

LOUISIANA UNITED METHODIST CHILDREN  
AND FAMILY SERVICES, INC.

FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2019 AND 2018  
AND FOR THE YEAR THEN ENDED

WITH  
INDEPENDENT AUDITOR'S REPORT



**SILAS SIMMONS** LLP

CERTIFIED PUBLIC ACCOUNTANTS *and* ADVISORS



LOUISIANA UNITED METHODIST CHILDREN AND FAMILY SERVICES, INC.

Annual Financial Statements  
As of and for the Year Ended December 31, 2019  
With Supplementary Information Schedules

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LOUISIANA UNITED METHODIST CHILDREN AND FAMILY SERVICES, INC.

Annual Financial Statements  
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## INDEPENDENT AUDITOR'S REPORT

Organization of Directors of the  
Louisiana United Methodist Children  
and Family Services, Inc.  
Ruston, Louisiana

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Louisiana United Methodist Children and Family Services, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2019 and 2018, the related statements of activities and cash flows for the years then ended as listed in the table of contents, and the related notes to the financial statements.

### **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.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Louisiana United Methodist Children and Family Services, Inc. as of December 31, 2019 and 2018, and the respective changes in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards on page 43 is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the financial statements. The schedules of additional details are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

## Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 25, 2020, on our consideration of Louisiana United Methodist Children and Family Services, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Louisiana United Methodist Children and Family Services, Inc.'s internal control over financial reporting and compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Louisiana United Methodist Children and Family Services, Inc.'s internal control over financial reporting and compliance.



Monroe, Louisiana  
September 25, 2020

## FINANCIAL STATEMENTS

LOUISIANA UNITED METHODIST CHILDREN  
AND FAMILY SERVICES, INC.

COMBINED STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2019 AND 2018

	General Operating Fund	Endowment Fund	Local Investment Fund	General Fixed Assets	Total All Funds 2019	Total All Funds 2018
<b>Assets</b>						
<b>Current Assets</b>						
Cash and cash equivalents	\$ 1,277,521	\$ 2,294,337	\$ 10,079,369	\$ -	\$ 13,651,227	\$ 12,537,152
Certificate of deposit	-	-	-	-	-	-
Accounts and cost reimbursement receivable (net)	3,813,814	-	677,223	-	4,491,037	3,897,670
Prepaid expenses and other	231,236	40,471	6,202	-	271,707	221,839 †
Promises to give - restricted (net)	-	-	149,758	-	149,758	88,293
Promises to give - unrestricted (net)	8,500	-	-	-	8,500	5,015
Inventory	47,606	-	-	-	47,606	51,716
Total current assets	<u>\$ 5,378,677</u>	<u>\$ 2,334,808</u>	<u>\$ 10,912,552</u>	<u>\$ -</u>	<u>\$ 18,619,835</u>	<u>\$ 16,801,685</u>
<b>Long-Term Investments</b>						
Stocks, bonds, and notes	\$ -	\$ 36,937,117	\$ 330,723	\$ -	\$ 37,267,840	\$ 31,768,714
Investment property	-	-	521,936	-	521,936	521,936
Trust funds - temporarily restricted	-	-	1,937,817	-	1,937,817	1,747,302
Cash surrender value life insurance	454,855	-	-	-	454,855	443,565
Total long-term investments	<u>\$ 454,855</u>	<u>\$ 36,937,117</u>	<u>\$ 2,790,476</u>	<u>\$ -</u>	<u>\$ 40,182,448</u>	<u>\$ 34,481,517</u>
<b>Property and Equipment</b>						
Land and improvements	\$ -	\$ -	\$ -	\$ 2,759,341	\$ 2,759,341	\$ 2,759,341
Property, plant, and equipment	-	-	-	26,452,727	26,452,727	26,595,595
Less: accumulated depreciation	-	-	-	(12,447,273)	(12,447,273)	(11,998,275)
Construction in progress	-	-	-	2,025,613	2,025,613	463,006
Total property and equipment	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,790,408</u>	<u>\$ 18,790,408</u>	<u>\$ 17,819,667</u>
<b>Other Assets</b>						
Utility deposits	\$ -	\$ -	\$ 11,794	\$ -	\$ 11,794	\$ 12,471
Promises to give - restricted (net)	-	-	325,168	-	325,168	261,869
Total other assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 336,962</u>	<u>\$ -</u>	<u>\$ 336,962</u>	<u>\$ 274,340</u>
Total assets	<u>\$ 5,833,532</u>	<u>\$ 39,271,925</u>	<u>\$ 14,039,990</u>	<u>\$ 18,790,408</u>	<u>\$ 77,929,653</u>	<u>\$ 69,377,209</u>

† After interfund payable/receivables have been eliminated.

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LOUISIANA UNITED METHODIST CHILDREN  
AND FAMILY SERVICES, INC.

COMBINED STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2019 AND 2018

	General Operating Fund	Endowment Fund	Local Investment Fund	General Fixed Assets	Total All Funds 2019	Total All Funds 2018
<b>Liabilities</b>						
<b>Current Liabilities</b>						
Accounts payable	\$ 485,632	\$ -	\$ 95,734	\$ -	\$ 581,366	\$ 573,562
Accrued compensation	1,079,276	-	-	-	1,079,276	1,014,073
Other payables	6,202	-	-	-	-	-
Total current liabilities	<u>\$ 1,571,110</u>	<u>\$ -</u>	<u>\$ 95,734</u>	<u>\$ -</u>	<u>\$ 1,660,642</u>	<u>\$ 1,587,635</u>
<b>Other Liabilities</b>						
Retirement payable	\$ 136,743	\$ -	\$ -	\$ -	\$ 136,743	\$ 152,080
Total other liabilities	<u>\$ 136,743</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 136,743</u>	<u>\$ 152,080</u>
Total liabilities	<u>\$ 1,707,853</u>	<u>\$ -</u>	<u>\$ 95,734</u>	<u>\$ -</u>	<u>\$ 1,797,385</u>	<u>\$ 1,739,715</u>
<b>Net Assets</b>						
Without donor restrictions	\$ 4,081,995	\$ 36,680,666	\$ 10,562,386	\$ 18,790,408	\$ 70,115,455	\$ 63,933,245
With donor restrictions	43,684	2,591,259	3,381,870	-	6,016,813	3,704,249
Total net assets	<u>\$ 4,125,679</u>	<u>\$ 39,271,925</u>	<u>\$ 13,944,256</u>	<u>\$ 18,790,408</u>	<u>\$ 76,132,268</u>	<u>\$ 67,637,494</u>
Total Liabilities and Net Assets	<u>\$ 5,833,532</u>	<u>\$ 39,271,925</u>	<u>\$ 14,039,990</u>	<u>\$ 18,790,408</u>	<u>\$ 77,929,653</u>	<u>\$ 69,377,209</u>

† After interfund payables/receivables have been eliminated.

The accompanying notes are an integral part of this financial statement.

LOUISIANA UNITED METHODIST CHILDREN  
AND FAMILY SERVICES, INC.

COMBINED STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	General Operating Fund	Endowment Fund	Local Investment Fund	General Fixed Assets	Total All Funds 2019	Total All Funds 2018
<b>Revenue and Support Without Donor Restrictions</b>						
Contributions	\$ 1,083,128	\$ -	\$ 16,905	\$ -	\$ 1,100,033	\$ 1,086,683
Educational services	572,735	-	-	-	572,735	370,392
Children's home offerings	102,029	-	-	-	102,029	160,060
Wills and bequests	-	-	5,000	-	5,000	54,700
Child care support	20,234,874	-	-	-	20,234,874	19,474,148
Independent living services	518,309	-	-	-	518,309	497,195
Grants for child care	37,981	-	-	-	37,981	55,993
Family development services	161,601	-	-	-	161,601	133,201
Methodist foster care	4,107,237	-	-	-	4,107,237	3,115,123
Foster care support grant	23,507	-	-	-	23,507	-
Trust funds	228,165	-	52,440	-	280,605	298,269
Interest income	41,616	116,922	56,492	-	215,030	307,015
Dividend and pooled funds income	277	632,299	105,173	-	737,749	909,336
Miscellaneous	355,193	2,818	-	-	358,011	324,230
Net realized and unrealized gain (loss) on investments	-	5,785,769	227,596	(11,370)	6,001,995	(2,903,467)
Other investment income	-	-	2,294,249	-	2,294,249	3,207,637
<b>Total unrestricted revenue and support</b>	<b>\$ 27,466,652</b>	<b>\$ 6,537,808</b>	<b>\$ 2,757,855</b>	<b>\$ (11,370)</b>	<b>\$ 36,750,945</b>	<b>\$ 27,090,515</b>
<b>Net Assets Released from Restrictions</b>						
Restrictions satisfied by payments	\$ 171,913	\$ 11,886	\$ 55,625	\$ -	\$ 239,424	\$ 232,689
<b>Expenses</b>						
Administrative and general	\$ 4,687,602	\$ 99,359	\$ 254,497	\$ -	\$ 5,041,458	\$ 4,504,129
Plant operation and maintenance	986,262	-	-	-	986,262	887,242
Medical and nursing	2,471,412	-	-	-	2,471,412	2,420,896
Dietary	1,549,695	-	-	-	1,549,695	1,419,559
W. A. J. Lewis building	1,755,585	-	-	-	1,755,585	1,707,717
Scott building	2,017,226	-	-	-	2,017,226	1,851,405
Residential group care	5,546,623	-	-	-	5,546,623	5,507,922
Recreational - PRTF	244,338	-	-	-	244,338	229,498
Educational services	951,346	-	-	-	951,346	996,763
Pastoral care	212,892	-	-	-	212,892	212,976
Family counseling center	750,686	-	-	-	750,686	778,264
Clinical services	1,961,288	-	-	-	1,961,288	1,762,988
Life skills services	610,762	-	-	-	610,762	606,318
Methodist foster care	4,112,767	-	-	-	4,112,767	3,065,668
Foster care support	28,265	-	-	-	28,265	-
Outdoor wilderness learning center	720,558	-	-	-	720,558	640,205
Development and public relations	647,865	-	-	-	647,865	664,931
Family plus	108,740	-	-	-	108,740	242,626
Advocacy and community development	23,430	-	-	-	23,430	5,354
Provision for depreciation	-	-	-	1,066,962	1,066,962	1,031,444
<b>Total expenses</b>	<b>\$ 29,387,342</b>	<b>\$ 99,359</b>	<b>\$ 254,497</b>	<b>\$ 1,066,962</b>	<b>\$ 30,808,160</b>	<b>\$ 28,535,905</b>

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LOUISIANA UNITED METHODIST CHILDREN  
AND FAMILY SERVICES, INC.

COMBINED STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	General Operating Fund	Endowment Fund	Local Investment Fund	General Fixed Assets	Total All Funds 2019	Total All Funds 2018
<b>Excess (Deficiency) of Revenue Over Expenses</b>	\$ (1,748,777)	\$ 6,450,335	\$ 2,558,983	\$ (1,078,332)	\$ 6,182,209	\$ (1,212,701)
<b>Change in Net Assets from Operations</b>	\$ (1,748,777)	\$ 6,450,335	\$ 2,558,983	\$ (1,078,332)	\$ 6,182,209	\$ (1,212,701)
<b>Other Changes in Net Assets Without Donor Restrictions</b>						
Property and equipment acquisitions and transfers	(46,446)	-	(2,002,627)	2,049,073	-	-
Operating transfers	1,666,609	(1,666,609)	-	-	-	-
<b>Change in Net Assets Without Donor Restrictions</b>	\$ (128,614)	\$ 4,783,726	\$ 556,356	\$ 970,741	\$ 6,182,209	\$ (1,212,701)
<b>Changes in Net Assets With Donor Restrictions</b>						
Net realized and unrealized gain (loss) on investments	\$ -	\$ 120,423	\$ 183,924	\$ -	\$ 304,347	\$ (258,272)
Pooled funds income	-	36,722	-	-	36,722	23,092
Contributions, wills and bequests, and grants (net of uncollectible)	174,100	-	2,036,819	-	2,210,919	1,046,908
Net assets released from restrictions	(171,913)	(11,886)	(55,625)	-	(239,424)	(232,689)
Transfers (to) from unrestricted net assets	-	1,266,862	(1,266,862)	-	-	-
<b>Change in Net Assets with Donor Restrictions</b>	\$ 2,187	\$ 1,412,121	\$ 898,256	\$ -	\$ 2,312,564	\$ 579,039
<b>Increase (Decrease) in Net Assets</b>	\$ (126,427)	\$ 6,195,847	\$ 1,454,612	\$ 970,741	\$ 8,494,773	\$ (633,662)
<b>Net Assets - Beginning of Year</b>	4,252,106	33,076,078	12,489,644	17,819,667	67,637,495	68,271,156
<b>Net Assets - End of Year</b>	\$ 4,125,679	\$ 39,271,925	\$ 13,944,256	\$ 18,790,408	\$ 76,132,268	\$ 67,637,494

The accompanying notes are an integral part of this financial statement.

LOUISIANA UNITED METHODIST CHILDREN  
AND FAMILY SERVICES, INC.

COMBINED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	General Operating Fund	Endowment Fund	Local Investment Fund	General Fixed Assets	Total All Funds 2019	Total All Funds 2018
<b>Cash Flows (to) from Operating Activities</b>						
Cash received from services	\$ 25,176,610	\$ -	\$ -	\$ -	\$ 25,176,610	\$ 26,040,535
Cash received from contributions and grants	1,234,976	-	1,715,451	-	2,950,427	1,200,041
Income from trust funds	212,832	-	52,440	-	265,272	296,103
Interest received	44,656	115,977	57,179	-	217,812	305,390
Dividends and pooled income	277	671,838	105,238	-	777,353	938,064
Receipts from investment properties	-	-	3,003,357	-	3,003,357	3,715,604
Miscellaneous receipts	290,310	-	-	-	290,310	294,374
Cash paid to employees, suppliers, and deposits	(29,277,468)	(99,359)	(841,000)	-	(30,217,827)	(28,112,860)
Cash received from (to) other funds	1,666,609	(1,666,609)	-	-	-	-
Net cash provided by (used for) investing activities	<u>\$ (651,198)</u>	<u>\$ (978,153)</u>	<u>\$ 4,092,665</u>	<u>\$ -</u>	<u>\$ 2,463,314</u>	<u>\$ 4,677,251</u>
<b>Cash Flows (to) from Investing Activities</b>						
Proceeds from sale of investments	\$ -	\$ 6,223,356	\$ 57,702	\$ -	\$ 6,281,058	\$ 2,736,777
Purchase of investments and CDs	-	(5,581,224)	-	-	(5,581,224)	(1,440,162)
Purchase of property and equipment	(46,446)	-	(2,006,077)	-	(2,052,523)	(1,569,164)
Endowment transfers	-	1,266,862	(1,266,862)	-	-	-
Proceeds from asset dispositions	-	-	3,450	-	3,450	4,130
Net cash provided by (used for) investing activities	<u>\$ (46,446)</u>	<u>\$ 1,908,994</u>	<u>\$ (3,211,787)</u>	<u>\$ -</u>	<u>\$ (1,349,239)</u>	<u>\$ (268,419)</u>
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	<u>\$ (697,644)</u>	<u>\$ 930,841</u>	<u>\$ 880,878</u>	<u>\$ -</u>	<u>\$ 1,114,075</u>	<u>\$ 4,408,832</u>
<b>Cash and Cash Equivalents - Beginning of Year</b>	<u>1,975,165</u>	<u>1,363,496</u>	<u>9,198,491</u>	<u>-</u>	<u>12,537,152</u>	<u>8,128,320</u>
<b>Cash and Cash Equivalents - End of Year</b>	<u><u>\$ 1,277,521</u></u>	<u><u>\$ 2,294,337</u></u>	<u><u>\$ 10,079,369</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 13,651,227</u></u>	<u><u>\$ 12,537,152</u></u>

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LOUISIANA UNITED METHODIST CHILDREN  
AND FAMILY SERVICES, INC.

COMBINED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	General Operating Fund	Endowment Fund	Local Investment Fund	General Fixed Assets	Total All Funds 2019	Total All Funds 2018
<b>Reconciliation of Changes in Net Assets to Cash Provided by Operating Activities</b>						
Change in net assets	\$ (126,427)	\$ 6,195,847	\$ 1,454,613	\$ 970,741	\$ 8,494,774	\$ (633,662)
Adjustments to reconcile changes in net assets to net cash provided by:						
Depreciation and amortization	-	-	-	1,066,962	1,066,962	1,031,444
Uncollectible pledges/receivables	-	-	31,167	-	31,167	34,411
(Gain) loss on abandoned or sold assets	-	-	(3,450)	11,370	7,920	170,639
Decrease (increase) in receivables and promises to give	(719,543)	(945)	(26,022)	-	(746,510)	1,130,569
Decrease (increase) in prepaid expenses, deposits, and other	(62,713)	-	3,177	-	(59,536)	140,194
Decrease (increase) in inventory	4,110	-	-	-	4,110	(6,848)
Increase (decrease) in payables and accrued expenses	219,492	-	(155,620)	-	63,872	(147,695)
Realized and unrealized loss (gain) on investments	-	(5,906,193)	(411,520)	-	(6,317,713)	2,980,688
Purchase of property and equipment	46,446	-	2,002,627	(2,049,073)	-	-
Transfers to (from) other funds	-	(1,266,862)	1,266,862	-	-	-
Noncash bequest to assets for sale or real estate	(12,563)	-	(69,169)	-	(81,732)	(22,489)
<b>Net Cash Provided by (Used for) Operating Activities</b>	<u>\$ (651,198)</u>	<u>\$ (978,153)</u>	<u>\$ 4,092,665</u>	<u>\$ -</u>	<u>\$ 2,463,314</u>	<u>\$ 4,677,251</u>
<b>Interest Paid</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Income Taxes Paid</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,500</u>

The accompanying notes are an integral part of this financial statement.

**FINANCIAL STATEMENTS OF INDIVIDUAL FUNDS**

LOUISIANA UNITED METHODIST CHILDREN  
AND FAMILY SERVICES, INC.

GENERAL OPERATING FUND  
STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2019 AND 2018

	2019	2018
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 1,277,521	\$ 1,975,165
Accounts and cost reimbursement receivables (net of \$882,266 and \$1,012,152 allowance for 2019 and 2018, respectively)	3,813,814	3,085,193
Unconditional promises to give (net of \$0 and \$0 allowance for 2019 and 2018, respectively)	8,500	5,015
Due from Local Investment Fund	-	69,320
Inventory	47,606	51,716
Prepaid expenses and other	231,236	179,813
Total current assets	\$ 5,378,677	\$ 5,366,222
<b>Long-Term Investments</b>		
Cash surrender value life insurance	\$ 454,855	\$ 443,565
Total long-term investments	\$ 454,855	\$ 443,565
Total assets	\$ 5,833,532	\$ 5,809,787
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 485,632	\$ 391,528
Accrued compensation	1,079,276	1,014,073
Due to Local Investment Fund	6,202	-
Total current liabilities	\$ 1,571,110	\$ 1,405,601
<b>Other Liabilities</b>		
Retirement payable	\$ 136,743	\$ 152,080
Total other liabilities	\$ 136,743	\$ 152,080
Total liabilities	\$ 1,707,854	\$ 1,557,681
<b>Net Assets</b>		
<b>Without Donor Restrictions</b>		
Undesignated	\$ 4,081,995	\$ 4,210,609
Designated	-	-
Total net assets without donor restrictions	\$ 4,081,995	\$ 4,210,609
<b>With donor restrictions</b>	43,684	41,497
Total net assets	\$ 4,125,679	\$ 4,252,106
Total liabilities and net assets	\$ 5,833,533	\$ 5,809,787

The accompanying notes are an integral part of this financial statement.

LOUISIANA UNITED METHODIST CHILDREN  
AND FAMILY SERVICES, INC.

GENERAL OPERATING FUND  
STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
<b>Revenue and Support Without Donor Restrictions</b>		
Contributions	\$ 1,083,128	\$ 1,068,821
Children's home offerings	102,029	160,060
Special events	70,936	55,667
Child care support	20,010,662	19,256,155
Independent living services	518,309	497,195
Federal subgrant for child care	37,981	55,993
Family plus program	59,199	57,094
Family development services	161,601	133,201
Medical and nursing	165,013	160,899
Methodist foster care	4,107,237	3,115,123
Foster care support grant	23,507	-
Trust funds	228,165	237,324
Interest income	41,616	181,384
Dividend income	277	199
Outdoor wilderness learning center	247,325	202,881
Educational services	572,735	370,392
Miscellaneous income	36,931	60,046
	<b>\$ 27,466,651</b>	<b>\$ 25,612,434</b>
<b>Net Assets Released from Restrictions</b>		
Restrictions satisfied by payments	<b>\$ 171,913</b>	<b>\$ 225,475</b>
<b>Expenses</b>		
Administrative and general	\$ 4,687,602	\$ 4,233,576
Plant operation and maintenance	986,262	887,242
Medical and nursing	2,471,412	2,420,896
Dietary	1,549,695	1,419,559
W. A. J. Lewis building	1,755,585	1,707,717
Scott building	2,017,226	1,851,405
Residential group care	5,546,623	5,507,922
Recreational - PRTF	244,338	229,498
Educational services	951,346	996,763
Pastoral care	212,892	212,976
Family counseling center	750,685	778,264
Clinical services	1,961,288	1,762,988
Life skills services	610,762	606,318
Methodist foster care	4,112,767	3,065,668
Foster Care Support	28,265	
Outdoor wilderness learning center & Equine Program	720,558	640,205
Development and public relations	647,865	664,931
Capital expenditures	46,446	78,024
Family plus	108,740	242,626
Advocacy and community development	23,430	5,354
Total expenses	<b>\$ 29,433,787</b>	<b>\$ 27,311,932</b>

- continued -

LOUISIANA UNITED METHODIST CHILDREN  
AND FAMILY SERVICES, INC.

GENERAL OPERATING FUND  
STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
Excess (Deficiency) of Revenue Over Expenses	\$ (1,795,223)	\$ (1,474,023)
Net Assets Transferred From Other Funds	\$ 1,666,609	\$ 1,632,411
Change in Net Assets Without Donor Restrictions	\$ (128,614)	\$ 158,388
Changes in Net Assets With Donor Restrictions		
Income from Lincoln Health Foundation - grant	\$ 174,100	\$ 205,010
Net assets released from restrictions	(171,913)	(225,475)
Change in Net Assets with Donor Restrictions	\$ 2,187	\$ (20,465)
Increase (Decrease) in Net Assets	\$ (126,427)	\$ 137,923
Net Assets - Beginning of Year	4,252,106	4,114,183
Net Assets - End of Year	\$ 4,125,679	\$ 4,252,106

The accompanying notes are an integral part of this financial statement.

LOUISIANA UNITED METHODIST CHILDREN  
AND FAMILY SERVICES, INC.

GENERAL OPERATING FUND  
STATEMENTS OF CASH FLOWS

AS OF DECEMBER 31, 2019 AND 2018

	2019	2018
<b>Cash Flows (To) From Operating Activities</b>		
Cash received from services	\$ 25,176,610	\$ 25,334,845
Cash received from contributions	1,234,976	1,200,041
Income from trust funds	212,832	235,158
Interest received	44,656	179,288
Dividends received	277	199
Miscellaneous receipts	290,310	294,374
Transfer from other funds	1,666,609	1,632,411
Cash paid to employees and suppliers	(29,277,468)	(27,431,093)
	<b>\$ (651,198)</b>	<b>\$ 1,445,223</b>
<b>Cash Flows (To) From Investing Activities</b>		
Purchase of property and equipment	\$ (46,446)	\$ (78,024)
	<b>\$ (46,446)</b>	<b>\$ (78,024)</b>
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	<b>\$ (697,644)</b>	<b>\$ 1,367,199</b>
<b>Cash and Cash Equivalents - Beginning of Year</b>	<b>1,975,165</b>	<b>607,966</b>
<b>Cash and Cash Equivalents - End of Year</b>	<b>\$ 1,277,521</b>	<b>\$ 1,975,165</b>
<b>Reconciliation of Changes in Net Assets to Cash Provided by Operating Activities</b>		
Change in net assets	\$ (126,427)	\$ 137,923
Adjustments to reconcile changes in net assets to net cash used by operating activities:		
Noncash donations	(12,563)	(22,489)
(Increase) decrease in accounts receivable and pledges	(719,543)	1,423,198
(Increase) decrease in prepaid expenses	(51,423)	(4,990)
(Increase) decrease in inventory	4,110	(6,848)
(Increase) decrease in cash surrender value of life insurance	(11,290)	(19,660)
Increase (decrease) in accounts payable	169,625	(126,982)
Increase (decrease) in accrued wages	65,204	9,077
Increase (decrease) in deferred revenue	-	(7,627)
Increase (decrease) in retirement payable	(15,337)	(14,403)
Purchase of property and equipment	46,446	78,024
	<b>\$ (651,198)</b>	<b>\$ 1,445,223</b>
<b>Net Cash Provided by (Used for) Operating Activities</b>	<b>\$ (651,198)</b>	<b>\$ 1,445,223</b>
<b>Interest Paid</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Income Taxes Paid</b>	<b>\$ -</b>	<b>\$ -</b>

The accompanying notes are an integral part of this financial statement.

LOUISIANA UNITED METHODIST CHILDREN  
AND FAMILY SERVICES, INC.

ENDOWMENT FUND  
STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2019 AND 2018

	2019	2018
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 2,294,337	\$ 1,363,496
Accrued interest and dividends	40,471	39,526
Total current assets	\$ 2,334,808	\$ 1,403,022
<b>Long-Term Investments</b>		
Investments - Depository Trust Company - custodian	\$ 18,188,836	\$ 15,302,276
Investments - Merrill Lynch - custodian	18,748,281	16,370,780
Total long-term investments	\$ 36,937,117	\$ 31,673,056
Total assets	\$ 39,271,925	\$ 33,076,078
<b>Net Assets</b>		
<b>Without Donor Restrictions</b>		
Undesignated	\$ 35,025,761	\$ 30,242,218
Designated	1,654,905	1,654,722
Total net assets without donor restrictions	\$ 36,680,666	\$ 31,896,940
With donor restrictions	2,591,259	1,179,138
Total net assets	\$ 39,271,925	\$ 33,076,078

The accompanying notes are an integral part of this financial statement.

LOUISIANA UNITED METHODIST CHILDREN  
AND FAMILY SERVICES, INC.

ENDOWMENT FUND  
STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
<b>Revenue and Support Without Donor Restrictions</b>		
Dividend income	\$ 291,678	\$ 295,560
Interest income	116,922	98,482
Settlement income and other	2,818	5,636
Income from pooled funds	340,621	517,981
Realized and unrealized gain (loss) on investments	5,785,769	(2,954,813)
Total revenue and support without donor restrictions	\$ 6,537,808	\$ (2,037,154)
<b>Net Assets Released from Restrictions</b>		
Restrictions satisfied by payments	\$ 11,886	\$ 7,214
<b>Expenses</b>		
Management and custody fees	\$ 99,359	\$ 70,300
Total expenses	\$ 99,359	\$ 70,300
<b>Excess (Deficiency) of Revenue Over Expenses</b>	\$ 6,450,335	\$ (2,100,240)
<b>Other Changes in Net Assets Without Donor Restrictions</b>		
Transfer (to) from Operating Fund	(1,666,609)	(1,632,411)
<b>Change in Net Assets Without Donor Restrictions</b>	\$ 4,783,726	\$ (3,732,651)
<b>Changes in Net Assets With Donor Restrictions</b>		
Net realized and unrealized gain (loss) on investments	\$ 120,423	\$ (81,146)
Income from pooled funds	36,722	23,092
Net assets released from restrictions	(11,886)	(7,214)
Transfer (to) from Local Investment Fund	1,266,862	111,893
<b>Change in Net Assets With Donor Restrictions</b>	\$ 1,412,121	\$ 46,625
<b>Change in Net Assets</b>	\$ 6,195,847	\$ (3,686,026)
<b>Net Assets - Beginning of Year</b>	33,076,078	36,762,104
<b>Net Assets - End of Year</b>	\$ 39,271,925	\$ 33,076,078

The accompanying notes are an integral part of this financial statement.

LOUISIANA UNITED METHODIST CHILDREN  
AND FAMILY SERVICES, INC.

ENDOWMENT FUND  
STATEMENTS OF CASH FLOWS

AS OF DECEMBER 31, 2019 AND 2018

	2019	2018
<b>Cash Flows (To) From Operating Activities</b>		
Interest received	\$ 115,977	\$ 100,641
Dividends and settlements received	294,496	301,196
Income from pooled funds	377,342	541,073
Transfers to operating fund	(1,666,609)	(1,632,411)
Cash paid to suppliers of services and taxes	(99,359)	(70,300)
Net cash provided by (used for) investing activities	\$ (978,153)	\$ (759,801)
<b>Cash Flows (To) From Investing Activities</b>		
Proceeds from sale of securities	\$ 6,223,356	\$ 2,726,486
Transfer from local investment fund	1,266,862	111,893
Purchase of securities	(5,581,224)	(1,440,162)
Net cash provided by (used for) investing activities	\$ 1,908,994	\$ 1,398,217
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	\$ 930,841	\$ 638,416
<b>Cash and Cash Equivalents - Beginning of Year</b>	1,363,496	725,080
<b>Cash and Cash Equivalents - End of Year</b>	\$ 2,294,337	\$ 1,363,496
<b>Reconciliation of Changes in Net Assets to Cash Provided by Operating Activities</b>		
Change in net assets	\$ 6,195,847	\$ (3,686,026)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
(Increase) decrease in receivables	(945)	2,159
Net realized and unrealized (gain) loss on investments	(5,906,193)	3,035,959
Transfers to (from) other funds	(1,266,862)	(111,893)
<b>Net Cash Provided by (Used for) Operating Activities</b>	\$ (978,153)	\$ (759,801)
<b>Interest Paid</b>	\$ -	\$ -
<b>Income Taxes Paid</b>	\$ -	\$ -

The accompanying notes are an integral part of this financial statement.

LOUISIANA UNITED METHODIST CHILDREN  
AND FAMILY SERVICES, INC.

LOCAL INVESTMENT FUND  
STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2019 AND 2018

	2019	2018
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 10,079,369	\$ 9,198,491
Accounts receivable	677,223	812,477
Accounts receivable - promises to give (current portion)	149,758	88,293
Due from Operations Fund	6,202	-
Prepaid expenses	-	2,500
Total current assets	\$ 10,912,552	\$ 10,101,761
<b>Long-Term Investments</b>		
Stocks and bonds	\$ 330,722	\$ 95,658
Louise Briley Leake Trust Fund - temporarily restricted	694,475	616,266
Hattye Jordan Trust Fund - temporarily restricted	269,837	238,631
Barbara Williamson Trust Fund - temporarily restricted	828,772	747,628
The Pomeroy Trust, LLC - temporarily restricted	135,486	135,486
R. D. Webb Property - temporarily restricted	9,248	9,291
Loraine Howard Property	462,035	462,035
R. D. Shelley Property	801	801
L. V. Lindingham Property	100	100
A. P. White Property	59,000	59,000
Total long-term investments	\$ 2,790,476	\$ 2,364,896
<b>Other Assets</b>		
Utility and rent deposits	\$ 11,794	\$ 12,471
Accounts receivable - promises to give (net of \$65,578 and \$34,411 allowance for 2019 and 2018, respectively)	325,168	261,869
Total other assets	\$ 336,962	\$ 274,340
Total assets	\$ 14,039,991	\$ 12,740,997
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 95,734	\$ 182,034
Due to Operations Fund	-	69,320
Total current liabilities	\$ 95,734	\$ 251,354
<b>Net Assets</b>		
<b>Without Donor Restrictions</b>		
Undesignated	\$ 10,068,879	\$ 8,285,639
Designated:		
Capital improvements	\$ 493,507	\$ 1,720,390
Total designated	\$ 493,507	\$ 1,720,390
Total net assets without donor restrictions	\$ 10,562,386	\$ 10,006,029
<b>With Donor Restrictions</b>	3,381,870	2,483,614
Total net assets	\$ 13,944,256	\$ 12,489,643
Total liabilities and net assets	\$ 14,039,990	\$ 12,740,997

The accompanying notes are an integral part of this financial statement.

LOUISIANA UNITED METHODIST CHILDREN  
AND FAMILY SERVICES, INC.

LOCAL INVESTMENT FUND  
STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
<b>Revenue and Support Without Donor Restrictions</b>		
Loraine Howard Property (oil and gas, timber, rents)	\$ 2,567,964	\$ 3,368,259
R. D. Webb Property (oil and gas)	59,780	115,545
Shelley Property (oil and gas)	55,765	64,830
Thurman Property (oil and gas)	40,838	61,664
Other investment property	1,583	795
Trust funds	52,440	60,945
Wills and bequests	5,000	54,700
Contributions and memorials	16,905	17,862
Dividend income	22,792	23,958
Interest income	56,492	27,149
Income from pooled funds	82,381	71,638
Net realized and unrealized gain (loss) in investments	227,596	55,196
Total revenue and support without donor restrictions	\$ 3,189,536	\$ 3,922,541
<b>Net Assets Released from Restrictions</b>		
Restrictions satisfied by payments	\$ 55,625	\$ -
<b>Expenses</b>		
Administrative and general	\$ 249,997	\$ 199,253
Oil and gas expenditures	431,680	403,456
Capital expenditures	2,006,077	1,491,140
Income tax	4,500	1,000
Total expenses	\$ 2,692,254	\$ 2,094,849
<b>Excess (Deficiency) of Revenue Over Expenses</b>	\$ 552,907	\$ 1,827,692
<b>Other Changes in Net Assets Without Donor Restrictions</b>		
Transfer (to) from Fixed Assets Fund (net)	\$ 3,450	\$ 11,952
Total other changes in net assets without donor restrictions	\$ 3,450	\$ 11,952
<b>Change in Net Assets Without Donor Restrictions</b>	\$ 556,357	\$ 1,839,644
<b>Changes in Net Assets With Donor Restrictions</b>		
Net realized and unrealized gain (loss) in investments	\$ 183,924	\$ (177,126)
Contributions and grants	1,466,894	685,579
Wills and bequests	601,092	156,319
Bad debt expense	(31,167)	
Net assets released from restrictions	(55,625)	-
Transfer (to) from Endowment Fund	(1,266,862)	(111,893)
Total changes in net assets with donor restrictions	\$ 898,256	\$ 552,879
<b>Changes in Net Assets With Donor Restrictions</b>	\$ 898,256	\$ 552,879
<b>Increase (Decrease) in Net Assets</b>	\$ 1,454,613	\$ 2,392,523
<b>Net Assets - Beginning of Year</b>	12,489,643	10,097,120
<b>Net Assets - End of Year</b>	\$ 13,944,256	\$ 12,489,643

The accompanying notes are an integral part of this financial statement.

LOUISIANA UNITED METHODIST CHILDREN  
AND FAMILY SERVICES, INC.

LOCAL INVESTMENT FUND  
STATEMENTS OF CASH FLOWS

AS OF DECEMBER 31, 2019 AND 2018

	2019	2018
<b>Cash Flows (To) From Operating Activities</b>		
Cash received from contributions, wills, and bequests	\$ 1,715,451	\$ 705,690
Income from trust funds	52,440	60,945
Interest received	57,179	25,461
Dividends and pooled funds	105,238	95,596
Receipts from investment properties	3,003,357	3,715,604
Cash paid to suppliers and utility deposits	(841,000)	(611,467)
Net cash provided by (used for) investing activities	\$ 4,092,665	\$ 3,991,829
<b>Cash Flows (To) From Investing Activities</b>		
Transfer (to) from Endowment Fund (net)	\$ (1,266,862)	\$ (111,893)
Capital purchases for Plant Fund (net)	(2,006,077)	(1,491,140)
Proceeds from disposition of assets (net)	3,450	4,130
Proceeds from sale of stock	57,702	10,291
Net cash provided by (used for) investing activities	\$ (3,211,787)	\$ (1,588,612)
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	\$ 880,878	\$ 2,403,217
<b>Cash and Cash Equivalents - Beginning of Year</b>	9,198,491	6,795,274
<b>Cash and Cash Equivalents - End of Year</b>	\$ 10,079,369	\$ 9,198,491
<b>Reconciliation of Changes in Net Assets to Cash Provided by Operating Activities</b>		
Change in net assets	\$ 1,454,613	\$ 2,392,523
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
(Gain) loss on sale of assets	(3,450)	177,201
Allowance for uncollected promises	31,167	34,411
Noncash donation of stock, building, and equipment	(69,169)	(10,412)
(Increase) decrease in receivables and promises to give	(26,022)	(294,788)
(Increase) decrease in prepaid expense and other	3,177	164,844
Realized and unrealized (gain) loss on investments	(411,520)	(55,271)
Transfers to (from) other funds	1,266,862	111,893
Purchase of property and equipment (net)	2,002,627	1,479,188
Increase (decrease) in accounts payable	(155,620)	(7,760)
<b>Net Cash Provided by (Used for) Operating Activities</b>	\$ 4,092,665	\$ 3,991,829
<b>Interest Paid</b>	\$ -	\$ -
<b>Income Taxes Paid</b>	\$ 1,500	\$ 3,500

The accompanying notes are an integral part of this financial statement.

LOUISIANA UNITED METHODIST CHILDREN  
AND FAMILY SERVICES, INC.

GENERAL FIXED ASSETS  
STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2019 AND 2018

	2019	2018
<b>Assets</b>		
Property and Equipment		
Autos, trucks, and buses	\$ 1,402,335	\$ 1,291,654
Tractors and ground equipment	354,947	370,609
Furniture, fixtures, and equipment	1,902,926	2,154,328
Building and improvements	22,792,519	22,779,004
Land and land improvements	2,759,341	2,759,341
	\$ 29,212,068	\$ 29,354,936
Less: accumulated depreciation	(12,447,273)	(11,998,275)
	\$ 16,764,795	\$ 17,356,661
Construction in progress	2,025,613	463,006
	\$ 18,790,408	\$ 17,819,667
	\$ 18,790,408	\$ 17,819,667
<b>Net Assets</b>		
Without Donor Restrictions		
Undesignated	\$ 18,790,408	\$ 17,819,667
Designated	-	-
Total net assets without donor restrictions	\$ 18,790,408	\$ 17,819,667
With donor restrictions	-	-
	\$ 18,790,408	\$ 17,819,667
	\$ 18,790,408	\$ 17,819,667

The accompanying notes are an integral part of this financial statement.

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

**GENERAL FIXED ASSETS  
STATEMENTS OF ACTIVITIES**

**FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

	2019	2018
<b>Expenses</b>		
Provision for depreciation	\$ (1,066,962)	\$ (1,031,444)
Gain (loss) on assets abandoned or sold	(11,370)	(3,850)
<b>Excess (Deficiency) of Revenue Over Expenses</b>	\$ (1,078,332)	\$ (1,035,294)
<b>Acquisition of Property and Equipment Without Donor Restrictions</b>		
Transfers from other funds	2,049,073	1,557,212
<b>Change in Net Assets Without Donor Restrictions</b>	\$ 970,741	\$ 521,918
<b>Net Assets - Beginning of Year</b>	17,819,667	17,297,749
<b>Net Assets - End of Year</b>	\$ 18,790,408	\$ 17,819,667

The accompanying notes are an integral part of this financial statement.

LOUISIANA UNITED METHODIST CHILDREN  
AND FAMILY SERVICES, INC.

GENERAL FIXED ASSETS  
STATEMENTS OF CASH FLOWS

AS OF DECEMBER 31, 2019 AND 2018

	2019	2018
<b>Cash Flows (To) From Operating Activities</b>		
Cash transfers (to) from other funds	\$ -	\$ -
Net cash provided by (used for) operating activities	\$ -	\$ -
<b>Cash Flows (To) From Investing Activities</b>		
Proceeds from sale of assets	\$ -	\$ -
Net cash provided by (used for) investing activities	\$ -	\$ -
<b>Cash and Cash Equivalents - Beginning of Year</b>	\$ -	\$ -
<b>Cash and Cash Equivalents - End of Year</b>	\$ -	\$ -
<b>Reconciliation of Changes in Net Assets to Cash Provided by Operating Activities</b>		
Change in net assets	\$ 970,741	\$ 521,918
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	1,066,962	1,031,444
(Gain) loss on assets abandoned or sold	11,370	3,850
Transfers (from) other funds	(2,049,073)	(1,557,212)
	-	-
<b>Net Cash Provided by (Used for) Operating Activities</b>	\$ -	\$ -
<b>Interest Paid</b>	\$ -	\$ -
<b>Income Taxes Paid</b>	\$ -	\$ -

The accompanying notes are an integral part of this financial statement.

**NOTES TO THE FINANCIAL STATEMENTS**

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

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization and Purpose**

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

The Organization (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, eleemosynary, literary, scientific, and charitable objectives and purpose. The Organization develops, administers, and operates various residential and outpatient programs. These programs provide valuatve, therapeutic, educational, recreational, and social services for the youth and their families.

The Lorraine Howard Educational Center (a.k.a., Howard School), located on the grounds of Louisiana Methodist Children's Home in Ruston, is a Louisiana Department of Education (LDOE) "Top Gains" alternative school. Fully licensed by LDOE as an alternative school, Howard School provides quality educational services to residents of the Organization and to select students from Lincoln Parish at the request of the Lincoln Parish School Board.

In 2016, Bayou Health changed to Healthy Louisiana. Healthy Louisiana is managed by five independent managed care organizations which are contracted by Louisiana Department of Health. Louisiana United Methodist Children and Family Services, Inc. provides psychiatric residential treatment facility services under network provider agreements with four of the Healthy Louisiana managed care organizations, and through the use of Single Case Agreements with the other Healthy Louisiana managed care organization.

**Methodist Foster Care**

Therapeutic Foster Care is a family-based service which allows a child to live in a home with trained Therapeutic Foster Care Parents while receiving intensive treatment from community-based providers of mental health services for their emotional and behavioral needs. Therapeutic Foster Care gives a child a supportive family setting until the natural family can be reunited or a permanent placement can be arranged for the child.

On November 25, 2015, the Organization created the Methodist Foster Care program and entered into a contract with the Louisiana Department of Children and Family Services to provide Therapeutic Foster Care to children in the custody of that department. The Organization received the Child Placing License on December 1, 2015.

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

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

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

The Organization receives a significant portion of its revenue from grants/contracts from government agencies, thus, the Organization is subject to possible cutbacks due to changes in funding priorities. During 2019 and 2018, the Organization received approximately 64% and 83%, respectively, of its gross public support from such grants/contracts.

**Basis of Accounting**

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted (GAAP) in the United States of America. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

*Net assets without donor restrictions* - Net assets which are not subject to donor-imposed stipulations.

*Net assets with donor restrictions* - Net assets subject to donor-imposed stipulations that will either 1) expire by incoming expenses satisfying the restricted purpose (purpose-restricted), and/or the passage of time or other events (time-restricted), or 2) will never expire (perpetual in nature). When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

**Liquidity**

Assets are presented in the accompanying statement of financial position according to their nearness of conversion to cash and liabilities according to the nearness of their maturity and resulting use of cash.

**Cash and Cash Equivalents**

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

**Certificates of Deposit**

The Organization had one and one certificates of deposit as of December 31, 2019 and 2018, respectively, that were unrestricted funds:

	<u>2019</u>	<u>2018</u>
Local Investment Fund		
Cash and cash equivalents:		
First National Bank Toma Lodge, Ruston, Louisiana, dated February 23, 2019, maturing February 24, 2020, 0.50% annual percentage rate, Interest credited monthly.	\$ 100,000	\$ -
First National Bank Toma Lodge, Ruston, Louisiana, dated February 22, 2017, maturing February 22, 2019, 0.65% annual percentage rate, interest paid on maturity.	-	<u>100,000</u>
Cash and cash equivalents	<u>\$ 100,000</u>	<u>\$ 100,000</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Certificates of Deposit (continued)**

During the prior year, the Organization obtained a letter, dated September 18, 2018, from Origin Bank, Ruston, Louisiana, stating that the Organization has a standing approval for a \$300,000 line of credit through December 31, 2019. The loan approval is to satisfy licensing requirements of \$100,000 for each of the Organization's Ruston, Mandeville, and Sulphur, Louisiana locations.

During the current year, the Organization obtained a letter, dated September 18, 2019, from Origin Bank, Ruston, Louisiana, stating that the Organization has a standing approval for a \$300,000 line of credit through December 31, 2020. The loan approval is to satisfy licensing requirements of \$100,000 for each of the Organization's Ruston, Mandeville, and Sulphur, Louisiana locations.

**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. Significant estimates include those assumed in valuing promises to give, the market values of investments, expected return on investments, estimated life expectancies, and the useful lives of depreciable assets. It is at least possible that the significant estimates will change within the next year.

**Accounts Receivable**

The Organization routinely grants clients and clients' families credit for their services. The Organization also receives pledges that represent receivables.

The policy for charging off uncollectible client service receivables is as follows: A monthly collection notice will be sent for two months with a follow-up call from the accounting bookkeeper in the second month. If the client account remains open for a third month, a letter from the Chief Operating Officer is sent. If the child is in one of the residential programs, this will not jeopardize their continued placement. If an account is greater than \$1,500, a letter from the Organization's attorney will be sent to the family requesting payment with further legal action as needed. Accounts less than \$1,500 will be turned over to a collection agency. Debts for client care will be written off only when all reasonable attempts at recovery have been taken and it is not cost effective to continue the process.

The policy for charging off uncollectible pledge receivables is as follows: Contributors who make pledges will be sent reminders from the development department. If the pledge is not given in the time specified or within one year thereafter, the account will be recommended to the president/CEO of the Organization for write-off.

An allowance for uncollectible accounts related to services and cost reimbursement totaled \$882,266 and \$1,012,152 as of December 31, 2019 and 2018, respectively. Also, an allowance related to accounts for unconditional promises to give totaled \$0 and \$0 as of December 31, 2019 and 2018, respectively.

The president/CEO or his/her designee must approve all debts for write-off after being satisfied that the recovery procedures have been complied with and that all reasonable attempts at recovery have been satisfied.

**LOUISIANA UNITED METHODIST CHILDREN AND FAMILY SERVICES, INC.****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED DECEMBER 31, 2019****NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****Accounts Receivable (continued)**

As of December 31, 2019 and 2018, the Organization's accounts receivable contains \$101,842 and \$94,777, respectively, due from the Lincoln Parish School Board for the state and local funds for educational services provided to resident and nonresident students of Howard School. For 2019, this receivable is the net amount of federal, state, and local funding derived from the Louisiana Department of Education's October 1, 2018 and February 1, 2019 student counts at Howard School, less actual services and benefits received from the Lincoln Parish School Board. For 2018, the Louisiana Department of Education's October 1, 2017 and February 1, 2018 student counts were used.

**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.

**Inventory**

Purchased inventory is stated at cost. Donated inventory is stated at approximate fair market value at the time of donation.

**Property 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 three to 50 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 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.

**LOUISIANA UNITED METHODIST CHILDREN AND FAMILY SERVICES, INC.****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED DECEMBER 31, 2019****NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****Interest and Penalties**

The Organization paid \$0 and \$614 in penalties for the years ended December 31, 2019 and 2018, respectively.

**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 fundraising, 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.

**Credit Risk**

The Organization maintains cash accounts in various institutions with locations in Ruston, Louisiana. The balances are insured by the Federal Deposit Insurance Corporation, up to \$250,000. At December 31, 2019 and 2018, the Organization had no uninsured cash balances, but held \$10,219,174 and \$10,081,179, respectively, in securities purchases with an obligation to sell.

**NOTE 2 - DEFINED CONTRIBUTION PLAN**

The Organization sponsors employees regularly working more than 1,040 hours per year with more than 12 months of service in the Lay Employees' Pension Fund of the United Methodist Church whereby it matches the employees' 3% minimum contribution two-for-one for a total cost to the Organization of 6% of participating employees' gross earnings. Contributions by the Organization totaled \$559,777 for 2019 and \$545,778 for 2018. The Organization also funds the minister's retirement with the Louisiana Annual Conference of the United Methodist Church. Contributions by the Organization totaled \$10,439 and \$9,242 during 2019 and 2018, respectively.

**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 are managed by an investment advisor in accordance with the terms of an investment advisory agreement.

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the statement of financial position. Pursuant to Accounting Standards Codification 958, *Financial Statements of Not-For-Profit Organization*, gains and losses on investments are reported in the statement of activities as increases or decreases in unrestricted net assets unless their use is temporarily or permanently restricted by explicit donor stipulations or by law. Investments in unlisted securities where market is not readily attainable are carried at cost. A recap of such debt and equity securities is shown:

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

## NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED DECEMBER 31, 2019

## NOTE 3 - INVESTMENTS (continued)

	<u>2019</u>	<u>2018</u>
Net income (loss) for years - Endowment Fund		
Interest	\$ 116,922	\$ 98,482
Dividends and settlement income	294,496	301,196
Income from pooled fund	377,343	541,073
Realized and unrealized gains and (losses)	<u>5,906,192</u>	<u>(3,035,959)</u>
	\$ 6,694,953	\$ (2,095,208)
Less: investment expenses	<u>(99,359)</u>	<u>(70,301)</u>
	<u>\$ 6,595,594</u>	<u>\$ (2,165,509)</u>

Gross proceeds from the sale of securities amounted to \$6,223,356 and \$2,726,486 for the years ended December 31, 2019 and 2018, respectively.

Investments with a cost basis of \$ 30,719,379 had unrealized gains of \$ 5,956,653 as of December 31, 2019.

**Local Investment Fund**

In 1996, 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 25 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 or decrease in temporarily restricted assets. This trust fund was valued at \$694,475 and \$616,266 for 2019 and 2018, respectively.

During 2000, the Organization received a bequest from the Estate of Hattye Jordan. The Hattye Recoulley Jordan Charitable Remainder Unitrust has Hancock Whitney Bank as trustee and the Organization will receive the assets of the trust upon the death of the recipient. The assets of the trust were valued based upon available market rates discounted for the life expectancy of the recipient. The market values of the trust were \$341,629 and \$308,067 for 2019 and 2018, respectively. The discounted values were \$269,836 and \$238,631 for 2019 and 2018, respectively.

During 2015, the Organization received a bequest from the Estate of Barbara Williamson. The Barbara Williamson Charitable Lead Trust has an individual as the trustee and the Organization received a 20% interest in the assets of the trust. The assets are payable to the Organization at the rate of 5% of the fair market value of the assets of the trust on December 31 of each year for 50 years. The fair market value of 20% interest of the assets of the trust was \$883,359 and \$808,807 as of December 31, 2019 and 2018, respectively. The discounted values were \$828,772 and \$747,628 for 2019 and 2018, respectively.

During 2017, the Organization recorded a bequest from the Estate of Annie Pomeroy of an 1/7<sup>th</sup> interest in the Pomeroy Trust, LLC. The assets of the limited liability company were recorded at cost of \$135,486 and \$135,486 to reflect the Organization's interest as of December 31, 2019 and 2018, respectively.

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

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

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 3 - INVESTMENTS (continued)	Cost Basis	Fair Market Basis	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Unrealized Gain (Loss)
<b>2019 LOCAL INVESTMENT FUND</b>						
Equity securities - cost or donated value						
Publicly Traded	\$ 39,962	\$ 90,938	\$ 90,938	\$ -	\$ -	\$ 50,976
Closely Held	16,984	239,784	-	-	239,784	222,800
Total Equity securities	<u>\$ 56,946</u>	<u>\$ 330,722</u>	<u>\$ 90,938</u>	<u>\$ -</u>	<u>\$ 239,784</u>	<u>\$ 273,776</u>
Net income - Local Investment Fund						
Interest		\$ 56,452				
Dividends		105,173				
		<u>\$ 161,625</u>				
<b>2019 INVESTMENTS ENDOWMENT FUND</b>						
<u><b>Argent Trust Company - Ruston, LA</b></u>						
Cash equivalents	<u>\$ 675,370</u>	<u>\$ 675,370</u>				
Mutual funds						
Mutual funds - International equity	\$ 77,078	\$ 133,069	\$ 133,069	\$ -	\$ -	\$ 55,991
Mutual funds - equity	803,426	1,322,977	1,322,977	-	-	519,551
Total mutual funds	<u>\$ 880,504</u>	<u>\$ 1,456,046</u>	<u>\$ 1,456,046</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 575,542</u>
Equities						
Common stock	\$ 6,625,230	\$ 11,257,495	\$ 11,257,495	\$ -	\$ -	\$ 4,632,265
Foreign equities	114,981	175,263	175,263	-	-	60,282
Total equities	<u>\$ 6,740,211</u>	<u>\$ 11,432,758</u>	<u>\$ 11,432,758</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,692,547</u>
Corporate bonds	\$ 3,448,395	\$ 3,515,533	\$ -	\$ 3,515,533	\$ -	\$ 67,139
U.S. government securities	498,973	501,787	501,787	-	-	2,814
Mortgage Asset Backed	1,265,449	1,282,712	-	1,282,712	-	17,263
Total fixed income securities	<u>\$ 5,212,817</u>	<u>\$ 5,300,032</u>	<u>\$ 501,787</u>	<u>\$ 4,798,245</u>	<u>\$ -</u>	<u>\$ 87,216</u>
Total Argent Investments without cash	<u>\$ 12,833,532</u>	<u>\$ 18,188,836</u>	<u>\$ 13,390,591</u>	<u>\$ 4,798,245</u>	<u>\$ -</u>	<u>\$ 5,355,305</u>
<u><b>The United Methodist Foundation of LA</b></u>						
Cash equivalents	<u>\$ 1,618,967</u>	<u>\$ 1,618,967</u>				
Mutual Funds - Equity	\$ 2,237,017	\$ 2,230,984	\$ 2,230,984	\$ -	\$ -	\$ (6,033)
Money Accounts	372,572	372,572	372,572	-	-	-
Stocks and Related	10,791,837	11,661,197	11,661,197	-	-	869,360
Corporate Bonds	866,322	893,187	-	893,187	-	26,865
U. S. Government Bonds	1,196,166	1,218,958	1,218,958	-	-	22,792
Mortgage Asset Backed	1,179,307	1,185,703	-	1,185,703	-	6,396
Pooled income funds	1,185,680	1,185,680	-	1,185,680	-	-
Total United Methodist Foundation Investments without cash	<u>\$ 17,828,901</u>	<u>\$ 18,748,281</u>	<u>\$ 15,483,711</u>	<u>\$ 3,264,570</u>	<u>\$ -</u>	<u>\$ 919,380</u>
Endowment fund total investments without cash equivalents	<u>\$ 30,662,433</u>	<u>\$ 36,937,117</u>	<u>\$ 28,874,302</u>	<u>\$ 8,062,815</u>	<u>\$ -</u>	<u>\$ 6,274,685</u>
Total stocks, bonds, and notes	<u>\$ 30,719,379</u>	<u>\$ 37,267,839</u>	<u>\$ 28,965,240</u>	<u>\$ 8,062,815</u>	<u>\$ 239,784</u>	<u>\$ 6,548,461</u>

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

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 3 - INVESTMENTS (continued)	Cost Basis	Fair Market Basis	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Unrealized Gain (Loss)
<b>2018 LOCAL INVESTMENT FUND</b>						
Equity securities - cost or donated value						
Publicly Traded	\$ 39,962	\$ 85,658	\$ 85,658	\$ -	\$ -	\$ 45,696
Closely Held	10,000	10,000	-	-	10,000	-
Total Equity securities	<u>\$ 49,962</u>	<u>\$ 95,658</u>	<u>\$ 85,658</u>	<u>\$ -</u>	<u>\$ 10,000</u>	<u>\$ 45,696</u>
Net income - Local Investment Fund						
Interest		\$ 27,149				
Dividends		23,958				
		<u>\$ 51,107</u>				
<b>2018 INVESTMENTS ENDOWMENT FUND</b>						
<u><b>Argent Trust Company - Ruston, LA</b></u>						
Cash equivalents	<u>\$ 944,787</u>	<u>\$ 944,787</u>				
Mutual funds						
Mutual funds - International equity	\$ 77,078	\$ 106,618	\$ 106,618	\$ -	\$ -	\$ 29,540
Mutual funds - equity	803,426	1,093,688	1,093,688	-	-	290,262
Total mutual funds	<u>\$ 880,504</u>	<u>\$ 1,200,306</u>	<u>\$ 1,200,306</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 319,802</u>
Equities						
Common stock	\$ 7,023,814	\$ 9,094,429	\$ 9,094,429	\$ -	\$ -	\$ 2,070,615
Foreign equities	114,981	150,646	150,646	-	-	35,665
Total equities	<u>\$ 7,138,795</u>	<u>\$ 9,245,075</u>	<u>\$ 9,245,075</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,106,280</u>
Corporate bonds	\$ 3,296,431	\$ 3,236,034	\$ -	\$ 3,236,034	\$ -	\$ (60,397)
U.S. government securities	328,712	327,229	327,229	-	-	(1,483)
Mortgage Asset Backed	1,305,151	1,293,632	-	1,293,632	-	(11,519)
Total fixed income securities	<u>\$ 4,930,294</u>	<u>\$ 4,856,895</u>	<u>\$ 327,229</u>	<u>\$ 4,529,666</u>	<u>\$ -</u>	<u>\$ (73,399)</u>
Total Argent Investments without cash	<u>\$ 12,949,593</u>	<u>\$ 15,302,276</u>	<u>\$ 10,772,610</u>	<u>\$ 4,529,666</u>	<u>\$ -</u>	<u>\$ 2,352,683</u>
<u><b>The United Methodist Foundation of LA</b></u>						
Cash equivalents	<u>\$ 418,709</u>	<u>\$ 418,709</u>				
Pooled income funds	<u>\$ 18,263,094</u>	<u>\$ 16,370,780</u>	<u>\$ -</u>	<u>\$ 16,370,780</u>	<u>\$ -</u>	<u>\$ (1,892,314)</u>
Total United Methodist Foundation Investments without cash	<u>\$ 18,263,094</u>	<u>\$ 16,370,780</u>	<u>\$ -</u>	<u>\$ 16,370,780</u>	<u>\$ -</u>	<u>\$ (1,892,314)</u>
Endowment fund total investments without cash equivalents	<u>\$ 31,212,687</u>	<u>\$ 31,673,056</u>	<u>\$ 10,772,610</u>	<u>\$ 20,900,446</u>	<u>\$ -</u>	<u>\$ 460,369</u>
Total stocks, bonds, and notes	<u>\$ 31,262,649</u>	<u>\$ 31,768,714</u>	<u>\$ 10,858,268</u>	<u>\$ 20,900,446</u>	<u>\$ 10,000</u>	<u>\$ 506,065</u>

**LOUISIANA UNITED METHODIST CHILDREN AND FAMILY SERVICES, INC.****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED DECEMBER 31, 2019****NOTE 3 - INVESTMENTS (continued)****Other Information**

Also, at the end of 2009, the United Methodist Foundation of Louisiana established a "Donor Advised Fund" in an account named "Methodist Home for Children New Orleans Endowment." The fund is a temporarily restricted fund of the United Methodist Foundation, with an annual distribution available for use to operate a children's home in the Greater New Orleans area.

Originally, if a new home is constructed in the Greater New Orleans area, 80% of the value of the fund could be distributed for construction costs. The remaining 20% should be retained as a permanently restricted asset of the United Methodist Foundation and the annual distribution will continue to be used for operational support of that Greater New Orleans home.

During 2014, \$1,000,000 was transferred from the United Methodist Foundation to the Organization for the purchase of property to become the permanent site of a Methodist Children's Home in the Greater New Orleans area.

During 2015, the Organization purchased approximately 125 acres in Tangipahoa Parish as well as mineral and surface rights for a total cost of \$1,017,648.

As of December 31, 2019 and 2018, the market value of the assets in the construction account was \$229,085 and \$192,032, respectively. The market value of the assets in the permanently restricted fund was \$389,822 and \$326,771 as of December 31, 2019 and 2018, respectively.

**Operating Fund**

The Organization owns two (2) cash surrender value life insurance policies with Met Life. The policies were issued on the lives of two (2) former officers of the Organization with current annual premiums of \$2,500 each paid with paid-up additional insurance surrendered. The original investments for each policy in paid-up additional insurance were \$70,000 and \$75,000, respectively. The increases in cash surrender value of life insurance for the years ended December 31, 2019 and 2018, were \$11,290 and \$19,660, respectively. The cash surrender values of the policies as of December 31, 2019 and 2018, were \$454,855 and \$443,565, respectively.

**NOTE 4 - CONCENTRATION OF REVENUES AND ACCOUNTS RECEIVABLE**

Louisiana United Methodist Children and Family Services, Inc. provides psychiatric residential treatment facility services in its three children's homes. These services are reimbursed in part at a rate established in contract with four of the Healthy Louisiana managed care organizations and in Single Care Agreements with the other Healthy Louisiana managed care organization. These rates were determined and negotiated using the findings of annual cost reports conducted according to Louisiana Department of Health regulations, which are submitted to the Louisiana Department of Health upon completion.

Revenue from this service totaled \$20,010,662 and \$19,256,155 for 2019 and 2018, respectively. Accounts receivable balances related to this activity were \$4,068,189 and \$3,543,188 as of December 31, 2019 and 2018, respectively.

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

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

**NOTE 4 - CONCENTRATION OF REVENUES AND ACCOUNTS RECEIVABLE (continued)**

Accounts receivable arise from the normal course of providing these services and are not secured. An allowance for uncollectible accounts of \$882,266 and \$1,012,152 for 2019 and 2018, respectively, has been provided for accounts receivable, and cost reimbursement receivables related to services. Accounts receivable balances over 90 days past due were \$1,569,291 and \$1,280,185 as of December 31, 2019 and 2018, respectively.

**Pledges Receivable**

**Operating Fund**

The Organization received pledges during the years ended December 31, 2019 and 2018, totaling \$8,500 and \$5,015, respectively. These pledges were not restricted by the donors. The pledges were collected during the subsequent period and there was no allowance for uncollectible pledges for the current year or the prior year. There was no discount rate applied to these pledges.

Promises to give - temporarily restricted are receivables from donors who have written commitments to contribute to the Organization. Promises to give - temporarily restricted are pledges temporarily restricted to purchase capital assets and renovate existing buildings and facilities. Pledges expected to be received within the next 12 months are classified as current assets. All pledges are expected to be received within the next 5 years.

**Local Investment Fund**

During the current year, the Organization launched a new capital campaign to facilitate the construction of a new facility in Loranger, Louisiana. In December 2015 the Organization purchased 125 acres of undeveloped land north of I-12 east of Hammond, Louisiana in Tangipahoa Parish. The Organization intends to create a premier treatment facility in Southeast Louisiana located in the middle of 50% of the state's entire population. The Organization has named the facility "Methodist Children's Home of Southeast Louisiana and Greater New Orleans". This facility will provide regional services in Southeast Louisiana that will include a state-of-the-art psychiatric residential treatment facility with an adjacent clinic and administrative building with future expansion for Therapeutic Foster Care (TFC), Life Skills, and experimental therapy.

The Organization received pledges during the year totaling \$438,600. \$600 were from employees of the Organization and \$278,000 were from members of the Board of Directors. The pledges are to be collected over a 5-year period. An allowance for uncollected pledges of 12% of the total, or \$65,578, has been established based on historical collection rates. A discount rate of 1% of the total, or \$22,443 discount, has been applied to calculate the current balance of pledge receivables as of December 31, 2019, totaling \$540,504.

The following is a 5-year schedule of anticipated collection of the pledges:

2020	\$	149,758
2021		141,514
2022		132,970
2023		99,103
2024 and after		17,159

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

## NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED DECEMBER 31, 2019

## NOTE 5 - INVENTORY

Inventories as of December 31, 2019 and 2018, consist of salsa products produced at the Outdoor Wilderness Learning Center at an approximate cost of \$15,016 and \$10,504, respectively, and clothing and mattresses had an approximate fair market value of \$0 and \$7,316, respectively. Food inventory located at the Outdoor Wilderness Learning Center totaled \$1,459 and \$3,100 as of December 31, 2019 and 2018, respectively. Food inventory located in Sulphur, Louisiana totaled \$7,408 and \$9,528 as of December 31, 2019 and 2018, respectively. Food inventory located in Ruston, Louisiana totaled \$23,723 and \$21,268 as of December 31, 2019 and 2018, respectively. Total inventory reflected in the general operating fund totaled \$47,606 and \$51,716 as of December 31, 2019 and 2018, respectively.

	2019	2018
Clothing and mattresses (donated)	\$ -	\$ 7,316
OWL salsa products	15,016	10,504
Food, OWL	1,459	3,100
Food, Ruston, LA	23,723	21,268
Food, Sulphur, LA	<u>7,408</u>	<u>9,528</u>
Totals	<u>\$ 47,606</u>	<u>\$ 51,716</u>

## NOTE 6 - PROPERTY AND EQUIPMENT

Fixed assets are recorded at cost if purchased, and at fair market value at time of donation.

The major categories of fixed assets are as follows:

December 31, 2019	Cost	Accumulated Depreciation	Net Book Value
Land and improvements	\$ 2,759,341	\$ (53,137)	\$ 2,706,204
Buildings and improvements	22,792,519	(9,584,364)	13,208,155
Furniture and fixtures	1,880,740	(1,474,774)	405,966
Office furniture and equipment	22,186	(22,186)	-
Automobiles, trucks, and vans	1,402,335	(1,008,917)	393,418
Tractors and other equipment	<u>354,947</u>	<u>(303,895)</u>	<u>51,052</u>
Totals	<u>\$ 29,212,068</u>	<u>\$ (12,447,273)</u>	<u>\$ 16,764,795</u>

December 31, 2018	Cost	Accumulated Depreciation	Net Book Value
Land and improvements	\$ 2,759,341	\$ (51,250)	\$ 2,708,091
Buildings and improvements	22,779,004	(8,948,701)	13,830,303
Furniture and fixtures	2,084,569	(1,685,368)	399,201
Office furniture and equipment	69,759	(69,576)	183
Automobiles, trucks, and vans	1,291,654	(942,627)	349,027
Tractors and other equipment	<u>370,609</u>	<u>(300,753)</u>	<u>69,856</u>
Totals	<u>\$ 29,354,936</u>	<u>\$ (11,998,275)</u>	<u>\$ 17,356,661</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

**NOTE 6 - PROPERTY AND EQUIPMENT (continued)**

As of December 31, 2019, construction in progress consisted of a telephone system, and building construction of the new Methodist Children's Home in Tangipahoa Parish that were not completed as of December 31, 2019.

The depreciation expense was \$1,066,962 and \$1,031,444 for the years ended December 31, 2019 and 2018, respectively.

The following is a summary of depreciable lives by category based on a straight-line method of depreciation:

Land and improvements	20 and 30 years
Buildings and improvements	5, 10, 15, 20, 25, 30, 40, and 50 years
Furniture and fixtures	3, 5, 10, 15, and 25 years
Office furniture and equipment	3, 5, 10, 15, and 25 years
Automobiles, trucks, and vans	5 and 10 years
Tractors and other equipment	5 and 10 years

**NOTE 7 - SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE**

The Independent Living Program consists of four contracts. The contracts are an 80/20 matching program in which the Organization is reimbursed for expenditures equal to its in-kind or cash contribution. There are four regional contracts reflecting the period January 1, 2019 until June 30, 2019; and July 1, 2019 until December 31, 2019, for the period ending June 30, 2020. The regions are Monroe, Covington, Lake Charles, and Lafayette, Louisiana. These costs are allocated to the independent living program based on detailed ledgers maintained by the Organization. These costs consist of allocated portions of administrative overhead, salaries and related benefits, travel, operating services supplies, professional services, capital outlay, and miscellaneous expenses. The Organization does not reclassify these allocated portions as independent living services expenditures for financial statement purposes. Total revenue from this service totaled \$518,309 and \$497,195 for 2019 and 2018, respectively.

The Child Victims' Assistance Program subgrant requires a 20% match for personnel, related benefits, and contract services. Revenue from this program totaled \$37,981 and \$55,993 for 2019 and 2018, respectively

The Foster Parent Support Organization Program subgrant includes regional support group, peer mentoring, state communication system and conflict resolution. Revenue from this program totaled \$23,507 during 2019.

**NOTE 8 - RELATED PARTY**

Total contributions received from employees, officers, and Organization members of the Organization totaled \$612,364 and \$440,192 during 2019 and 2018, respectively.

**NOTE 9 - NET ASSETS WITHOUT DONOR RESTRICTIONS**

The Organization's net assets without donor restrictions reflects undesignated net assets and designated net assets. Designated net assets consist of the Board of Director's actions to reserve funds (net assets) for specific anticipated needs of the Organization during the current or foreseeable future.

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

## NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED DECEMBER 31, 2019

## NOTE 9 - NET ASSETS WITHOUT DONOR RESTRICTIONS (continued)

The balance of net assets without donor restrictions consist of the following:

December 31, 2019	<u>Totals</u>	<u>General Operating Fund</u>	<u>Endowment Fund</u>	<u>Local Investment Fund</u>	<u>Fixed Asset Fund</u>
Net assets without donor restrictions	\$ 67,967,043	\$ 4,081,995	\$ 35,025,761	\$ 10,068,879	\$ 18,790,408
Designated:					
Operating budget	\$ 1,654,905	\$ -	\$ 1,654,905	\$ -	\$ -
Capital improvements:					
Methodist Children's Home of Southeast Louisiana and Greater New Orleans	262,633	-	-	262,633	-
Technology update	200,000	-	-	200,000	-
Other capital projects	30,874	-	-	30,874	-
Total designated	<u>\$ 2,148,412</u>	<u>\$ -</u>	<u>\$ 1,654,905</u>	<u>\$ 493,507</u>	<u>\$ -</u>
Total net assets without donor restrictions	<u>\$ 70,115,455</u>	<u>\$ 4,081,995</u>	<u>\$ 36,680,666</u>	<u>\$ 10,562,386</u>	<u>\$ 18,790,408</u>
December 31, 2018	<u>Totals</u>	<u>General Operating Fund</u>	<u>Endowment Fund</u>	<u>Local Investment Fund</u>	<u>Fixed Asset Fund</u>
Net assets without donor restrictions	\$ 60,558,133	\$ 4,210,609	\$ 30,242,218	\$ 8,285,639	\$ 17,819,667
Designated:					
Operating budget	\$ 1,654,722	\$ -	\$ 1,654,722	\$ -	\$ -
Capital improvements:					
Methodist Children's Home of Southeast Louisiana and Greater New Orleans	1,683,751	-	-	1,683,751	-
Other capital projects	36,639	-	-	36,639	-
Total designated	<u>\$ 3,375,112</u>	<u>\$ -</u>	<u>\$ 1,654,722</u>	<u>\$ 1,720,390</u>	<u>\$ -</u>
Total net assets without donor restrictions	<u>\$ 63,933,245</u>	<u>\$ 4,210,609</u>	<u>\$ 31,896,940</u>	<u>\$ 10,006,029</u>	<u>\$ 17,819,667</u>

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

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

## NOTE 10 - NET ASSETS WITH DONOR RESTRICTIONS

	<u>2019</u>	<u>2018</u>
<b>Operating Fund</b>		
Current assets:		
Checking - Origin Bank	\$ 43,684	\$ 41,497
<b>Endowment Fund</b>		
Current assets:		
Cash - Central Pennsylvania Conference	45,269	44,643
Cash - GNO building account	1,573,698	374,066
Long-term investments:		
Pooled funds	972,292	292,939
<b>Local Investment Fund</b>		
Current assets:		
Checking - Origin Bank	426,662	351,670
Accounts receivable - promises to give (net)	474,926	350,162
Long-term investments:		
Leake Testamentary Trust	694,475	616,266
H.R. Jordan Charitable Remainder Trust	269,836	238,631
Barbara Williamson Charitable Lead Trust	828,772	747,628
The Pomeroy Trust, LLC	135,486	135,486
R.D. Webb property	<u>9,248</u>	<u>9,291</u>
Balances at year end	<u>\$ 5,474,348</u>	<u>\$ 3,202,279</u>
<b>Endowment Fund</b>		
Long-term investments:		
Pooled funds	\$ 541,970	\$ 467,490
<b>Local Investment Fund</b>		
Short-term investments:		
Checking - Origin Bank	495	34,480
Balances at year end	<u>\$ 542,465</u>	<u>\$ 501,970</u>
Net assets with donor restrictions	<u>\$ 6,016,813</u>	<u>\$ 3,704,249</u>

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

## NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED DECEMBER 31, 2019

## NOTE 10 - NET ASSETS WITH DONOR RESTRICTIONS (continued)

Composition of net assets with donor restrictions:

The following is the composition by type of fund of net assets with donor restrictions as of December 31, 2019:

	Time Restricted	Purpose Restricted	Perpetual in Nature	Total
Endowments	\$ -	\$ 972,292	\$ 541,970	\$ 1,514,262
Central Pennsylvania Conference	-	45,269	-	45,269
GNO building account	-	1,573,698	-	1,573,698
Leake Testamentary Trust	694,475	-	-	694,475
H.R. Jordan Charitable Remainder Trust	269,836	-	-	269,836
Barbara Williamson Charitable Lead Trust	828,772	-	-	828,772
The Pomeroy Trust, LLC	135,486	-	-	135,486
R.D. Webb Property	9,248	-	-	9,248
Other	-	945,272	495	945,767
	<u>-</u>	<u>945,272</u>	<u>495</u>	<u>945,767</u>
Totals	<u>\$ 1,937,817</u>	<u>\$ 3,536,531</u>	<u>\$ 542,465</u>	<u>\$ 6,016,813</u>

The following is the composition by type of fund of net assets with donor restrictions as of December 31, 2018:

	Time Restricted	Purpose Restricted	Perpetual in Nature	Total
Endowments	\$ -	\$ 292,939	\$ 467,490	\$ 760,429
Central Pennsylvania Conference	-	44,643	-	44,643
GNO building account	-	374,066	-	374,066
Leake Testamentary Trust	616,266	-	-	616,266
H.R. Jordan Charitable Remainder Trust	238,631	-	-	238,631
Barbara Williamson Charitable Lead Trust	747,628	-	-	747,628
The Pomeroy Trust, LLC	135,486	-	-	135,486
R.D. Webb Property	9,291	-	-	9,291
Other	-	743,329	34,480	777,809
	<u>-</u>	<u>743,329</u>	<u>34,480</u>	<u>777,809</u>
Totals	<u>\$ 1,747,302</u>	<u>\$ 1,454,977</u>	<u>\$ 501,970</u>	<u>\$ 3,704,249</u>

**Helen and Allen Barksdale Lecture Series**

Funds were contributed to establish a lecture series for the Organization. The income will fund the expenses of the lectures and the principal totaling \$100,000 will not be expended. The income (loss) included in the temporarily restricted fund was \$20,772 and (\$9,055) for the years ended December 31, 2019 and 2018, respectively. The market values of the assets of this account as of December 31, 2019 and 2018, were \$128,421 and \$107,649, respectively. \$100,000 of the balance is permanently restricted.

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

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

**NOTE 10 - NET ASSETS WITH DONOR RESTRICTIONS (continued)****Bradley Family Music Program**

Funds were contributed to establish the Bradley Family Music Program. The principal totaling \$10,000 will not be expended. The income of the endowment can be used for any music-related expense that benefits the youth and the Organization. Examples include, but are not limited to, musical instruments, hymnals or sheet music, and the cost or expense of instrument lessons or choir direction. The market values of the assets of this account as of December 31, 2019 and 2018, were \$12,557 and \$10,526, respectively. \$10,000 of the balance is permanently restricted.

**Bull Buteau Vo-Tech Scholarship (formerly Vo-Tech Scholarship Funds)**

Beginning in 2011, funds were contributed to establish a Vocational Technical training scholarship for the Organization. Effective September 2014, the scholarship was renamed the "Bull Buteau Vo-Tech Scholarship." The income will fund the expenses of the Vo-tech school and the principal totaling \$172,600 will not be expended. Contributions of \$48,000 and \$42,000 were contributed for the years ending December 31, 2019 and 2018, respectively. The income (loss) included in temporarily restricted funds was \$51,002 and (\$19,611) for the years ended December 31, 2019 and 2018, respectively. The market values of the assets of this account in the endowment fund as of December 31, 2019 and 2018, were \$353,453 and \$235,967, respectively. \$307,100 of the balance is permanently restricted.

**Lester O. Bennett Scholarship Fund**

During 2017, funds were contributed to establish the Lester O. Bennett Scholarship Fund totaling \$15,000. The income of the scholarship fund shall be used to fund scholarships and education expenses. The funds can be used for any youth to continue their education at a high school, college, or vocational school. The market values of this account as of December 31, 2019 and 2018, were \$15,000 and \$15,000, respectively. \$15,000 of the balance is permanently restricted.

**Amy McGuire Endowed Scholarship Fund**

Funds were initially contributed to establish an Amy McGuire Endowed Scholarship Fund totaling \$90,410. During 2019 and 2018, \$495 and \$350, respectively, were contributed. The income and any non-endowed gifts given to the scholarship fund shall be used to fund scholarships and educational expenses. The funds can be used for any youth to continue their education at a university, community college, vocational training, GED expenses, or general educational expenses at the Organization. The income (loss) included in the temporarily restricted fund was \$23,970 and (\$10,463) for the years ended December 31, 2019 and 2018, respectively. The market values of the assets of this account as of December 31, 2019 and 2018, were \$144,491 and \$124,411, respectively. The market value of the assets in the Local Investment checking account was \$495 and \$480 as of December 31, 2019 and 2018, respectively. \$109,870 of the balance is permanently restricted.

**LOUISIANA UNITED METHODIST CHILDREN AND FAMILY SERVICES, INC.****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED DECEMBER 31, 2019****NOTE 11 - INCOME TAXES**

The Organization qualifies as an Internal Revenue Code Section 501(c)(3) nonprofit organization.

However, the Organization has paid income taxes based upon income reported by "S" Corporation earnings. Total income tax expense for the years 2019 and 2018 was \$4,500 and \$1,000, respectively, on income of \$15,229 and \$0, respectively. The income tax of \$1,000 estimated for the prior period is a reflection of an estimated \$4,700 in cost related to employee parking at the Ruston and Sulphur, Louisiana facilities. This is no longer a taxable event.

**NOTE 12 - OPERATING LEASES****Northlake Behavioral Health System**

On March 22, 2018, the Organization entered into a new lease with MBH of Louisiana, LLC d/b/a Northlake Behavioral Health System to keep Methodist Children's Home of Greater New Orleans in the same location in Mandeville, Louisiana, effective April 1, 2018 through March 31, 2022. The building is a 13,764 square foot building known as S & T Wards located on the Northeast Corner of campus at 23515 Highway 190, Mandeville, Louisiana for the purpose of providing supervised and structured 24 hour residential care to youths in psychiatric residential care. The new lease requires a \$2,000 monthly utility payment, and a payment per meal for meals provided to residents and staff.

The terms of the lease have monthly payments of \$16,104 for April 1, 2018 through March 31, 2019, and \$16,587 for the period of April 1, 2019 through March 31, 2022, due and payable on the first day of the month.

**Therapeutic Foster Care Program**

The Organization has office space leased for Therapeutic Foster Care in Covington, Louisiana (\$1,800 monthly); Alexandria, Louisiana (\$902 monthly)/(\$2,400 monthly); Monroe, Louisiana (\$2,600 monthly); and Lafayette, Louisiana (\$1,507 monthly) with terms ending June 2021 (30 month), November 2019 (36 months)/July 2022 (36 months), December 2020 (60 months), and January 2020 (12 months), respectively. Rental expenses were \$97,393 and \$59,052 for the years 2019 and 2018, respectively.

**Independent Living Program**

The Independent Living Program has office space leased in Covington, Louisiana (\$1,200 monthly)/(\$1,350 monthly); Shreveport, Louisiana (\$600 monthly); and Lafayette, Louisiana (\$1,000 monthly) with terms ending March 2019 (24 months)/March 2021 (24 months), July 2020 (12 months), and June 2020 (12 months), respectively. Rental expenses were \$43,800 and \$41,100 for the years 2019 and 2018, respectively.

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

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

## NOTE 12 - OPERATING LEASES (continued)

All rental agreements are noncapitalizable.

The following is a schedule of lease commitments for the next five years:

2020	\$	297,671
2021		242,694
2022		66,561
2023		-

## NOTE 13 - RETIREMENT PAYABLE

During 2008, the Organization of Directors approved the adoption of a salary contribution plan for two key employees. The plan involves the payment of \$1,000 per month for each employee upon retirement for 15 years. The employee's retirement dates of July 1, 2011 and July 1, 2012, were used to record the present value of the liability based on a 6% rate. As of December 31, 2019, the liabilities were \$64,457 and \$72,286 for each employee and as of December 31, 2018, the liabilities were \$72,331 and \$79,748 for each employee. Retirement payments for the years ended December 31, 2019 and 2018, were \$12,000 and \$12,000, and \$12,000 and \$12,000, respectively.

## NOTE 14 - SCHEDULE OF EXPENSES

The following schedules summaries expense by their natural expense and function classifications, which occurred during the years ended December 31, 2019 and 2018:

December 31, 2019	Total	Program Services	Fundraising	Management and General
Salaries, benefits, and payroll taxes	\$ 22,369,343	\$ 18,767,488	\$ 460,245	\$ 3,141,610
Insurance expense	582,285	73,277	-	509,008
Professional services	642,121	297,814	-	344,307
Lease/rental expense	354,244	156,649	-	197,595
Food expense	779,193	779,193	-	-
Foster parent payments	1,914,425	1,914,425	-	-
Office and postage expense	198,163	80,248	18,572	99,343
Telephone	216,295	104,709	3,358	108,228
Travel and seminar	390,431	307,063	16,510	66,858
Training	80,884	47,953	-	32,931
Utilities	420,611	363,452	7,334	49,825
Repairs and maintenance	528,280	277,764	23,969	226,547
Supplies	487,647	470,840	11,402	5,405
Bad debt expense	31,167	-	-	31,167
Miscellaneous	746,109	411,000	106,475	228,634
Total before depreciation	\$ 29,741,198	\$ 24,051,875	\$ 647,865	\$ 5,041,458
Depreciation	1,066,962	938,382	23,468	105,112
Totals	<u>\$ 30,808,160</u>	<u>\$ 24,990,257</u>	<u>\$ 671,333</u>	<u>\$ 5,146,570</u>

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

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

## NOTE 14 - SCHEDULE OF EXPENSES (continued)

December 31, 2018	<u>Total</u>	<u>Program Services</u>	<u>Fundraising</u>	<u>Management and General</u>
Salaries, benefits, and payroll taxes	\$ 21,171,909	\$ 17,823,646	\$ 458,498	\$ 2,889,765
Insurance expense	492,269	58,128	-	434,141
Professional services	628,012	326,040	-	301,972
Lease/rental expense	317,225	129,483	-	187,742
Food expense	697,270	697,270	-	-
Foster parent payments	1,444,862	1,444,862	-	-
Office and postage expense	153,906	42,282	22,205	89,419
Telephone	177,220	80,635	4,578	92,007
Travel and seminar	387,601	274,446	33,639	79,516
Training	84,917	57,130	-	27,787
Utilities	409,727	361,132	7,391	41,204
Repairs and maintenance	316,983	185,789	18,430	112,764
Supplies	485,593	421,632	8,970	54,991
Miscellaneous	736,967	432,926	111,220	192,821
Total before depreciation	\$ 27,504,461	\$ 22,335,401	\$ 664,931	\$ 4,504,129
Depreciation	<u>1,031,444</u>	<u>881,533</u>	<u>27,128</u>	<u>122,783</u>
Totals	<u>\$ 28,535,905</u>	<u>\$ 23,216,934</u>	<u>\$ 692,059</u>	<u>\$ 4,626,912</u>

## NOTE 15 - NEW ACCOUNTING PRONOUNCEMENTS

During the year ended December 31, 2019, the Organization adopted FASB Accounting Standards Update No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The new guidance establishes the principles to report useful information to users of financial statements about the nature, timing, and uncertainty of revenue from contracts with customers. The core principle of the guidance is that the Company should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

To achieve that core principle, the Company applied the following steps:

- Step 1: Identified the contract(s) with a customer.
- Step 2: Identified the performance obligations in the contract.
- Step 3: Determined the transaction price.
- Step 4: Allocated the transaction price to the performance obligations in the contract.
- Step 5: Recognized revenue when (or as) the entity satisfied a performance obligation.

This year the Organization also adopted FASB Accounting Standards Update No. 2016-01, *Financial Instruments-Overall (Subtopic 825-10)*. The new guidance establishes the principles of presentation of financial assets and financial liabilities by measurement category and form of financial asset (that is, securities or loans and receivables) on the balance sheet or in the accompanying notes to the financial statements. That presentation provides financial statement users with more decision-useful information about the Organization's involvement in financial instruments.

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

## NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED DECEMBER 31, 2019

**NOTE 15 - NEW ACCOUNTING PRONOUNCEMENTS (continued)**

During the year ended December 31, 2018, the Organization adopted FASB Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements for Not-for-Profit Entities*. The update was designed to (1) improve the usefulness of information of the not-for-profit financial statements, (2) reduce complexities or costs for preparers, or (3) both improve usefulness and reduce complexities or costs. The update was applied to the financial statements retrospectively.

Implementation of ASU 2016-14 changed the classification of net assets from three groups: permanently restricted, temporarily restricted, and unrestricted; to two groups: net assets with donor restrictions, and net assets without donor restrictions. In addition, a reporting of expenses by their natural expense classification (such as salaries) as well as their functional classification (program services and support services), was added, and is presented in Note 14.

**NOTE 16 - SUBSEQUENT EVENTS**

In accordance with ASC 855, the Organization evaluated subsequent events through September 25, 2020, the date these financial statements were available to be issued.

**COVID-19**

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in Wuhan, China and has since spread to other countries, including the U. S. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, as of March 23, 2020, Governor Edwards of Louisiana ordered the closure of the physical location of every "non-life sustaining/non-essential" business for what may be an extended period of time. There has been an impact on our business. The Organization's facilities were closed to all nonessential visitors and the admission of new clients was suspended until May 13, 2020, when new admissions resumed with restrictive quarantine procedures. Future potential impacts may include continued disruptions or restrictions on our employees' ability to work and impairment of our ability to obtain contributions and volunteers. The future effects of these issues are unknown.

Business continuity, including supply chains and consumer demand across a broad range of industries and countries could be severely impacted for months or beyond as governments and their citizens take significant and unprecedented measures to mitigate the consequences of the pandemic. Management is carefully monitoring the situation and evaluating its options during this time. No adjustments have been made to these financial statements as a result of this uncertainty. However, subsequent to December 31, 2019, the investment and credit markets have experienced significant volatility. As a result, a substantial portion of the Organization's investments have experienced significant declines and increases.

**Hurricane Laura**

On August 27, 2020, the community destruction caused by Hurricane Laura required the temporary suspension of residential services for children at the Methodist Children's Home of Southwest Louisiana in Sulphur, Louisiana. Following the Organization's Emergency Response Plan, residents of the southwest Louisiana facility were evacuated before Hurricane Laura's arrival and were subsequently admitted into the care of Louisiana Methodist Children's Home in Ruston.. The Louisiana Department of Health issued an inactive license effective September 2, 2020 for (90) ninety days ending December 1, 2020, for the Sulphur campus.

LOUISIANA UNITED METHODIST CHILDREN AND FAMILY SERVICES, INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 17 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions.

	<u>2019</u>	<u>2018</u>
Financial assets at year-end	\$ 54,373,922	\$ 47,749,431
Less those unavailable for general expenditures within one year, due to donor restrictions (Note 9)	<u>(6,016,813)</u>	<u>(3,704,249)</u>
Financial asset available to meet cash needs for general expenditure within one year	<u>\$ 48,357,109</u>	<u>\$ 44,045,182</u>

As part of the Organization's liquidity management, it invests cash in excess of daily requirements in short term Investments.

**SUPPLEMENTARY INFORMATION**

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

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED DECEMBER 31, 2019

	Federal CFDA Number	Program or Award Amount	Revenue Recognized	Expenditures
<b><u>Federal Grants/Pass-Through Grantor/Program Title</u></b>				
<b>United States Administration for Children and Families, Department of Health and Human Services</b>				
Louisiana Department of Children and Family Services, Office of Children and Family Services				
Independent Living Program – Monroe, LA (ended June 30, 2020)	93.674	\$ 66,557	\$ 58,277	\$ 79,830
Independent Living Program – Monroe, LA (ended June 30, 2019)	93.674	72,894	71,726	83,878
Independent Living Program – Covington, LA (ended June 30, 2020)	93.674	\$ 92,441	\$ 79,272	95,252
Independent Living Program – Covington, LA (ended June 30, 2019)	93.674	100,022	100,022	109,936
Independent Living Program – Lake Charles, LA (ended June 30, 2020)	93.674	\$ 61,216	\$ 34,504	46,994
Independent Living Program – Lake Charles, LA (ended June 30, 2019)	93.674	66,448	56,400	62,701
Independent Living Program – Lafayette, LA (ended June 30, 2020)	93.674	\$ 78,692	\$ 56,261	64,620
Independent Living Program – Lafayette, LA (ended June 30, 2019)	93.674	78,532	61,847	67,737
Subtotal		<u>\$ 616,802</u>	<u>\$ 518,309</u>	<u>\$ 610,948</u>
<b>United States Department of Justice Office of Justice Programs, Office for Victims of Crimes</b>				
Louisiana Commission on Law Enforcement Child Victims' Assistance Program				
(ended June 30, 2019)	16.575	\$ 57,000	\$ 37,981	\$ 45,737
Subtotal		<u>\$ 57,000</u>	<u>\$ 37,981</u>	<u>\$ 45,737</u>
<b>United States Administration for Children and Families, Department of Health and Human Services</b>				
Social Services Block Grant – Foster Care Parent Support Organization Program				
(ended September 30, 2020)	93.667	\$ 62,500	\$ 23,507	\$ 28,265
Subtotal		<u>\$ 62,500</u>	<u>\$ 23,507</u>	<u>\$ 28,265</u>
<b>Total Federal Awards</b>		<u>\$ 736,302</u>	<u>\$ 579,797</u>	<u>\$ 684,950</u>

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

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED DECEMBER 31, 2019

General

The Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of the Organization.

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Organization under programs of the federal government for the year ended December 31, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2, Part 200 of the Code of Federal Regulations (CFR), the *Uniform Administrative Requirements, Cost Principle, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion on the operations of the Organization, it is not intended to, and does not, present the financial position, changes in net assets, or cash flows of the Organization.

Basis of Accounting

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursements.

Payments to Sub-Recipients

There were no payments to sub-recipients for the year ended December 31, 2019.

Findings of Noncompliance

There were no federal awards findings or questioned costs reported during the audit for the year ended December 31, 2019.

LOUISIANA UNITED METHODIST CHILDREN  
AND FAMILY SERVICES, INC.

GENERAL OPERATING FUND REVENUE DETAIL  
STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	Location			Totals	
	Ruston	GNO	Southwest	2019	2018
<b>Unrestricted Revenue and Support</b>					
Contributions					
Contributions - undesignated	\$ 559,524	\$ 85,111	\$ 23,832	\$ 668,467	\$ 630,563
Memorials	89,495	5,250	4,420	99,165	125,722
Direct appeals	84,947	9,716	10,306	104,969	129,037
Sponsorships	132,548	27,700	475	160,723	121,358
Honorarium	30,270	500	4,150	34,920	37,831
United Way and other grants	2,321	-	-	2,321	1,821
Contributions - noncash	7,283	5,280	-	12,563	22,489
<b>Total contributions</b>	<b>\$ 906,388</b>	<b>\$ 133,557</b>	<b>\$ 43,183</b>	<b>\$ 1,083,128</b>	<b>\$ 1,068,821</b>
Children's Home offerings	\$ 102,029	\$ -	\$ -	\$ 102,029	\$ 160,060
Special events	\$ 9,981	\$ 60,955	\$ -	\$ 70,936	\$ 55,667
Child Care Support					
Child care support (TIPS)	\$ 35,248	\$ 5,576	\$ 3,929	\$ 44,753	\$ 51,500
PRTF revenue	13,936,485	2,952,394	3,077,030	19,965,909	19,204,655
<b>Total child care support</b>	<b>\$ 13,971,733</b>	<b>\$ 2,957,970</b>	<b>\$ 3,080,959</b>	<b>\$ 20,010,662</b>	<b>\$ 19,256,155</b>
Independent Living Services (Federal Subgrant and Other)					
Independent living services	\$ 518,309	\$ -	\$ -	\$ 518,309	\$ 497,195
<b>Total independent living services</b>	<b>\$ 518,309</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 518,309</b>	<b>\$ 497,195</b>
Federal Subgrant					
Child abuse counseling	\$ 37,981	\$ -	\$ -	\$ 37,981	\$ 55,993
Family Plus Program	\$ 59,199	\$ -	\$ -	\$ 59,199	\$ 57,094
Family Development Services					
Client fees	\$ 121,190	\$ -	\$ -	\$ 121,190	\$ 94,379
United Way grants	40,411	-	-	40,411	38,822
Lincoln Health Foundation	174,100	-	-	174,100	205,010
<b>Total family development services</b>	<b>\$ 335,701</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 335,701</b>	<b>\$ 338,211</b>
Medical and Nursing	\$ 114,204	\$ 26,987	\$ 23,822	\$ 165,013	\$ 160,899
Methodist Foster Care	\$ 4,107,237	\$ -	\$ -	\$ 4,107,237	\$ 3,115,123
Foster Care Grant	\$ 23,507	\$ -	\$ -	\$ 23,507	\$ -
Trust Funds					
Marjorie D. Vickery Trust	\$ 104,820	\$ -	\$ -	\$ 104,820	\$ 132,000
Pomeroy Trust	17,499	-	-	17,499	2,166
Conference Fund Trusts	49,162	20,362	5,075	74,599	71,511
Leake Trust	29,247	-	-	29,247	29,647
Ed and Gladys Hurley Trust	2,000	-	-	2,000	2,000
<b>Total trust funds</b>	<b>\$ 202,728</b>	<b>\$ 20,362</b>	<b>\$ 5,075</b>	<b>\$ 228,165</b>	<b>\$ 237,324</b>
Interest and dividends	\$ 41,893	\$ -	\$ -	\$ 41,893	\$ 181,583
Outdoor Wilderness Project income	\$ 247,325	\$ -	\$ -	\$ 247,325	\$ 202,881
Educational services	\$ 572,735	\$ -	\$ -	\$ 572,735	\$ 370,392
Miscellaneous income	\$ 36,932	\$ -	\$ -	\$ 36,932	\$ 60,046
<b>Total unrestricted income</b>	<b>\$ 21,287,882</b>	<b>\$ 3,199,831</b>	<b>\$ 3,153,039</b>	<b>\$ 27,640,752</b>	<b>\$ 25,817,444</b>
Total Restricted Income					
Restrictions satisfied by payments	\$ 171,913	\$ -	\$ -	\$ 171,913	\$ 225,475

The accompanying notes are an integral part of this financial statement.

LOUISIANA UNITED METHODIST CHILDREN  
AND FAMILY SERVICES, INC.

GENERAL OPERATING FUND EXPENSE DETAIL  
STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

Expenses	Location			Totals	
	Ruston	GNO	Southwest	2019	2018
<b>Administrative and General</b>					
Salaries	\$ 1,062,826	\$ 187,475	\$ 224,297	\$ 1,474,598	\$ 1,381,192
Payrolls	70,821	13,950	14,855	99,626	96,633
Employee benefits	214,255	24,720	51,153	290,128	259,343
Advertising	3,713	-	849	4,562	1,171
Dues and licenses	21,021	675	854	22,550	10,403
Insurance	387,641	21,863	80,894	490,398	410,723
Office supplies	39,601	8,066	20,700	68,367	66,537
Penalties	-	-	-	-	614
Postage	13,521	3,278	4,758	21,557	16,824
Professional services	96,995	1,500	2,785	101,280	103,120
Lease expense	-	197,595	-	197,595	187,742
Motor vehicle expense	4,898	-	-	4,898	5,683
Subscriptions	1,377	-	-	1,377	290
Telephone	37,480	17,852	34,256	89,588	87,313
In-service training	196	1,139	-	1,335	2,925
Travel and seminar	24,807	10,967	8,353	44,127	48,624
Board meeting expense	7,871	-	-	7,871	8,763
Utilities	25,825	24,000	-	49,825	41,204
Miscellaneous	8,961	1,727	432	11,120	10,087
Office and equipment maintenance contracts	2,257	1,391	3,610	7,258	5,290
Accreditation	-	-	-	-	17,920
Banking and processing fees	8,663	-	-	8,663	8,174
Bad debt expense	-	-	-	-	-
<b>Total administrative and general</b>	<b>\$ 2,032,729</b>	<b>\$ 516,198</b>	<b>\$ 447,796</b>	<b>\$ 2,996,723</b>	<b>\$ 2,770,575</b>
<b>Human Resources</b>					
Salaries	\$ 182,737	\$ -	\$ -	\$ 182,737	\$ 175,898
Payroll taxes	12,783	-	-	12,783	12,405
Employee benefits	64,745	-	-	64,745	61,287
Advertising and promotion	22,183	-	-	22,183	17,100
Dues and licenses	797	-	-	797	685
Insurance	18,259	-	-	18,259	23,018
Office supplies	5,164	-	-	5,164	3,577
Training	9,392	-	-	9,392	4,869
Travel and seminar	1,741	-	-	1,741	8,800
Miscellaneous	23,810	-	-	23,810	26,126
<b>Total human resources</b>	<b>\$ 341,611</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 341,611</b>	<b>\$ 333,765</b>
<b>Staff Development</b>					
Salaries	\$ 220,804	\$ -	\$ -	\$ 220,804	\$ 208,044
Payroll taxes	15,622	-	-	15,622	14,791
Employee benefits	47,528	-	-	47,528	39,458
Advertising and promotion	1,953	-	-	1,953	4,236
Dues and licenses	371	-	-	371	50
Insurance	351	-	-	351	400
Office supplies	2,103	-	-	2,103	1,104
Training	22,204	-	-	22,204	19,993
Travel and seminar	6,741	-	-	6,741	9,723
Miscellaneous	30,950	-	-	30,950	16,603
<b>Total staff development</b>	<b>\$ 348,627</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 348,627</b>	<b>\$ 314,402</b>

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LOUISIANA UNITED METHODIST CHILDREN  
AND FAMILY SERVICES, INC.

GENERAL OPERATING FUND EXPENSE DETAIL  
STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

Expenses	Location			Totals	
	Ruston	GNO	Southwest	2019	2018
<b>Information Management</b>					
Salaries	\$ 317,349	\$ -	\$ -	\$ 317,349	\$ 263,681
Payroll taxes	21,862	-	-	21,862	18,173
Employee benefits	54,262	-	-	54,262	42,779
Office supplies	2,152	-	-	2,152	1,377
Telephone	18,640	-	-	18,640	4,694
Travel and seminar	9,226	-	-	9,226	8,160
Office equipment and maintenance	163,357	-	-	163,357	94,147
Miscellaneous	497	-	-	497	256
<b>Total information management</b>	<b>\$ 587,345</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 587,345</b>	<b>\$ 433,267</b>
<b>Health Information System</b>					
Salaries	\$ 278,905	\$ -	\$ -	\$ 278,905	\$ 262,678
Payroll taxes	20,343	-	-	20,343	18,974
Employee benefits	40,318	-	-	40,318	34,429
Electronic health records	61,554	-	-	61,554	55,448
Supplies	5,405	-	-	5,405	5,321
Travel and seminar	5,023	-	-	5,023	4,209
Miscellaneous	1,748	-	-	1,748	508
<b>Total health information system</b>	<b>\$ 413,296</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 413,296</b>	<b>\$ 381,567</b>
<b>Total administrative and general</b>	<b>\$ 3,723,608</b>	<b>\$ 516,198</b>	<b>\$ 447,796</b>	<b>\$ 4,687,602</b>	<b>\$ 4,233,576</b>
<b>Plant Operation and Maintenance</b>					
Salaries	\$ 336,261	\$ 73,073	\$ 77,107	\$ 486,441	\$ 463,966
Payroll taxes	24,177	5,104	5,131	34,412	33,273
Employee benefits	54,839	9,901	13,692	78,432	68,262
Contract for outside services	14,137	656	17,592	32,385	36,376
Repairs - buildings and grounds	172,674	6,289	43,792	222,755	151,399
Supplies	6,751	9,374	12,928	29,053	31,240
Utilities	22,412	-	49,418	71,830	77,807
Vehicle gas, oil, and repairs	7,668	6,131	11,013	24,812	19,142
Miscellaneous	5,545	200	397	6,142	5,777
<b>Total plant operation and maintenance</b>	<b>\$ 644,464</b>	<b>\$ 110,728</b>	<b>\$ 231,070</b>	<b>\$ 986,262</b>	<b>\$ 887,242</b>
<b>Medical and Nursing</b>					
Salaries	\$ 1,071,118	\$ 351,903	\$ 427,287	\$ 1,850,308	\$ 1,798,896
Payroll taxes	75,574	26,182	30,993	132,749	129,573
Employee benefits	155,160	16,363	53,132	224,655	212,332
Medical service - PRTF	9,276	69,077	76,208	154,561	179,558
Office supplies	7,474	243	-	7,717	8,767
Medical supplies - PRTF	25,302	3,431	6,592	35,325	29,384
Employee drug screens	2,232	232	-	2,464	1,636
OSHA required vaccination	-	471	-	471	5,382
Psychologist - PRTF	14,400	-	-	14,400	14,400
Physician - PRTF	18,000	-	-	18,000	18,000
Training	12,412	28	2,164	14,604	12,541
Miscellaneous	12,935	250	2,973	16,158	10,427
<b>Total medical and nursing</b>	<b>\$ 1,403,883</b>	<b>\$ 468,180</b>	<b>\$ 599,349</b>	<b>\$ 2,471,412</b>	<b>\$ 2,420,896</b>

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LOUISIANA UNITED METHODIST CHILDREN  
AND FAMILY SERVICES, INC.

GENERAL OPERATING FUND EXPENSE DETAIL  
STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

Expenses	Location			Totals	
	Ruston	GNO	Southwest	2019	2018
<b>Expenses</b>					
Dietary					
Salaries	\$ 428,592	\$ -	\$ 148,767	\$ 577,359	\$ 559,449
Payroll taxes	31,364	-	10,409	41,773	40,856
Employee benefits	52,724	-	26,308	79,032	68,427
Food - PRTF	515,000	121,683	126,776	763,459	690,127
Food - special	14,189	1,107	438	15,734	7,143
Supplies	45,874	925	12,569	59,368	43,222
Dietitian	5,400	-	4,800	10,200	9,310
Miscellaneous	2,097	1	672	2,770	1,025
Total dietary	<u>\$ 1,095,240</u>	<u>\$ 123,716</u>	<u>\$ 330,739</u>	<u>\$ 1,549,695</u>	<u>\$ 1,419,559</u>
W. A. J. Lewis Building - PRTF					
Therapeutic and training:					
Salaries	\$ 1,409,103	\$ -	\$ -	\$ 1,409,103	\$ 1,403,070
Payroll taxes	103,070	-	-	103,070	102,468
Employee benefits	153,049	-	-	153,049	129,137
Motor vehicle	4,887	-	-	4,887	3,690
Utilities	32,310	-	-	32,310	34,692
Office supplies	19,078	-	-	19,078	1,692
Supplies	13,947	-	-	13,947	14,441
Laundry and linen	2,037	-	-	2,037	1,772
Travel and seminar	3,594	-	-	3,594	4,089
Personal hygiene	4,564	-	-	4,564	4,174
Clothing	3,137	-	-	3,137	3,863
Miscellaneous	2,579	-	-	2,579	716
Recreational	4,230	-	-	4,230	3,913
Total W. A. J. Lewis Building	<u>\$ 1,755,585</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,755,585</u>	<u>\$ 1,707,717</u>
Scott Building - PRTF					
Therapeutic and training:					
Salaries	\$ 1,612,179	\$ -	\$ -	\$ 1,612,179	\$ 1,484,047
Payroll taxes	118,538	-	-	118,538	109,489
Employee benefits	156,663	-	-	156,663	140,676
Office supplies	7,599	-	-	7,599	2,985
Supplies	4,082	-	-	4,082	2,155
Travel and seminar	9,013	-	-	9,013	4,162
Activities	3,341	-	-	3,341	4,420
Housekeeping supplies	18,532	-	-	18,532	16,216
Linen and bedding	2,004	-	-	2,004	7,548
Utilities	60,562	-	-	60,562	61,841
Motor vehicles	6,865	-	-	6,865	7,710
Personal hygiene	4,946	-	-	4,946	4,862
Clothing	12,002	-	-	12,002	4,285
Miscellaneous	900	-	-	900	1,009
Total Scott Building	<u>\$ 2,017,226</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,017,226</u>	<u>\$ 1,851,405</u>
Residential - PRTF					
Administration:					
Salaries	\$ 132,343	\$ -	\$ -	\$ 132,343	\$ 109,645
Payroll taxes	8,420	-	-	8,420	7,356
Employee benefits	43,094	-	-	43,094	37,157
Office supplies	3,125	-	-	3,125	3,294
Travel and seminar	68	-	-	68	-
Telephone	262	-	-	262	200
Miscellaneous	16,067	-	-	16,067	3,093
Total administration expenses	<u>\$ 203,379</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 203,379</u>	<u>\$ 160,745</u>

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LOUISIANA UNITED METHODIST CHILDREN  
AND FAMILY SERVICES, INC.

GENERAL OPERATING FUND EXPENSE DETAIL  
STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

Expenses	Location			Totals	
	Ruston	GNO	Southwest	2019	2018
Residential - PRTF (continued)					
Therapeutic and training:					
Salaries - child care	\$ 2,267,753	\$ 951,957	\$ 1,138,093	\$ 4,357,803	\$ 4,398,767
Payroll taxes	165,935	68,972	81,805	316,712	318,912
Employee benefits	206,659	87,322	129,352	423,333	420,576
Supplies	20,090	18,385	1,416	39,891	16,240
Miscellaneous	2,098	1,400	4,907	8,405	5,547
Travel and seminar	14,174	1,400	13,408	28,982	21,826
Supplies - housekeeping	23,956	678	3,268	27,902	31,590
Linen and bedding	3,250	249	737	4,236	4,597
Motor vehicle expense	15,755	-	-	15,755	10,176
Utilities	44,176	-	-	44,176	52,107
Personal hygiene	9,468	5,606	5,782	20,856	21,640
Clothing	13,942	1,051	7,144	22,137	20,980
Activities	14,546	7,641	10,869	33,056	24,219
Total therapeutic and training	<u>\$ 2,801,802</u>	<u>\$ 1,144,661</u>	<u>\$ 1,396,781</u>	<u>\$ 5,343,244</u>	<u>\$ 5,347,177</u>
Total residential - PRTF	<u>\$ 3,005,181</u>	<u>\$ 1,144,661</u>	<u>\$ 1,396,781</u>	<u>\$ 5,546,623</u>	<u>\$ 5,507,922</u>
Recreational - PRTF					
Salaries	\$ 140,682	\$ -	\$ -	\$ 140,682	\$ 145,444
Payroll taxes	10,064	-	-	10,064	10,118
Employee benefits	33,070	-	-	33,070	30,134
Supplies	7,459	-	-	7,459	3,776
Activities	10,037	-	-	10,037	8,128
Training	4,030	-	-	4,030	1,689
Miscellaneous	1,577	-	-	1,577	1,845
Utilities	37,419	-	-	37,419	28,364
Total recreational - PRTF	<u>\$ 244,338</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 244,338</u>	<u>\$ 229,498</u>
Educational Services					
Howard School:					
Salaries	\$ 566,831	\$ -	\$ -	\$ 566,831	\$ 553,405
Payroll taxes	41,534	-	-	41,534	40,970
Employee benefits	82,542	-	-	82,542	70,372
Supplies	25,097	-	206	25,303	30,903
Miscellaneous	10,404	-	-	10,404	12,729
Utilities	19,519	-	-	19,519	18,420
Intranet	6,458	-	-	6,458	5,208
Total school services	<u>\$ 752,385</u>	<u>\$ -</u>	<u>\$ 206</u>	<u>\$ 752,591</u>	<u>\$ 732,007</u>
Vocational Tech Program					
Salaries	\$ 145,354	\$ -	\$ -	\$ 145,354	\$ 194,708
Payroll taxes	10,912	-	-	10,912	13,822
Employee benefits	19,022	-	-	19,022	29,602
Supplies	7,080	-	-	7,080	8,564
Telephone	4,706	-	-	4,706	4,328
Vehicle	76	-	-	76	54
Utilities	8,964	-	-	8,964	10,201
Miscellaneous	2,641	-	-	2,641	3,477
Total vocational tech program	<u>\$ 198,755</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 198,755</u>	<u>\$ 264,756</u>
Total educational services	<u>\$ 951,140</u>	<u>\$ -</u>	<u>\$ 206</u>	<u>\$ 951,346</u>	<u>\$ 996,763</u>

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LOUISIANA UNITED METHODIST CHILDREN  
AND FAMILY SERVICES, INC.

GENERAL OPERATING FUND EXPENSE DETAIL  
STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

Expenses	Location			Totals	
	Ruston	GNO	Southwest	2019	2018
<b>Expenses</b>					
<b>Pastoral Care</b>					
Salaries	\$ 52,784	\$ -	\$ 4,391	\$ 57,175	\$ 57,626
Payroll taxes	1,253	-	336	1,589	1,385
Employee benefits	31,148	-	88	31,236	32,884
Allowance	19,440	872	3,349	23,661	20,311
Housing allowance	14,400	-	-	14,400	14,400
Supplies	12,542	385	367	13,294	7,735
Activities	1,294	80	-	1,374	2,044
Training	1,696	-	30	1,726	216
Miscellaneous	1,754	-	-	1,754	2,074
Travel	8,568	-	-	8,568	7,392
Utilities	24,997	-	-	24,997	22,607
Church gifts to residents	25,033	7,589	496	33,118	44,302
Total pastoral care	<u>\$ 194,909</u>	<u>\$ 8,926</u>	<u>\$ 9,057</u>	<u>\$ 212,892</u>	<u>\$ 212,976</u>
<b>Family Counseling Center</b>					
<b>Family counseling services:</b>					
Salaries	\$ 338,744	\$ -	\$ -	\$ 338,744	\$ 314,926
Payroll taxes	23,731	-	-	23,731	21,856
Employee benefits	63,938	-	-	63,938	63,293
Advertising and promotion	15,069	-	-	15,069	1,150
Supplies	5,923	-	-	5,923	8,026
Banking and processing fees	2,522	-	-	2,522	2,745
Travel	3,362	-	-	3,362	8,391
Professional training	13,116	-	-	13,116	4,847
Reboot camp	6,557	-	-	6,557	27,048
Electronic health records	527	-	-	527	724
Miscellaneous	10,819	-	-	10,819	5,885
Utilities	4,392	-	-	4,392	4,729
Total family counseling services	<u>\$ 488,700</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 488,700</u>	<u>\$ 463,620</u>
<b>CVA Grant</b>					
Salaries	\$ 37,376	\$ -	\$ -	\$ 37,376	\$ 48,832
Payroll taxes	2,830	-	-	2,830	3,554
Employee benefits	3,938	-	-	3,938	3,869
Supplies	1,593	-	-	1,593	3,209
Training	-	-	-	-	6,700
Travel	-	-	-	-	3,278
Total CVA grant	<u>\$ 45,737</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,737</u>	<u>\$ 69,442</u>
<b>Lincoln Health Foundation</b>					
Salaries	\$ 129,068	\$ -	\$ -	\$ 129,068	\$ 123,318
Payroll taxes	9,166	-	-	9,166	8,288
Employee benefits	29,003	-	-	29,003	25,027
Advertising and promotion	4,000	-	-	4,000	8,298
Supplies	3,321	-	-	3,321	4,284
Professional services	35,860	-	-	35,860	68,396
Miscellaneous	161	-	-	161	83
Community event	5,669	-	-	5,669	7,508
Total Lincoln Health Foundation	<u>\$ 216,248</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 216,248</u>	<u>\$ 245,202</u>
<b>Total family counseling center</b>	<u>\$ 750,685</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 750,685</u>	<u>\$ 778,264</u>

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LOUISIANA UNITED METHODIST CHILDREN  
AND FAMILY SERVICES, INC.

GENERAL OPERATING FUND EXPENSE DETAIL  
STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

Expenses	Location			Totals	
	Ruston	GNO	Southwest	2019	2018
<b>Clinical Services</b>					
Salaries	\$ 1,149,632	\$ 142,519	\$ 184,914	\$ 1,477,065	\$ 1,360,364
Payroll taxes	79,617	9,610	12,485	101,712	95,993
Employee benefits	228,493	25,732	17,905	272,130	216,570
Therapeutic supplies	2,794	1,204	5,012	9,010	12,901
Travel and seminars	30,056	2,461	25,499	58,016	34,574
Travel - court	6,688	-	-	6,688	9,023
Office supplies	8,609	-	-	8,609	5,903
Professional services	6,000	-	-	6,000	-
Utilities	4,955	-	-	4,955	5,016
Miscellaneous	9,554	3,426	4,123	17,103	22,644
<b>Total clinical services</b>	<b>\$ 1,526,398</b>	<b>\$ 184,952</b>	<b>\$ 249,938</b>	<b>\$ 1,961,288</b>	<b>\$ 1,762,988</b>
<b>Independent Life Skills Services</b>					
<b>Monroe Region:</b>					
Salaries	\$ 106,942	\$ -	\$ -	\$ 106,942	\$ 113,907
Payroll taxes	7,680	-	-	7,680	8,076
Employee benefits	16,324	-	-	16,324	15,497
Travel and seminars	8,088	-	-	8,088	16,808
Supplies	6,589	-	-	6,589	6,374
Postage	255	-	-	255	435
Miscellaneous	4,681	-	-	4,681	7,268
Vehicle	6,066	-	-	6,066	4,651
Telephone	3,832	-	-	3,832	1,837
Utilities	2,874	-	-	2,874	3,036
<b>Total Monroe region</b>	<b>\$ 163,331</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 163,331</b>	<b>\$ 177,889</b>
<b>Covington Region:</b>					
Salaries	\$ 142,339	\$ -	\$ -	\$ 142,339	\$ 117,113
Payroll taxes	10,672	-	-	10,672	8,964
Employee benefits	9,096	-	-	9,096	8,988
Travel and seminars	6,074	-	-	6,074	9,098
Supplies	8,214	-	-	8,214	8,577
Rent	15,750	-	-	15,750	14,400
Miscellaneous	4,575	-	-	4,575	7,803
Telephone	5,155	-	-	5,155	4,574
Utilities	3,504	-	-	3,504	3,968
<b>Total Covington region</b>	<b>\$ 205,379</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 205,379</b>	<b>\$ 183,485</b>
<b>Lake Charles Region:</b>					
Salaries	\$ 65,714	\$ -	\$ -	\$ 65,714	\$ 54,072
Payroll taxes	4,477	-	-	4,477	3,731
Employee benefits	12,731	-	-	12,731	10,958
Travel and seminars	1,408	-	-	1,408	5,763
Supplies	1,583	-	-	1,583	5,310
Rent	16,200	-	-	16,200	16,200
Miscellaneous	3,309	-	-	3,309	4,362
Telephone	3,174	-	-	3,174	4,146
Utilities	1,099	-	-	1,099	1,703
<b>Total Lake Charles region</b>	<b>\$ 109,695</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 109,695</b>	<b>\$ 106,245</b>

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LOUISIANA UNITED METHODIST CHILDREN  
AND FAMILY SERVICES, INC.

GENERAL OPERATING FUND EXPENSE DETAIL  
STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

Expenses	Location			Totals	
	Ruston	GNO	Southwest	2019	2018
Independent Life Skills Services (continued)					
Lafayette Region:					
Salaries	\$ 86,745	\$ -	\$ -	\$ 86,745	\$ 86,201
Payroll taxes	6,179	-	-	6,179	6,239
Employee benefits	12,670	-	-	12,670	9,336
Travel and seminars	3,790	-	-	3,790	8,563
Supplies	1,762	-	-	1,762	983
Rent	11,850	-	-	11,850	10,500
Miscellaneous	5,322	-	-	5,322	14,040
Telephone	3,586	-	-	3,586	1,722
Utilities	453	-	-	453	1,115
Total Lafayette region	<u>\$ 132,357</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 132,357</u>	<u>\$ 138,699</u>
Total Independent Life Skills Services	<u>\$ 610,762</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 610,762</u>	<u>\$ 606,318</u>
Methodist Foster Care					
Salary	\$ 1,413,538	\$ -	\$ -	\$ 1,413,538	\$ 1,013,477
Payroll taxes	100,939	-	-	100,939	70,282
Employee benefits	196,275	-	-	196,275	148,543
Advertising/recruiting	25,399	-	-	25,399	23,585
Office supplies	33,865	-	-	33,865	23,883
Insurance	73,277	-	-	73,277	58,128
Rent/utilities	105,749	-	-	105,749	78,783
Telephone	58,265	-	-	58,265	36,108
Transportation/travel	159,925	-	-	159,925	137,256
Training	19,508	-	-	19,508	17,405
Foster parent daily rate	1,856,378	-	-	1,856,378	1,405,792
Reimbursements	58,047	-	-	58,047	39,070
Utilities	11,602	-	-	11,602	13,356
Total Methodist Foster Care	<u>\$ 4,112,767</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,112,767</u>	<u>\$ 3,065,668</u>
Foster Care Support					
Salary	\$ 23,709	\$ -	\$ -	\$ 23,709	\$ -
Payroll taxes	1,408	-	-	1,408	-
Employee benefits	2,276	-	-	2,276	-
Telephone	164	-	-	164	-
Travel	708	-	-	708	-
Total Foster Care Support	<u>\$ 28,265</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,265</u>	<u>\$ -</u>
Outdoor Wilderness Learning Center					
Salaries	\$ 256,548	\$ -	\$ -	\$ 256,548	\$ 354,141
Payroll taxes	19,086	-	-	19,086	26,360
Employee benefits	57,218	-	-	57,218	63,268
Advertising	5,375	-	-	5,375	4,114
Community events	-	-	-	-	2,044
Training and challenge course	7,621	-	-	7,621	8,664
Telephone	13,568	-	-	13,568	10,770
Utilities	34,796	-	-	34,796	35,526
Supplies - O.W.L.	31,884	-	-	31,884	37,311
Supplies - farm	31,284	-	-	31,284	26,289
Equipment and building repairs	30,197	-	-	30,197	15,248
Salsa and jelly supplies	29,132	-	-	29,132	27,699
Miscellaneous	14,000	-	-	14,000	15,234
Veterinarian fees	-	-	-	-	6,042
Vehicle cost	21,754	-	-	21,754	7,495
Total Outdoor Wilderness Learning Center	<u>\$ 552,463</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 552,463</u>	<u>\$ 640,205</u>

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LOUISIANA UNITED METHODIST CHILDREN  
AND FAMILY SERVICES, INC.

GENERAL OPERATING FUND EXPENSE DETAIL  
STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

Expenses	Location			Totals	
	Ruston	GNO	Southwest	2019	2018
<b>Methodist Equine Program</b>					
Salaries	\$ 113,286	\$ -	\$ -	\$ 113,286	\$ -
Payroll taxes	8,058	-	-	8,058	-
Employee benefits	18,300	-	-	18,300	-
Advertising	612	-	-	612	-
Supplies	11,978	-	-	11,978	-
Travel and seminars	2,375	-	-	2,375	-
Veterinarian and ferrier	13,292	-	-	13,292	-
Vehicle cost	194	-	-	194	-
<b>Total Methodist Equine Program</b>	<b>\$ 168,095</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 168,095</b>	<b>\$ -</b>
<b>Development and Public Relations</b>					
Salaries	\$ 371,411	\$ -	\$ -	\$ 371,411	\$ 368,534
Payroll taxes	27,280	-	-	27,280	27,408
Employee benefits	61,554	-	-	61,554	62,556
Advertising	771	-	-	771	591
Supplies	11,402	-	-	11,402	8,970
Telephone	3,358	-	-	3,358	4,578
Web page	604	-	-	604	437
Printing	61,030	-	-	61,030	67,187
Postage	18,572	-	-	18,572	22,205
Travel and seminars	16,510	-	-	16,510	33,639
Regional development activities	1,142	-	-	1,142	225
Special events	20,274	-	-	20,274	17,332
Software maintenance	23,969	-	-	23,969	18,430
Miscellaneous	12,963	-	-	12,963	11,400
Grant proposals	-	-	-	-	3,150
Utilities	7,334	-	-	7,334	7,391
Vehicle cost	9,691	-	-	9,691	10,898
<b>Total Public Relations and Development</b>	<b>\$ 647,865</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 647,865</b>	<b>\$ 664,931</b>
<b>Family Plus</b>					
<b>Shreveport region:</b>					
Salaries	\$ 5,093	\$ -	\$ -	\$ 5,093	\$ 56,150
Payroll taxes	444	-	-	444	4,437
Employee benefits	466	-	-	466	4,023
Dues and licenses	-	-	-	-	660
Rent	2,000	-	-	2,000	6,000
Supplies	-	-	-	-	216
Telephone	6,014	-	-	6,014	8,452
Travel and seminars	307	-	-	307	255
Training	255	-	-	255	2,509
<b>Total Shreveport region</b>	<b>\$ 14,579</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 14,579</b>	<b>\$ 82,702</b>
<b>Lake Charles region:</b>					
Salaries	\$ 56,436	\$ -	\$ -	\$ 56,436	\$ 109,885
Payroll taxes	3,556	-	-	3,556	7,934
Employee benefits	22,093	-	-	22,093	19,370
Dues and licenses	-	-	-	-	2,036
Miscellaneous	1	-	-	1	132
Supplies	752	-	-	752	1,942
Telephone	5,983	-	-	5,983	8,498
Travel	31	-	-	31	3,968
Rent/utilities	5,100	-	-	5,100	3,600
Training	209	-	-	209	2,559
<b>Total Lake Charles region</b>	<b>\$ 94,161</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 94,161</b>	<b>\$ 159,924</b>
<b>Total Family Plus</b>	<b>\$ 108,740</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 108,740</b>	<b>\$ 242,626</b>

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LOUISIANA UNITED METHODIST CHILDREN  
AND FAMILY SERVICES, INC.

GENERAL OPERATING FUND EXPENSE DETAIL  
STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

Expenses	Location			Totals	
	Ruston	GNO	Southwest	2019	2018
Advocacy and Community Development					
Salaries	\$ 14,294	\$ -	\$ -	\$ 14,294	\$ -
Payroll taxes	902	-	-	902	-
Employee benefits	3,814	-	-	3,814	-
Advertising	-	-	-	-	300
Miscellaneous	29	-	-	29	-
Supplies	1,026	-	-	1,026	-
Community events	3,365	-	-	3,365	5,054
<b>Total Advocacy and Community Development</b>	<b>\$ 23,430</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 23,430</b>	<b>\$ 5,354</b>
Capital Expenditures					
Equipment and trailers	\$ -	\$ -	\$ -	\$ -	\$ 24,704
Furniture and fixtures	15,432	-	-	15,432	22,757
Building and improvements	24,314	-	6,700	31,014	30,563
<b>Total Capital Expenditures</b>	<b>\$ 39,746</b>	<b>\$ -</b>	<b>\$ 6,700</b>	<b>\$ 46,446</b>	<b>\$ 78,024</b>
<b>Total Expenses</b>	<b>\$ 23,604,790</b>	<b>\$ 2,557,361</b>	<b>\$ 3,271,636</b>	<b>\$ 29,433,787</b>	<b>\$ 27,311,932</b>

LOUISIANA UNITED METHODIST CHILDREN  
AND FAMILY SERVICES, INC.

STATEMENTS OF CHANGES IN GENERAL FIXED ASSETS

FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	Land and Improvements	Buildings and Improvements	Construction in Progress	Autos, Furniture, and Equipment	Total
<b>December 31, 2019</b>					
General Fixed Assets - Beginning of Year	\$ 2,759,341	\$ 22,779,004	\$ 463,006	\$ 3,816,591	\$ 29,817,942
Transfers	\$ -	\$ -	\$ (27,840)	\$ 27,840	\$ -
Additions					
General operating fund	\$ -	\$ 31,014	\$ 3,755	\$ 11,677	\$ 46,446
Local investment fund	-	125,544	1,586,692	290,391	2,002,627
General fixed asset	-	-	-	-	-
Total additions	\$ -	\$ 156,558	\$ 1,590,447	\$ 302,068	\$ 2,049,073
Retirements					
General fixed assets	\$ -	\$ (143,043)	\$ -	\$ (486,291)	\$ (629,334)
General Fixed Assets - End of Year	<u>\$ 2,759,341</u>	<u>\$ 22,792,519</u>	<u>\$ 2,025,613</u>	<u>\$ 3,660,208</u>	<u>\$ 31,237,681</u>
<b>December 31, 2018</b>					
General Fixed Assets - Beginning of Year	\$ 2,646,047	\$ 21,884,028	\$ 212,327	\$ 4,202,657	\$ 28,945,059
Transfers	\$ -	\$ 73,800	\$ (73,800)	\$ -	\$ -
Additions					
General operating fund	\$ -	\$ 48,520	\$ -	\$ 29,504	\$ 78,024
Local investment fund	113,294	887,015	324,479	166,352	1,491,140
General fixed asset	-	-	-	-	-
Total additions	\$ 113,294	\$ 935,535	\$ 324,479	\$ 195,856	\$ 1,569,164
Retirements					
General fixed assets	\$ -	\$ (114,359)	\$ -	\$ (581,922)	\$ (696,281)
General Fixed Assets - End of Year	<u>\$ 2,759,341</u>	<u>\$ 22,779,004</u>	<u>\$ 463,006</u>	<u>\$ 3,816,591</u>	<u>\$ 29,817,942</u>

**OTHER SUPPLEMENTARY INFORMATION**



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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT  
OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

To the Organization of Directors of  
Louisiana United Methodist Children and Family Services, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Louisiana United Methodist Children and Family Services, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2019 and 2018; the related statements of activities and cash flows for the years ended December 31, 2019 and 2018, as listed in the table of contents; and the related notes to the financial statements, and have issued our report thereon dated September 25, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Louisiana United Methodist Children and Family Services, Inc.'s (the Organization) internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we considered to be a material weakness or significant deficiencies. However, material weaknesses or significant deficiencies may exist that have not been identified.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We did not identify any deficiencies in internal control that we consider to be significant deficiencies.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this communication is distributed by the Louisiana Legislative Auditor as a public document.

A handwritten signature in cursive script that reads "Silas Simms, LLP".

Monroe, Louisiana  
September 25, 2020

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

## SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED DECEMBER 31, 2019

**SECTION I: SUMMARY OF AUDITOR'S RESULTS**

## Financial Statements:

- |    |  |               |
|----|--|---------------|
| 1. | Type of auditor's report issued on the financial statements:                                 | Unmodified    |
| 2. | Internal control over financial reporting:   |               |
|    | a. Material weakness(es) identified?   | No            |
|    | b. Significant deficiency(ies) identified that are not considered to be material weaknesses? | None reported |
| 3. | Material noncompliance relating to the financial statements?                                 | No            |

## Federal Awards:

- |    |   |               |
|----|---|---------------|
| 1. | Type of auditor's report issued on compliance for major programs:   | Unmodified    |
| 2. | Internal control over major Federal programs:   |               |
|    | a. Material weakness(es) identified?  | No            |
|    | b. Significant deficiency(ies) identified that are not considered to be material weaknesses?                  | None reported |
|    | c. Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)? | No            |

## 3. Identification of major programs:

CFDA NumbersName of Federal Program or Cluster

93.674

U.S. Department of Health and Human Services:  
Independent Living Program

93.667

Foster Parent Support Organization Program

16.575

U.S. Department of Justice Office:  
Child Victims' Assistance Program

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualifies as low-risk auditee?

No

## State Awards:

- |    |  |               |
|----|--|---------------|
| 1. | Type of auditor's report issued on compliance for major programs:  | Unmodified    |
| 2. | Internal control over major State programs:  |               |
|    | a. Material weakness(es) identified?   | No            |
|    | b. Significant deficiency(ies) identified that are not considered to be material weaknesses?                               | None reported |
|    | c. Any audit findings disclosed that are required to be reported in accordance with State Single Audit Implementation Act? | No            |

**LOUISIANA UNITED METHODIST CHILDREN AND FAMILY SERVICES, INC.**  
**SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

**SECTION II: FINANCIAL STATEMENT FINDINGS**

There were no findings related to the financial statements for the year ended December 31, 2019.

**SECTION III: FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

There were no items identified in the course of our testing during the current year required to be reported.

**SECTION IV: STATE AWARD FINDINGS AND QUESTIONED COSTS**

There were no items identified in the course of our testing during the current year required to be reported.

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

**SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS**

**FOR THE YEAR ENDED DECEMBER 31, 2018**

**SECTION I: SUMMARY OF AUDITOR'S RESULTS**

Financial Statements:

- |    |  |               |
|----|--|---------------|
| 1. | Type of auditor's report issued on the financial statements:                                 | Unmodified    |
| 2. | Internal control over financial reporting:   |               |
|    | a. Material weakness(es) identified?   | No            |
|    | b. Significant deficiency(ies) identified that are not considered to be material weaknesses? | None reported |
| 3. | Material noncompliance relating to the financial statements?                                 | No            |

Federal Awards:

- |    |   |               |
|----|---|---------------|
| 1. | Type of auditor's report issued on compliance for major programs:   | Unmodified    |
| 2. | Internal control over major Federal programs:   |               |
|    | a. Material weakness(es) identified?  | No            |
|    | b. Significant deficiency(ies) identified that are not considered to be material weaknesses?                  | None reported |
|    | d. Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)? | No            |

3. Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
93.674	U.S. Department of Health and Human Services: Independent Living Program
16.575	U.S. Department of Justice Office: Child Abuse Counseling Program

Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
--	-----------

Auditee qualifies as low-risk auditee?	No
--	----

State Awards:

- |    |  |               |
|----|--|---------------|
| 1. | Type of auditor's report issued on compliance for major programs:  | Unmodified    |
| 2. | Internal control over major State programs:  |               |
|    | a. Material weakness(es) identified?   | No            |
|    | b. Significant deficiency(ies) identified that are not considered to be material weaknesses?                               | None reported |
|    | d. Any audit findings disclosed that are required to be reported in accordance with State Single Audit Implementation Act? | No            |

LOUISIANA UNITED METHODIST CHILDREN AND FAMILY SERVICES, INC.

SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED DECEMBER 31, 2018

**SECTION II: FINANCIAL STATEMENT FINDINGS**

There were no findings related to the financial statements for the year ended December 31, 2018.

**SECTION III: FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

There were no items identified in the course of our testing during the current year required to be reported.

**SECTION IV: STATE AWARD FINDINGS AND QUESTIONED COSTS**

There were no items identified in the course of our testing during the current year required to be reported.

**LOUISIANA UNITED METHODIST CHILDREN AND FAMILY SERVICES, INC.**  
**SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

Agency Head Name: Rick Wheat, President and CEO

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 175,112
Benefits - insurance	27,567
Benefits - retirement	10,507
Benefits - FICA	10,769
Car allowance	N/A
Vehicle provided by Organization	N/A
Per diem	N/A
Reimbursements	N/A
Travel	531
Registration fees	769
Conference travel	1,775
Continuing professional education fees	N/A
Housing	N/A
Unvouchered expenses	N/A
Special meals	N/A