investment banking and financial services company and managed by an investment adviser in accordance with the terms of an investment advisory agreement.

Investments in marketable equity securities and marketable debt securities are carried at market value. Investments in unlisted securities whose market is not readily attainable are carried at cost. A recap of each debt and equity securities is as follows:

	<u>1997</u>	<u>1996</u>
Local Investment Fund		
Certificates of deposits - restricted	\$ 67,840	\$ 66,195
Equity securities - cost	20,221	20,221
Dividends received - Local Investment Fund	182	3,753
Endowment Fund - market		
Cash equivalents	\$ 541,000	\$ 535,268
U.S. Government bonds and notes	3,314,471	2,760,781
U.S. Government agencies	599,721	734,842
Corporate bonds and notes	4,338,812	2,470,131
Foreign bonds and notes	180,483	394,236
State and municipal bonds	70,066	
Equity securities	13,155,751	13,268,784
Accrued interest and ex-dividends	<u>114,538</u>	<u>80,023</u>
	<u>\$ 22,315,438</u>	<u>\$ 20,154,787</u>
Net Income For Years - Endowment Fund		
Interest	\$ 434,203	\$ 381,338
Dividends	282,279	259,435
Realized and unrealized gains and losses	<u>3,088,924</u>	<u>2,281,573</u>
	<u>\$ 3,783,466</u>	<u>\$ 3,022,386</u>

**LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.**

NOTES TO FINANCIAL STATEMENTS

NOTE 3 - INVESTMENTS (Cont'd)

In 1990, the Organization received a bequest from the Estate of Louise Briley Leake in the form of an interest in a testamentary trust whereby the income will be paid annually and the trust principal distributed to the Organization twenty-five years from the death of the donor. The bequest was recorded at fair value. Annual changes in fair value are reported as unrealized gain or loss and an increase in temporarily restricted assets.

The Organization records unrealized gains and losses of securities held by the trust in the Statement of Activities as increases or decreases in temporarily restricted net assets.

NOTE 4 - CONCENTRATION REVENUES AND ACCOUNTS RECEIVABLE

Louisiana United Methodist Children and Family Services, Inc.'s residential treatment programs serve children primarily from Louisiana. Fees for these services are paid primarily by governmental agencies of Louisiana under contracts which the Organization executes annually. The Organization is reimbursed by the agencies for actual client days based on a per diem rate established in accordance with Louisiana law. The contracts may be terminated by either party with thirty days notice and are subject to the availability and appropriation of federal and/or state funds. Revenue from this service totaled \$2,829,464 and \$2,735,641 for 1997 and 1996, respectively.

Accounts receivable arise from the normal course of providing these services and are not secured. No allowance has been provided for accounts receivable.

NOTE 5 - SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

Independent Living Services Program consists of two contracts. Contract A is a nonmatching program with 100% reimbursement for personnel and related benefits cost. These cost are classified directly as Independent Living services expenditures in the financial statements. Contract B is a 50/50 matching program in which the organization is reimbursed for expenditures equal to its in-kind or cash contribution. These costs are allocated to Independent Living based on detailed ledgers maintained by the organization. These cost consists of allocated portions of administrative overhead, salaries and related benefits; travel; operating services supplies; professional services capital outlay and miscellaneous. The organization does not reclassify these allocated portions as Independent Living services expenditures for financial statement purposes.

NOTE 6 - COMMITMENTS AND CONTINGENCIES

Louisiana United Methodist Children and Family Services, Inc. was committed on a construction contract dated October 2, 1994 with a contract price of \$946,219 of which \$254,030 had been paid or recorded as accounts payable at December 31, 1994. The contract was completed and the facility placed in service during 1997.

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**INDEPENDENT AUDITORS' REPORT ON
THE SUPPLEMENTARY DATA**

Board of Directors
Louisiana United Methodist Children
and Family Services, Inc.
Monroe, Louisiana

Our report on our audit of the basic financial statements, as listed in the table of contents of Louisiana United Methodist Children and Family Services, Inc. for 1987 and 1988 appears on Page 1. We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards issued by the comptroller of the United States for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules of additional details are presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Mincew, Robinson, Gardner, Langston and Bryan

Mincew, Robinson, Gardner, Langston & Bryan, CPAs

Monroe, Louisiana
February 18, 1988

**LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.**
GENERAL OPERATING FUND DETAIL
STATEMENTS OF ACTIVITIES
For The Years Ended December 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
REVENUE AND SUPPORT		
Contributions		
Contributions - undesignated	\$ 173,575	\$ 168,888
Memorials	88,256	82,560
Direct appeals	78,404	83,239
Sponsorships	4,017	5,711
Honoraria	43,504	28,924
Witness project donations	11,845	6,650
Youth activity	4,065	
	<u>\$ 401,706</u>	<u>\$ 245,982</u>
Children's Home Offerings	\$ 73,261	\$ 16,181
Special Events	\$ 18,946	\$ 3,402
Child Care Support		
Child care support (TIPS)	\$ 1,263,361	\$ 1,181,701
Child care support (DOC)	960,288	1,445,817
Child care support (CAB)	545,775	506,673
Child care support (Private)	82,528	141,704
Alternate care	17,173	27,450
	<u>\$ 2,932,115</u>	<u>\$ 2,837,245</u>
Independent Living Service		
Independent Living Grants	\$ 80,499	\$ 90,660
Federal Subgrants		
Violence Prevention Program	\$	\$ 15,737
Family Development Services		
Client fees	\$ 34,749	\$ 40,330
Winn Parish workshop fees	1,200	2,240
	<u>\$ 37,949</u>	<u>\$ 42,469</u>
Training fees and evaluations	\$ 18,569	\$ 16,813

**LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.**

**GENERAL OPERATING FUND DETAIL
STATEMENTS OF ACTIVITIES
For The Years Ended December 31, 1997 and 1996**

	<u>1997</u>	<u>1996</u>
REVENUE AND SUPPORT (Cont'd)		
Trust Funds		
Pomeroy Trust	\$ 28,006	\$ 24,782
R. J. Wilson Trust	8,775	9,488
Harry R. Kendall Trust	600	600
Conference Fund Trusts	3,268	1,427
Larkin Trust	13,661	14,844
Ed and Gladys Harley Trust	2,000	2,000
	<u>\$ 56,487</u>	<u>\$ 53,099</u>
INTEREST INCOME	<u>\$ 6,829</u>	<u>\$ 2,895</u>
OUTDOOR WILDERNESS PROJECT INCOME	<u>\$ 6,829</u>	<u>\$ 2,016</u>
MISCELLANEOUS INCOME	<u>\$ 16,813</u>	<u>\$ 18,671</u>
TOTAL INCOME	<u>\$ 3,690,381</u>	<u>\$ 3,444,406</u>
EXPENSES		
Administrative and General		
Salaries	\$ 312,012	\$ 289,306
Payroll taxes	19,772	17,626
Employee benefits	41,831	44,451
Advertising and promotion	195	809
Dues and licenses	7,381	7,160
Insurance	124,039	145,321
Office supplies	18,255	25,446
Printing	4,992	9,070
Postage	11,598	15,774
Professional services	25,050	23,941
Legal expenses	5	5
Subscriptions	1,723	462
Telephone	21,583	24,444
In-service training	13,277	19,889
Travel and seminar	9,171	8,456
Miscellaneous	3,608	1,431
Office equipment maintenance contracts	15,273	8,318
Accreditation	1,308	14,581
	<u>\$ 633,243</u>	<u>\$ 626,139</u>

**LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.**

**GENERAL OPERATING FUND DETAIL
STATEMENTS OF ACTIVITIES
For The Years Ended December 31, 1997 and 1996**

	<u>1997</u>	<u>1996</u>
EXPENSES (Cont'd)		
Plant Operation and Maintenance		
Salaries	\$ 102,297	\$ 99,396
Payroll taxes	7,288	7,237
Employee benefits	18,727	12,513
Contract for outside services	7,374	9,539
Maintenance - buildings and grounds	8,847	10,920
Repairs - buildings and grounds	22,402	30,028
Major repairs and replacements	21,809	40,028
Supplies	6,050	6,948
Utilities	155,625	161,595
Vehicle gas, oil and repairs	34,878	32,054
Miscellaneous	441	32
	<u>\$ 378,528</u>	<u>\$ 390,582</u>
Total Plant Operation and Maintenance	<u>\$ 378,528</u>	<u>\$ 390,582</u>
Emergency Shelter Care		
Dietary		
Salaries	\$ 22,683	\$ 21,741
Payroll taxes	1,721	1,584
Employee benefits	19	
Food	32,958	51,328
Consultant	845	158
Miscellaneous	79	
	<u>\$ 58,305</u>	<u>\$ 74,678</u>
Total dietary	<u>\$ 58,305</u>	<u>\$ 74,678</u>
Laundry and Linen		
Supplies	\$ 1,270	\$ 1,232
Linen and bedding	995	712
Outside service		23
	<u>\$ 2,265</u>	<u>\$ 1,967</u>
Total laundry and linen	<u>\$ 2,265</u>	<u>\$ 1,967</u>
Housekeeping		
Salaries	\$ 10,388	\$ 9,240
Payroll taxes	794	846
Employee benefits	168	204
Supplies	6,088	6,128
	<u>\$ 17,648</u>	<u>\$ 16,237</u>
Total housekeeping	<u>\$ 17,648</u>	<u>\$ 16,237</u>

**LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.**

**GENERAL OPERATING FUND DETAIL
STATEMENTS OF ACTIVITIES
For The Years Ended December 31, 1997 and 1996**

	1997	1996
EXPENSES (Cont'd)		
Emergency Shelter Care		
Personal Client Needs		
Allowances	\$ 3,610	\$ 3,431
Personal hygiene	2,609	2,206
Christmas and Birthdays	284	325
Other	88	38
Clothing	2,840	2,246
Total personal client needs	\$ 9,331	\$ 8,136
Medical and Nursing		
Medical services routine	\$ 2,288	\$ 400
Medical extraordinary	1,873	649
Medical supplies	2,250	1,184
Total medical and nursing	\$ 6,411	\$ 2,233
Therapeutic and Training		
Salaries - social workers	\$ 185,407	\$ 121,453
Salaries - child care	272,045	228,398
Payroll taxes	34,119	27,943
Employee benefits	24,266	23,585
Other	594	801
Total therapeutic and training	\$ 516,681	\$ 411,180
Recreational		
Supplies	\$ 367	\$ 273
Total recreational	\$ 367	\$ 273
Total Emergency Shelter Care	\$ 611,407	\$ 514,722
Residential Group Care		
Dietary		
Salaries	\$ 39,311	\$ 34,547
Payroll taxes	3,117	3,011
Employee benefits	889	373
Food	145,885	108,049
Supplies	2,929	718
Dietician consultant	4,000	4,750
Total dietary	\$ 196,331	\$ 151,448

**LOUISIANA UNITED METHODIST CHILDREN
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**GENERAL OPERATING FUND DETAIL
STATEMENTS OF ACTIVITIES
For The Years Ended December 31, 1997 and 1996**

	1997	1996
EXPENSES (Cont'd)		
Residential Group Care (Cont'd)		
Laundry and linen		
Supplies	\$ 2,858	\$ 1,691
Linen and bedding	1,820	637
Outside services	149	468
	<u>\$ 4,827</u>	<u>\$ 2,806</u>
Total laundry and linen		
Housekeeping		
Supplies	\$ 26,811	\$ 24,565
Outside services	48	128
	<u>\$ 26,859</u>	<u>\$ 24,693</u>
Total housekeeping		
Personal Client Needs		
Allowances	\$ 17,312	\$ 19,628
Clothing	23,828	25,349
Personal hygiene	8,553	8,871
Christmas and birthdays	1,738	1,721
Visitation transportation	12,203	4,767
	<u>\$ 63,436</u>	<u>\$ 54,346</u>
Total personal client needs		
Medical and Nursing		
Salaries	\$ 54,999	\$ 43,291
Payroll taxes	4,030	2,932
Employee benefits	4,080	1,944
Medical services routine	2,382	3,248
Medical services extraordinary	8,449	7,889
Medical supplies	7,529	8,848
Other		40
OSHA required vaccination	5,885	11,152
	<u>\$ 89,354</u>	<u>\$ 73,454</u>
Total medical and nursing		
Therapeutic and Training		
Salaries - social workers	\$ 206,873	\$ 203,403
Salaries - child care	693,030	588,541
Payroll taxes	68,838	58,248
Employee benefits	48,427	43,242
Therapeutic supplies	776	1,983
Other - wilderness/sorting	134	147
Miscellaneous	85	18
Security checks	482	797
	<u>\$ 1,049,433</u>	<u>\$ 896,279</u>
Total therapeutic and training		

**LOUISIANA UNITED METHODIST CHILDREN
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**GENERAL OPERATING FUND DETAIL
STATEMENTS OF ACTIVITIES
For The Years Ended December 31, 1997 and 1996**

	<u>1997</u>	<u>1996</u>
EXPENSES (Cont'd)		
Residential Group Care (Cont'd)		
Recreational		
Salaries	\$ 87,883	\$ 90,011
Payroll taxes	6,540	5,997
Employee benefits	4,922	2,898
Supplies	3,887	2,589
Activities fund	3,186	3,106
House activities fund	3,614	2,581
Summer trip fund	<u>3,619</u>	
Total recreational	\$ 110,831	\$ 97,271
Consultants		
Psychiatrist	\$ 13,704	\$ 19,160
Psychologist	2,340	3,500
Physician	1,600	3,200
Medical records		<u>162</u>
Total consultants	\$ 17,644	\$ 26,022
Total Residential Group Care	\$ 1,254,332	\$ 1,330,282
Educational Services		
Salaries	\$ 172,160	\$ 145,983
Payroll taxes	12,803	10,597
Employee benefits	19,786	16,441
Supplies	7,304	3,129
Training	3,422	5,982
Miscellaneous	<u>3,881</u>	<u>1,620</u>
Total Educational Services	\$ 218,186	\$ 183,354
Religious Education		
Salaries	\$ 38,107	\$ 38,209
Payroll taxes	711	393
Employee benefits	15,890	13,660
Housing allowance	12,900	10,800
Supplies	2,089	1,797
Activities	788	1,406
Training	57	
Contractual services	988	800
Travel	<u>700</u>	<u>154</u>
Total Religious Education	\$ 72,230	\$ 67,209

**LOUISIANA UNITED METHODIST CHILDREN
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**GENERAL OPERATING FUND DETAIL
STATEMENTS OF ACTIVITIES**

For The Years Ended December 31, 1997 and 1996

EXPENSES (Cont'd)	<u>1997</u>	<u>1996</u>
Family Development Service		
Salaries	\$ 151,422	\$ 138,066
Payroll taxes	16,704	9,753
Employee benefits	22,780	22,300
Therapeutic contract		12,000
Supplies	1,539	881
Professional services	1,201	1,175
Professional training	1,673	228
Telephone	23	199
Travel	2,666	731
Contract services	2,000	
Miscellaneous	<u>1,336</u>	<u>99</u>
Total Family Development Service	\$ 195,474	\$ 185,312
Outreach Services		
Operational		
Salaries - outreach - operational	\$ 5,067	\$ 15,980
Payroll taxes	368	1,131
Employee benefits	<u>622</u>	<u>8,205</u>
Total operational	\$ 6,057	\$ 25,316
Independent Living Program		
Salaries - independent living	\$ 50,494	\$ 47,197
Payroll taxes	3,737	3,641
Employee benefits	3,877	1,743
Contract services	1,584	1,246
Travel and seminars	4,823	4,060
Client transportation	33	
Supplies	4,990	5,688
Equipment and furnishings	32	2,268
Telephone	818	324
Postage		37
Youth activity	806	705
Training meals	1,488	1,518
Miscellaneous	<u>502</u>	<u>351</u>
Total independent living program	\$ 73,164	\$ 68,668
Supervised Living		
Education registration fees	\$ 245	\$ 252
Total supervised living	\$ 245	\$ 252
Total Outreach Services	\$ 79,464	\$ 63,877

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**GENERAL OPERATING FUND DETAIL
STATEMENTS OF ACTIVITIES
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EXPENSES (Class'd)	<u>1997</u>	<u>1996</u>
Outdoor Wilderness Learning Project		
Salaries O.W.L.	\$ 15,33	\$
Employee benefits	18	
Utilities	3,794	3,028
Supplies	14,395	12,409
O.W.L. contract workers		116
Miscellaneous	<u>1,277</u>	<u>88</u>
Total Outdoor Wilderness Learning Project	<u>\$ 34,975</u>	<u>\$ 15,629</u>
Public Relations and Development		
Salaries	\$ 114,869	\$ 107,858
Payroll taxes	4,855	4,818
Employee benefits	19,500	20,198
Housing allowance	12,000	12,000
Supplies	1,706	1,091
Telephone	182	509
Printing - direct	48,371	53,491
Printing - offerings	7,836	19,087
Printing - special	4,736	2,105
Postage	14,654	15,818
Professional services	825	9
Travel and seminar	4,307	8,062
Professional training	3,981	1,886
Feasibility study		14,732
Regional development activities	812	448
Long range development		557
Special events	5,090	1,261
Miscellaneous	<u>389</u>	<u>52</u>
Total Public Relations and Development	<u>\$ 247,403</u>	<u>\$ 269,455</u>
Capital Expenditures		
Furniture and equipment	\$ 21,802	\$ 16,334
Buildings and improvements	546	2,924
Outdoor wilderness project	<u>3,429</u>	<u>1,891</u>
Total Capital Expenditures	<u>\$ 25,777</u>	<u>\$ 21,149</u>

**LOUISIANA UNITED METHODIST CHILDREN
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**GENERAL OPERATING FUND DETAIL
STATEMENTS OF ACTIVITIES
For The Years Ended December 31, 1997 and 1996**

EXPENSES (Cont'd)	<u>1997</u>	<u>1996</u>
Arcadia Group Care		
Administrative and general		
Licenses	\$	\$ 500
Motor vehicle - gas/oil	486	5,713
Telephone	626	2,463
Travel and seminar	67	
Total administrative and general	<u>\$ 1,085</u>	<u>\$ 8,676</u>
Plant and operation		
Contracts - outside service	\$ 40	\$ 160
Maintenance - building and grounds		18
Repairs - building and grounds	2,024	1,570
Supplies	9	58
Utilities	1,763	6,844
Miscellaneous		68
Lease of building	3,280	19,820
Total plant and operation	<u>\$ 7,156</u>	<u>\$ 28,538</u>
Dietary		
Salaries - cooks	\$ 724	\$ 5,445
Payroll taxes	64	439
Food	1,565	12,846
Miscellaneous		28
Supplies		9
Total dietary	<u>\$ 2,253</u>	<u>\$ 18,767</u>
Laundry and linen		
Supplies	\$ 120	\$ 508
Linen and bedding		368
Contract services		60
Total laundry and linen	<u>\$ 120</u>	<u>\$ 1,026</u>
Housekeeping		
Supplies	\$ 475	\$ 2,255
Miscellaneous		30
Total housekeeping	<u>\$ 475</u>	<u>\$ 2,285</u>
Personal client needs		
Clothing	\$ 194	\$ 2,839
Allowances	380	2,026
Transportation		424
Personal hygiene	64	241
Total personal client needs	<u>\$ 538</u>	<u>\$ 5,530</u>

**LOUISIANA UNITED METHODIST CHILDREN
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**GENERAL OPERATING FUND DETAIL
STATEMENTS OF ACTIVITIES
For The Years Ended December 31, 1997 and 1996**

EXPENSES (Cont'd)	<u>1997</u>	<u>1996</u>
Arcadia Group Care (Cont'd)		
Medical and nursing		
Medical supplies	\$ 95	\$ 295
Total medical and nursing	<u>\$ 95</u>	<u>\$ 295</u>
Therapeutic and training		
Salaries - social worker	\$ 6,306	\$ 37,238
Salaries - child care staff	29,678	88,270
Employee benefits	641	2,172
Payroll taxes	2,837	9,574
Therapeutic supplies	59	
Security checks	20	194
Total therapeutic and training	<u>\$ 39,541</u>	<u>\$ 137,458</u>
Recreational		
Supplies	\$ 157	\$ 94
Activities fund	92	360
Total recreational	<u>\$ 249</u>	<u>\$ 454</u>
Educational		
Supplies and tutorial	\$ 163	\$ 648
Total educational	<u>\$ 163</u>	<u>\$ 648</u>
Total Arcadia Group Care	<u>\$ 52,079</u>	<u>\$ 203,769</u>
Changing Aggressive Behavior		
Dietary		
Salaries	\$ 10,452	\$ 11,885
Payroll taxes	803	813
Employee benefits	190	
Food	12,780	14,824
Supplies	24	71
Dietitian consultant	400	
Total dietary	<u>\$ 24,709</u>	<u>\$ 27,573</u>
Laundry and linen		
Supplies	\$ 363	\$ 348
Lines and bedding	363	237
Outside services		<u>9</u>
Total laundry and linen	<u>\$ 726</u>	<u>\$ 594</u>

**LOUISIANA UNITED METHODIST CHILDREN
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**GENERAL OPERATING FUND DETAIL
STATEMENTS OF ACTIVITIES
For The Years Ended December 31, 1997 and 1996**

EXPENSES (Cont'd)	<u>1997</u>	<u>1996</u>
Changing Aggressive Behavior (Cont'd)		
Housekeeping		
Salaries	\$ 4,861	\$ 3,791
Payroll taxes	381	280
Employee benefits	182	
Supplies	2,035	1,849
Miscellaneous	90	32
Total housekeeping	<u>\$ 7,549</u>	<u>\$ 5,952</u>
Personal client needs		
Allowances	\$ 1,547	\$ 1,513
Personal hygiene	490	273
Christmas and birthdays	73	75
Clothing	1,235	2,120
Other	169	6
Total personal client needs	<u>\$ 3,714</u>	<u>\$ 3,987</u>
Medical and nursing		
Medical services routine	\$ 496	\$ 38
Medical supplies	832	859
Total medical and nursing	<u>\$ 1,328</u>	<u>\$ 897</u>
Therapeutic and training		
Salaries - social workers	\$ 92,441	\$ 103,666
Salaries - child care	212,383	212,882
Payroll taxes	21,306	21,979
Employee benefits	23,360	10,971
Supplies	1,362	1,433
Security checks	10	156
Other	621	128
Total therapeutic and training	<u>\$ 351,323</u>	<u>\$ 351,235</u>

**LOUISIANA UNITED METHODIST CHILDREN
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**GENERAL OPERATING FUND DETAIL
STATEMENTS OF ACTIVITIES
For The Years Ended December 31, 1997 and 1996**

EXPENSES (Cont'd)	<u>1997</u>	<u>1996</u>
Changing Aggressive Behavior (Cont'd)		
Recreational		
Salaries	\$ 4,000	\$
Payroll taxes	304	
Employee benefits	288	
Supplies	205	183
Activities	<u>523</u>	<u>560</u>
Total recreational	<u>\$ 5,310</u>	<u>\$ 743</u>
Consultants		
Psychiatrist and psychologist	<u>\$ 6,500</u>	<u>\$ 0</u>
Total consultants	<u>\$ 6,500</u>	<u>\$ 0</u>
Total Changing Aggressive Behavior	<u>\$ 401,232</u>	<u>\$ 380,737</u>
TOTAL EXPENSES	<u>\$ 4,497,855</u>	<u>\$ 4,282,305</u>

LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.

STATEMENT OF CHANGES IN GENERAL FIXED ASSETS
For The Year Ended December 31, 1997

	Land	Buildings and Improvements	Auto, Furniture, and Equipment	Total
GENERAL FIXED ASSETS - BEGINNING OF YEAR	\$ 93,220	\$ 5,023,831	\$ 1,456,944	\$ 6,573,995
<i>Additions</i>				
General Operating Fund	\$	\$ 4,740	\$ 37,007	\$ 41,797
Local Investment Fund		743,875	174,082	917,957
Total additions	\$	\$ 748,615	\$ 201,139	\$ 949,756
<i>Retirements</i>				
General Fixed Assets	\$	\$	\$ 18,582	\$ 18,582
TOTAL BALANCES AND ADDITIONS	<u>\$ 93,220</u>	<u>\$ 5,772,447</u>	<u>\$ 1,641,501</u>	<u>\$ 7,506,968</u>
GENERAL FIXED ASSETS - END OF YEAR				<u>\$ 7,506,968</u>