

LOUISIANA UNITED METHODIST CHILDREN  
AND FAMILY SERVICES, INC.

FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2022 AND 2021  
AND FOR THE YEAR THEN ENDED

WITH  
INDEPENDENT AUDITOR'S REPORT



**SILAS SIMMONS** LLP

CERTIFIED PUBLIC ACCOUNTANTS *and* ADVISORS

*Established in 1932.*



LOUISIANA UNITED METHODIST CHILDREN AND FAMILY SERVICES, INC.

Annual Financial Statements  
As of and for the Years Ended December 31, 2022 and 2021  
With Supplementary Information Schedules

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LOUISIANA UNITED METHODIST CHILDREN AND FAMILY SERVICES, INC.

Annual Financial Statements  
As of and for the Years Ended December 31, 2022 and 2021

With Supplementary Information Schedules

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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 Audit of the Financial Statements**

#### *Opinion*

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, 2022 and 2021, 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.

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, 2022 and 2021, and the respective changes in net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Louisiana United Methodist Children and Family Services, Inc. organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Responsibilities of Management 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; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## *Auditor's Responsibilities for the Audit of the Financial Statements*

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of Louisiana United Methodist Children and Family Services, Inc's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organizations' ability to continue as a going concern for a reasonable period of time.

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

### *Supplementary Information*

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 46 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 General Operating Fund detail schedules on pages 48-57, and the General Fixed Assets schedule on page 58 are presented for purposes of additional analysis and are not a required part of the 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 schedule of expenditures of federal awards, general operating fund detail, and general fixed asset schedule are fairly stated, in all material respects, in relation to the financial statements as a whole.

*Other Supplementary Information*

Management is responsible for the other supplementary information included in the annual report. The other supplementary information comprises the schedule of compensation, benefits, and other payments to agency head but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements do not cover the other supplementary information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other supplementary information and consider whether a material inconsistency exists between the other supplementary information and the basic financial statements, or the other supplementary information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other supplementary information exists, we are required to describe it in our report.

*Other Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2023, 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, and grant agreements and other matters. The purpose of that report is solely 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 of the effectiveness of Louisiana United Methodist Children and Family Services, Inc's internal control over financial reporting or on 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.

This report is intended for the information of the Organization of Directors of the Louisiana United Methodist Children and Family Services, Inc., their senior management team, and the Legislative Auditor of the State of Louisiana and is not intended to be, and should not be, used by anyone other than these specified parties.

*Silas Simmons, LLP*

Monroe, Louisiana  
June 23, 2023

## FINANCIAL STATEMENTS

LOUISIANA UNITED METHODIST CHILDREN  
AND FAMILY SERVICES, INC.

COMBINED STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2022 AND 2021

	General Operating Fund	Endowment Fund	Local Investment Fund	General Fixed Assets	Total All Funds 2022	Total All Funds 2021
<b>Assets</b>						
<b>Current Assets</b>						
Cash and cash equivalents	\$ 1,373,704	\$ 531,767	\$ 8,594,223	\$ -	\$ 10,499,694	\$ 12,166,503
Certificate of deposit	-	-	-	-	-	-
Accounts and cost reimbursement receivable (net)	4,523,552	-	1,022,806	-	5,546,358	4,981,910
Prepaid expenses and other	298,383	54,227	12,455	-	352,610	288,560 †
Promises to give - restricted (net)	-	-	253,871	-	253,871	234,103
Promises to give - unrestricted (net)	6,000	-	-	-	6,000	5,000
Inventory	83,803	-	-	-	83,803	286,247
Total current assets	<u>\$ 6,285,442</u>	<u>\$ 585,994</u>	<u>\$ 9,883,355</u>	<u>\$ -</u>	<u>\$ 16,742,336</u>	<u>\$ 17,962,323</u>
<b>Long-Term Investments</b>						
Stocks, bonds, and notes	\$ -	\$ 35,739,969	\$ 315,093	\$ -	\$ 36,055,062	\$ 44,108,865
Investment property	-	-	521,936	-	521,936	521,936
Trust funds - temporarily restricted	-	-	1,140,810	-	1,140,810	1,326,437
Cash surrender value life insurance	512,723	-	-	-	512,723	498,896
Total long-term investments	<u>\$ 512,723</u>	<u>\$ 35,739,969</u>	<u>\$ 1,977,839</u>	<u>\$ -</u>	<u>\$ 38,230,531</u>	<u>\$ 46,456,134</u>
<b>Property and Equipment</b>						
Land and improvements	\$ -	\$ -	\$ -	\$ 2,806,982	\$ 2,806,982	\$ 2,788,450
Property, plant, and equipment	-	-	-	38,214,666	38,214,666	28,038,750
Less: accumulated depreciation	-	-	-	(14,603,601)	(14,603,601)	(14,152,531)
Right to use asset	384,617	-	-	-	384,617	-
Construction in progress	-	-	-	62,425	62,425	8,272,594
Total property and equipment	<u>\$ 384,617</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,480,472</u>	<u>\$ 26,865,089</u>	<u>\$ 24,947,263</u>
<b>Other Assets</b>						
Utility deposits	\$ -	\$ -	\$ 14,494	\$ -	\$ 14,494	\$ 15,494
Assets held for sale	-	-	396,000	-	396,000	-
Promises to give - restricted (net)	-	-	391,449	-	391,449	184,931
Total other assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 801,943</u>	<u>\$ -</u>	<u>\$ 801,943</u>	<u>\$ 200,425</u>
Total assets	<u>\$ 7,182,782</u>	<u>\$ 36,325,963</u>	<u>\$ 12,663,137</u>	<u>\$ 26,480,472</u>	<u>\$ 82,639,899</u>	<u>\$ 89,566,145</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, 2022 AND 2021

	General Operating Fund	Endowment Fund	Local Investment Fund	General Fixed Assets	Total All Funds 2022	Total All Funds 2021
<b>Liabilities</b>						
<b>Current Liabilities</b>						
Accounts payable	\$ 515,781	\$ -	\$ 357,190	\$ -	\$ 872,971	\$ 843,417
Accrued compensation	1,460,768	-	-	-	1,460,768	1,241,426
Line of Credit	-	-	2,600,000	-	2,600,000	4,000,000
Lease Liability	384,616	-	-	-	384,616	-
Other payables	12,455	-	-	-	-	-
Total current liabilities	<u>\$ 2,373,620</u>	<u>\$ -</u>	<u>\$ 2,957,190</u>	<u>\$ -</u>	<u>\$ 5,318,355</u>	<u>\$ 6,084,843</u>
<b>Other Liabilities</b>						
Retirement payable	\$ 84,975	\$ -	\$ -	\$ -	\$ 84,975	\$ 103,273
Total other liabilities	<u>\$ 84,975</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 84,975</u>	<u>\$ 103,273</u>
Total liabilities	<u>\$ 2,458,595</u>	<u>\$ -</u>	<u>\$ 2,957,190</u>	<u>\$ -</u>	<u>\$ 5,403,330</u>	<u>\$ 6,188,116</u>
<b>Net Assets</b>						
Without donor restrictions	\$ 4,687,490	\$ 35,512,088	\$ 7,758,730	\$ 26,480,472	\$ 74,438,780	\$ 79,765,187
With donor restrictions	36,697	813,875	1,947,217	-	2,797,789	3,612,842
Total net assets	<u>\$ 4,724,187</u>	<u>\$ 36,325,963</u>	<u>\$ 9,705,947</u>	<u>\$ 26,480,472</u>	<u>\$ 77,236,569</u>	<u>\$ 83,378,029</u>
Total Liabilities and Net Assets	<u>\$ 7,182,782</u>	<u>\$ 36,325,963</u>	<u>\$ 12,663,137</u>	<u>\$ 26,480,472</u>	<u>\$ 82,639,899</u>	<u>\$ 89,566,145</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, 2022 AND 2021

	General Operating Fund	Endowment Fund	Local Investment Fund	General Fixed Assets	Total All Funds 2022	Total All Funds 2021
<b>Revenue and Support Without Donor Restrictions</b>						
Contributions	\$ 1,412,809	\$ -	\$ 1,175,340	\$ -	\$ 2,588,149	\$ 1,833,332
Educational services	497,044	-	-	-	497,044	508,011
Children's home offerings	10,707	-	-	-	10,707	3,389
Wills and bequests	-	-	333,184	-	333,184	276,768
Child care support	25,272,663	-	-	-	25,272,663	19,737,753
Independent living services	611,025	-	-	-	611,025	713,972
Grants for child care	-	-	-	-	-	9,319
HRSA Cares Act Provider Relief	-	-	-	-	-	1,243,061
Family development services	122,065	-	-	-	122,065	101,557
Methodist foster care	5,511,949	-	-	-	5,511,949	4,967,119
Foster care support grant	254,262	-	-	-	254,262	236,723
Trust funds	258,061	-	61,008	-	319,069	230,031
Interest income	66,118	161,830	19,149	-	247,097	203,333
Dividend and pooled funds income	251	572,968	38,675	-	611,894	897,545
Miscellaneous	453,792	762	-	-	454,554	412,866
Net realized and unrealized gain (loss) on investments	-	(6,880,703)	(17,006)	5,513	(6,892,196)	4,694,877
Other investment income	-	-	2,380,683	-	2,380,683	1,871,671
<b>Total unrestricted revenue and support</b>	<b>\$ 34,470,746</b>	<b>\$ (6,145,143)</b>	<b>\$ 3,991,033</b>	<b>\$ 5,513</b>	<b>\$ 32,322,149</b>	<b>\$ 37,941,327</b>
<b>Net Assets Released from Restrictions</b>						
Restrictions satisfied by payments & time	\$ -	\$ 2,908	\$ 1,029,100	\$ -	\$ 1,032,008	\$ 1,357,013
<b>Expenses</b>						
Administrative and general	\$ 6,096,854	\$ 96,630	\$ 464,121	\$ -	\$ 6,657,605	\$ 5,972,414
Plant operation and maintenance	1,219,111	-	-	-	1,219,111	1,007,624
Medical and nursing	2,776,659	-	-	-	2,776,659	2,479,333
Dietary	2,130,306	-	-	-	2,130,306	1,702,031
W. A. J. Lewis building	2,209,583	-	-	-	2,209,583	1,990,813
Scott building	2,349,683	-	-	-	2,349,683	1,975,857
Residential group care	6,912,757	-	-	-	6,912,757	5,645,679
Recreational - PRTF	340,012	-	-	-	340,012	315,550
Educational services	1,204,317	-	-	-	1,204,317	1,037,867
Pastoral care	290,127	-	-	-	290,127	246,795
Family counseling center	477,628	-	-	-	477,628	425,514
Clinical services	2,367,691	-	-	-	2,367,691	2,024,998
Life skills services	744,789	-	-	-	744,789	831,454
Methodist foster care	5,803,145	-	-	-	5,803,145	5,009,821
Foster care support	246,014	-	-	-	246,014	220,579
Outdoor wilderness learning center	757,450	-	-	-	757,450	640,567
Development and public relations	673,724	-	-	-	673,724	643,906
Advocacy and community development	19,607	-	-	-	19,607	19,533
Provision for depreciation	-	-	-	1,500,356	1,500,356	1,188,426
<b>Total expenses</b>	<b>\$ 36,619,457</b>	<b>\$ 96,630</b>	<b>\$ 464,121</b>	<b>\$ 1,500,356</b>	<b>\$ 38,680,564</b>	<b>\$ 33,378,761</b>

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LOUISIANA UNITED METHODIST CHILDREN  
AND FAMILY SERVICES, INC.

COMBINED STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	General Operating Fund	Endowment Fund	Local Investment Fund	General Fixed Assets	Total All Funds 2022	Total All Funds 2021
Excess (Deficiency) of Revenue Over Expenses	\$ (2,148,711)	\$ (6,238,865)	\$ 4,556,012	\$ (1,494,843)	\$ (5,326,407)	\$ 5,919,579
Change in Net Assets from Operations	\$ (2,148,711)	\$ (6,238,865)	\$ 4,556,012	\$ (1,494,843)	\$ (5,326,407)	\$ 5,919,579
Other Changes in Net Assets Without Donor Restrictions						
Property and equipment acquisitions and transfers	(13,441)	-	(3,014,611)	3,028,052	-	1
Operating transfers	2,792,350	(1,792,350)	(1,000,000)	-	-	1
Change in Net Assets Without Donor Restrictions	\$ 630,198	\$ (8,031,215)	\$ 541,401	\$ 1,533,209	\$ (5,326,407)	\$ 5,919,581
Changes in Net Assets With Donor Restrictions						
Net realized and unrealized gain (loss) on investments	\$ -	\$ (153,848)	\$ (185,627)	\$ -	\$ (339,475)	\$ 183,464
Pooled funds income	-	21,500	-	-	21,500	19,630
Contributions, wills and bequests, and grants (net of uncollectible)	-	-	534,930	-	534,930	931,827
Net assets released from restrictions	-	(2,908)	(1,029,100)	-	(1,032,008)	(1,357,013)
Transfers (to) from unrestricted net assets	-	30,000	(30,000)	-	-	-
Change in Net Assets with Donor Restrictions	\$ -	\$ (105,256)	\$ (709,797)	\$ -	\$ (815,053)	\$ (222,092)
Increase (Decrease) in Net Assets	\$ 630,198	\$ (8,136,471)	\$ (168,396)	\$ 1,533,209	\$ (6,141,460)	\$ 5,697,489
Net Assets - Beginning of Year	4,093,989	44,462,434	9,874,343	24,947,263	83,378,029	77,680,540
Net Assets - End of Year	\$ 4,724,187	\$ 36,325,963	\$ 9,705,947	\$ 26,480,472	\$ 77,236,569	\$ 83,378,029

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, 2022 AND 2021

	General Operating Fund	Endowment Fund	Local Investment Fund	General Fixed Assets	Total All Funds 2022	Total All Funds 2021
<b>Cash Flows (to) from Operating Activities</b>						
Cash received from services	\$ 32,168,400	\$ -	\$ -	\$ -	\$ 32,168,400	\$ 27,141,424
Cash received from contributions and grants	1,400,488	-	1,478,171	-	2,878,659	3,214,343
Cash received from trust funds	195,115	-	61,008	-	256,123	218,247
Interest received	64,358	156,301	16,503	-	237,162	190,861
Dividends and pooled income	251	595,230	38,964	-	634,445	917,711
Receipts from investment properties	-	-	2,826,742	-	2,826,742	1,622,285
Miscellaneous receipts	21,425	-	-	-	21,425	11,642
Cash paid to employees, suppliers, and deposits	(36,605,187)	(96,630)	(568,470)	-	(37,270,287)	(32,270,472)
Cash received from (to) other funds	2,792,350	(1,792,350)	(1,000,000)	-	-	-
Net cash provided by (used for) operating activities	<u>\$ 37,200</u>	<u>\$ (1,137,449)</u>	<u>\$ 2,852,918</u>	<u>\$ -</u>	<u>\$ 1,752,669</u>	<u>\$ 1,046,041</u>
<b>Cash Flows (to) from Investing Activities</b>						
Proceeds from sale of investments	\$ -	\$ 5,073,476	\$ 6,108	\$ -	\$ 5,079,584	\$ 4,636,376
Purchase of investments and CDs	-	(4,071,010)	-	-	(4,071,010)	(3,839,878)
Purchase of property and equipment	(13,441)	-	(3,029,509)	-	(3,042,950)	(5,247,830)
Endowment transfers	-	30,000	(30,000)	-	-	-
Proceeds from asset dispositions	-	-	14,898	-	14,898	4,401
Net cash provided by (used for) investing activities	<u>\$ (13,441)</u>	<u>\$ 1,032,466</u>	<u>\$ (3,038,503)</u>	<u>\$ -</u>	<u>\$ (2,019,478)</u>	<u>\$ (4,446,931)</u>
<b>Cash Flows (to) from Financing Activities</b>						
Proceeds from UMF Line of Credit	-	-	\$ -	-	-	\$ 4,000,000
Principal payments on UMF Line of Cre	-	-	(1,400,000)	-	(1,400,000)	-
Net cash provided by (used for) Financing activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,400,000)</u>	<u>\$ -</u>	<u>\$ (1,400,000)</u>	<u>\$ 4,000,000</u>
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	<b>\$ 23,759</b>	<b>\$ (104,983)</b>	<b>\$ (1,585,585)</b>	<b>\$ -</b>	<b>\$ (1,666,809)</b>	<b>\$ 599,110</b>
<b>Cash and Cash Equivalents - Beginning of Year</b>	<b>1,349,945</b>	<b>636,750</b>	<b>10,179,808</b>	<b>-</b>	<b>12,166,503</b>	<b>11,567,393</b>
<b>Cash and Cash Equivalents - End of Year</b>	<b><u>\$ 1,373,704</u></b>	<b><u>\$ 531,767</u></b>	<b><u>\$ 8,594,223</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 10,499,694</u></b>	<b><u>\$ 12,166,503</u></b>

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LOUISIANA UNITED METHODIST CHILDREN  
AND FAMILY SERVICES, INC.

COMBINED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	General Operating Fund	Endowment Fund	Local Investment Fund	General Fixed Assets	Total All Funds 2022	Total All Funds 2021
<b>Reconciliation of Changes in Net Assets to Cash Provided by Operating Activities</b>						
Change in net assets	\$ 630,198	\$ (8,136,471)	\$ (168,396)	\$ 1,533,209	\$ (6,141,460)	\$ 5,697,489
Adjustments to reconcile changes in net assets to net cash provided by:						
Depreciation and amortization	-	-	-	1,500,356	1,500,356	1,188,426
(Gain) loss on abandoned or sold assets	-	-	(14,898)	(5,513)	(20,411)	7,313
Decrease (increase) in receivables and promises to give	(526,726)	(5,529)	(276,912)	-	(809,167)	(929,138)
Decrease (increase) in prepaid expenses, deposits, and other	(72,348)	-	-	-	(72,348)	95,251
Decrease (increase) in inventory	5,332	-	(197,888)	-	(192,556)	(229,568)
Increase (decrease) in payables and accrued expenses	(12,697)	-	254,979	-	242,282	174,212
Realized and unrealized loss (gain) on investments	-	7,034,551	202,852	-	7,237,403	(4,882,937)
Purchase of property and equipment	13,441	-	3,029,509	(3,028,052)	14,898	4,401
Transfers to (from) other funds	-	(30,000)	30,000	-	-	-
Noncash bequest to assets for sale or real estate	-	-	(6,328)	-	(6,328)	(79,408)
<b>Net Cash Provided by (Used for) Operating Activities</b>	<u>\$ 37,200</u>	<u>\$ (1,137,449)</u>	<u>\$ 2,852,918</u>	<u>\$ -</u>	<u>\$ 1,752,669</u>	<u>\$ 1,046,041</u>
<b>Interest Paid</b>	<u>\$ 74,240</u>	<u>\$ -</u>	<u>\$ 15,068</u>	<u>\$ -</u>	<u>\$ 89,308</u>	<u>\$ 26,986</u>
<b>Income Taxes Paid</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,000</u>	<u>\$ -</u>	<u>\$ 3,000</u>	<u>\$ 3,755</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, 2022 AND 2021**

	2022	2021
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 1,373,704	\$ 1,349,945
Accounts and cost reimbursement receivables (net of \$1,004,968 and \$987,218 allowance for 2022 and 2021, respectively)	4,523,552	3,997,826
Unconditional promises to give (net of \$0 and \$0 allowance for 2022 and 2021, respectively)	6,000	5,000
Inventory	83,803	89,135
Prepaid expenses and other	298,383	239,862
Total current assets	\$ 6,285,442	\$ 5,681,768
 Right of Use Asset	\$ 384,617	\$ -
Total property and equipment	\$ 384,617	\$ -
 Long-Term Investments		
Cash surrender value life insurance	\$ 512,723	\$ 498,896
Total long-term investments	\$ 512,723	\$ 498,896
Total assets	\$ 7,182,782	\$ 6,180,664
 <b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 515,781	\$ 741,206
Accrued compensation	1,460,768	1,241,426
Lease Liabilities	384,616	-
Due to Local Investment Fund	12,455	770
Total current liabilities	\$ 2,373,620	\$ 1,983,402
 Other Liabilities		
Retirement payable	\$ 84,975	\$ 103,273
Total other liabilities	\$ 84,975	\$ 103,273
Total liabilities	\$ 2,458,595	\$ 2,086,675
 <b>Net Assets</b>		
<b>Without Donor Restrictions</b>		
Undesignated	\$ 4,687,490	\$ 4,057,292
Designated	-	-
Total net assets without donor restrictions	\$ 4,687,490	\$ 4,057,292
 With donor restrictions	36,697	36,697
Total net assets	\$ 4,724,187	\$ 4,093,989
Total liabilities and net assets	\$ 7,182,782	\$ 6,180,664

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, 2022 AND 2021

	2022	2021
<b>Revenue and Support Without Donor Restrictions</b>		
Contributions	\$ 1,412,809	\$ 1,084,692
Children's home offerings	10,707	3,389
Special events	110,919	105,486
Child care support	25,068,940	19,542,849
Independent living services	611,025	713,972
Federal subgrant for child care	-	9,319
Federal HRSA Cares Act Provider Relief	-	1,243,061
Family plus program	25,589	25,563
Family development services	122,065	101,557
Medical and nursing	178,134	169,341
Methodist foster care	5,511,949	4,967,119
Foster care support grant	254,262	236,723
Trust funds	258,061	173,652
Interest income	66,118	56,154
Dividend income	251	231
Outdoor wilderness learning center	306,971	267,844
Educational services	497,044	508,011
Miscellaneous income	35,902	38,712
	\$ 34,470,746	\$ 29,247,675
<b>Net Assets Released from Restrictions</b>		
Restrictions satisfied by payments	\$ -	\$ -
<b>Expenses</b>		
Administrative and general	\$ 6,096,854	\$ 5,766,255
Plant operation and maintenance	1,219,111	1,007,624
Medical and nursing	2,776,659	2,479,333
Dietary	2,130,306	1,702,031
W. A. J. Lewis building	2,209,583	1,990,813
Scott building	2,349,683	1,975,857
Residential group care	6,912,757	5,645,679
Recreational - PRTF	340,012	315,550
Educational services	1,204,317	1,037,867
Pastoral care	290,127	246,795
Family counseling center	477,628	425,514
Clinical services	2,367,691	2,024,998
Life skills services	744,789	831,454
Methodist foster care	5,803,145	5,009,821
Foster Care Support	246,014	220,579
Outdoor wilderness learning center & Equine Program	757,450	640,567
Development and public relations	673,724	643,906
Capital expenditures	13,441	28,232
Advocacy and community development	19,607	19,533
Total expenses	\$ 36,632,898	\$ 32,012,408

- continued -

LOUISIANA UNITED METHODIST CHILDREN  
AND FAMILY SERVICES, INC.

GENERAL OPERATING FUND  
STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
Excess (Deficiency) of Revenue Over Expenses	<u>\$ (2,162,152)</u>	<u>\$ (2,764,733)</u>
Net Assets Transferred From Other Funds	<u>\$ 2,792,350</u>	<u>\$ 3,235,817</u>
Change in Net Assets Without Donor Restrictions	<u>\$ 630,198</u>	<u>\$ 471,084</u>
Changes in Net Assets With Donor Restrictions		
Net assets released from restrictions	<u>\$ -</u>	<u>\$ -</u>
Change in Net Assets with Donor Restrictions	<u>\$ -</u>	<u>\$ -</u>
Increase (Decrease) in Net Assets	<u>\$ 630,198</u>	<u>\$ 471,084</u>
Net Assets - Beginning of Year	<u>4,093,989</u>	<u>3,622,905</u>
Net Assets - End of Year	<u><u>\$ 4,724,187</u></u>	<u><u>\$ 4,093,989</u></u>

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, 2022 AND 2021

	2022	2021
<b>Cash Flows (To) From Operating Activities</b>		
Cash received from services	\$ 32,168,400	\$ 27,141,424
Cash received from contributions	1,400,488	1,224,142
Income from trust funds	195,115	158,735
Interest received	64,358	55,501
Dividends received	251	231
Miscellaneous receipts	21,425	11,642
Transfer from other funds	2,792,350	3,235,816
Cash paid to employees and suppliers	(36,605,187)	(31,735,912)
Net cash provided by (used for) operating activities	\$ 37,200	\$ 91,579
<b>Cash Flows (To) From Investing Activities</b>		
Purchase of property and equipment	\$ (13,441)	\$ (28,232)
Net cash provided by (used for) investing activities	\$ (13,441)	\$ (28,232)
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	\$ 23,759	\$ 63,347
<b>Cash and Cash Equivalents - Beginning of Year</b>	1,349,945	1,286,598
<b>Cash and Cash Equivalents - End of Year</b>	\$ 1,373,704	\$ 1,349,945
<b>Reconciliation of Changes in Net Assets to Cash Provided by Operating Activities</b>		
Change in net assets	\$ 630,198	\$ 471,084
Adjustments to reconcile changes in net assets to net cash used by operating activities:		
(Increase) decrease in accounts receivable and pledges	(526,726)	(605,566)
(Increase) decrease in prepaid expenses	(58,521)	111,228
(Increase) decrease in inventory	5,332	(32,456)
(Increase) decrease in cash surrender value of life insurance	(13,827)	(15,977)
(Increase) decrease in right of use asset	(384,616)	-
Increase (decrease) in accounts payable	(214,998)	80,082
Increase (decrease) in accrued wages	219,342	72,188
Increase (decrease) in deferred revenue	1,258	-
Increase (decrease) in lease liabilities	384,616	-
Increase (decrease) in retirement payable	(18,299)	(17,236)
Purchase of property and equipment	13,441	28,232
<b>Net Cash Provided by (Used for) Operating Activities</b>	\$ 37,200	\$ 91,579
<b>Interest Paid</b>	\$ 74,240	\$ -
<b>Income Taxes Paid</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, 2022 AND 2021

	2022	2021
<b>Assets</b>		
Current Assets		
Cash and cash equivalents	\$ 531,767	\$ 636,750
Accrued interest and dividends	54,227	48,698
Total current assets	\$ 585,994	\$ 685,448
Long-Term Investments		
Investments - Depository Trust Company - custodian	\$ 17,958,954	\$ 21,914,261
Investments - Merrill Lynch - custodian	17,781,015	21,862,725
Total long-term investments	\$ 35,739,969	\$ 43,776,986
Total assets	\$ 36,325,963	\$ 44,462,434
<b>Net Assets</b>		
Without Donor Restrictions		
Undesignated	\$ 33,527,560	\$ 41,750,953
Designated	1,984,528	1,792,350
Total net assets without donor restrictions	\$ 35,512,088	\$ 43,543,303
With donor restrictions	813,875	919,131
Total net assets	\$ 36,325,963	\$ 44,462,434

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, 2022 AND 2021

	2022	2021
<b>Revenue and Support Without Donor Restrictions</b>		
Dividend income	\$ 203,522	\$ 251,172
Interest income	169,991	137,124
Settlement income and other	762	824
Income from pooled funds	361,285	611,255
Realized and unrealized gain (loss) on investments	(6,880,703)	4,693,016
Total revenue and support without donor restrictions	\$ (6,145,143)	\$ 5,693,391
<b>Net Assets Released from Restrictions</b>		
Restrictions satisfied by payments	\$ 2,908	\$ 11,149
<b>Expenses</b>		
Management and custody fees	\$ 96,630	\$ 139,946
Total expenses	\$ 96,630	\$ 139,946
<b>Excess (Deficiency) of Revenue Over Expenses</b>	\$ (6,238,865)	\$ 5,564,594
<b>Other Changes in Net Assets Without Donor Restrictions</b>		
Transfer (to) from Operating Fund	\$ (1,792,350)	\$ (1,724,667)
Transfer (to) from Local Investment Fund	-	(11,149)
<b>Change in Net Assets Without Donor Restrictions</b>	\$ (8,031,215)	\$ 3,828,778
<b>Changes in Net Assets With Donor Restrictions</b>		
Net realized and unrealized gain (loss) on investments	\$ (153,848)	\$ 117,951
Income from pooled funds	21,500	19,630
Net assets released from restrictions	(2,908)	(11,149)
Transfer (to) from Local Investment Fund	30,000	(354,626)
<b>Change in Net Assets With Donor Restrictions</b>	\$ (105,256)	\$ (228,194)
<b>Change in Net Assets</b>	\$ (8,136,471)	\$ 3,600,584
<b>Net Assets - Beginning of Year</b>	44,462,434	40,861,850
<b>Net Assets - End of Year</b>	\$ 36,325,963	\$ 44,462,434

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, 2022 AND 2021

	2022	2021
<b>Cash Flows (To) From Operating Activities</b>		
Interest received	\$ 156,301	\$ 125,298
Dividends and settlements received	212,445	251,996
Income from pooled funds	382,785	630,885
Transfers to operating fund	(1,792,350)	(1,724,667)
Transfers to local investment fund	-	(396,370)
Cash paid to suppliers of services and taxes	(96,630)	(139,946)
	<u>\$ (1,137,449)</u>	<u>\$ (1,252,804)</u>
<b>Net cash provided by (used for) operating activities</b>		
<b>Cash Flows (To) From Investing Activities</b>		
Proceeds from sale of securities	\$ 5,073,476	\$ 4,556,968
Transfer from local investment fund	30,000	30,595
Purchase of securities	(4,071,010)	(3,839,878)
	<u>\$ 1,032,466</u>	<u>\$ 747,685</u>
<b>Net cash provided by (used for) investing activities</b>		
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	<u>\$ (104,983)</u>	<u>\$ (505,119)</u>
<b>Cash and Cash Equivalents - Beginning of Year</b>	<u>636,750</u>	<u>1,141,869</u>
<b>Cash and Cash Equivalents - End of Year</b>	<u><u>\$ 531,767</u></u>	<u><u>\$ 636,750</u></u>
<b>Reconciliation of Changes in Net Assets to Cash Provided by Operating Activities</b>		
Change in net assets	\$ (8,136,471)	\$ 3,600,584
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
(Increase) decrease in receivables	(5,529)	(11,826)
Net realized and unrealized (gain) loss on investments	7,034,551	(4,810,967)
Transfers to (from) other funds	(30,000)	(30,595)
	<u>(8,136,471)</u>	<u>3,600,584</u>
<b>Net Cash Provided by (Used for) Operating Activities</b>	<u><u>\$ (1,137,449)</u></u>	<u><u>\$ (1,252,804)</u></u>
<b>Interest Paid</b>	<u>\$ -</u>	<u>\$ -</u>
<b>Income Taxes Paid</b>	<u>\$ -</u>	<u>\$ -</u>

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, 2022 AND 2021

	2022	2021
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 8,594,223	\$ 10,179,808
Accounts receivable	1,022,806	984,084
Accounts receivable - promises to give (current portion)	253,871	234,103
Due from Operations Fund	12,455	770
Inventory - furniture	-	197,112
Total current assets	\$ 9,883,355	\$ 11,595,877
<b>Long-Term Investments</b>		
Stocks and bonds	\$ 315,093	\$ 331,879
Hattye Jordan Trust Fund - temporarily restricted	275,488	305,169
Barbara Williamson Trust Fund - temporarily restricted	721,736	877,682
The Pomeroy Trust, LLC - temporarily restricted	135,486	135,486
R. D. Webb Property - temporarily restricted	8,100	8,100
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	\$ 1,977,839	\$ 2,180,252
<b>Other Assets</b>		
Utility and rent deposits	\$ 14,494	\$ 15,494
Assets held for sale	396,000	-
Accounts receivable - promises to give (net of \$71,580 and \$90,539 allowance for 2022 and 2021, respectively)	391,449	184,931
Total other assets	\$ 801,943	\$ 200,425
Total assets	\$ 12,663,137	\$ 13,976,554
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 357,190	\$ 102,211
Line of Credit - United Methodist Foundation	2,600,000	4,000,000
Total current liabilities	\$ 2,957,190	\$ 4,102,211
<b>Net Assets</b>		
<b>Without Donor Restrictions</b>		
Undesignated	\$ 7,373,730	\$ 7,119,826
Designated:		
Capital improvements	\$ 385,000	\$ 97,503
Total designated	\$ 385,000	\$ 97,503
Total net assets without donor restrictions	\$ 7,758,730	\$ 7,217,329
<b>With Donor Restrictions</b>	1,947,217	2,657,014
Total net assets	\$ 9,705,947	\$ 9,874,343
Total liabilities and net assets	\$ 12,663,137	\$ 13,976,554

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, 2022 AND 2021

	2022	2021
<b>Revenue and Support Without Donor Restrictions</b>		
Loraine Howard Property (oil and gas, timber, rents)	\$ 2,248,732	\$ 1,821,140
R. D. Webb Property (oil and gas)	172,958	89,135
Shelley Property (oil and gas)	82,384	64,621
Thurman Property (oil and gas)	64,152	51,524
Other investment property	551	718
Louisiana reforestation grant	10,000	15,000
Trust funds	61,008	56,379
Wills and bequests	333,184	276,768
Contributions and memorials	1,175,340	748,640
Dividend income	19,742	22,132
Interest income	19,149	10,055
Income from pooled funds	18,933	12,755
Net realized and unrealized gain (loss) in investments	(17,006)	13,575
Total revenue and support without donor restrictions	\$ 4,189,127	\$ 3,182,442
<b>Net Assets Released from Restrictions</b>		
Restrictions satisfied by payments	\$ 1,029,100	\$ 1,342,168
Restrictions satisfied by time	-	3,696
Total net assets released from restrictions	\$ 1,029,100	\$ 1,345,864
<b>Expenses</b>		
Administrative and general	\$ 461,121	\$ 62,491
Oil and gas expenditures	198,094	170,467
Capital expenditures	3,029,509	5,219,597
Income tax	3,000	3,722
Total expenses	\$ 3,691,724	\$ 5,456,277
<b>Excess (Deficiency) of Revenue Over Expenses</b>	\$ 1,526,503	\$ (927,971)
<b>Other Changes in Net Assets Without Donor Restrictions</b>		
Transfer (to) from General Fund (net)	\$ (1,000,000)	\$ (1,500,000)
Transfer (to) from Fixed Assets Fund (net)	14,898	4,401
Total other changes in net assets without donor restrictions	\$ (985,102)	\$ (1,495,599)
<b>Change in Net Assets Without Donor Restrictions</b>	\$ 541,401	\$ (2,423,570)
<b>Changes in Net Assets With Donor Restrictions</b>		
Net realized and unrealized gain (loss) in investments	\$ (185,627)	\$ 65,513
Contributions and grants	534,930	931,827
Net assets released from restrictions	(1,029,100)	(1,345,864)
Transfer (to) from Endowment Fund	(30,000)	354,626
Total changes in net assets with donor restrictions	\$ (709,797)	\$ 6,102
<b>Changes in Net Assets With Donor Restrictions</b>	\$ (709,797)	\$ 6,102
<b>Increase (Decrease) in Net Assets</b>	\$ (168,396)	\$ (2,417,468)
<b>Net Assets - Beginning of Year</b>	9,874,343	12,291,811
<b>Net Assets - End of Year</b>	\$ 9,705,947	\$ 9,874,343

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, 2022 AND 2021

	2022	2021
<b>Cash Flows (To) From Operating Activities</b>		
Cash received from contributions, wills, and bequests	\$ 1,478,171	\$ 1,990,201
Cash received from trust funds	61,008	59,512
Interest received	16,503	10,062
Dividends and pooled funds	38,964	34,599
Receipts from investment properties	2,826,742	1,622,285
Transfers to operating fund	(1,000,000)	(1,500,000)
Transfers from endowment fund	-	385,221
Cash paid to suppliers and utility deposits	(568,470)	(394,614)
Net cash provided by (used for) operating activities	\$ 2,852,918	\$ 2,207,266
<b>Cash Flows (To) From Investing Activities</b>		
Transfer (to) from Endowment Fund (net)	\$ (30,000)	\$ (30,595)
Capital purchases for Plant Fund (net)	(3,029,509)	(5,219,598)
Proceeds from disposition of assets (net)	14,898	4,401
Proceeds from sale of stock	6,108	79,408
Net cash provided by (used for) investing activities	\$ (3,038,503)	\$ (5,166,384)
<b>Cash Flows (To) From Financing Activities</b>		
Proceeds from UMF Line of Credit	\$ -	\$ 4,000,000
Payments on UMF Line of Credit	(1,400,000)	-
Net cash provided by (used for) financing activities	\$ (1,400,000)	\$ 4,000,000
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	\$ (1,585,585)	\$ 1,040,882
<b>Cash and Cash Equivalents - Beginning of Year</b>	10,179,808	9,138,926
<b>Cash and Cash Equivalents - End of Year</b>	\$ 8,594,223	\$ 10,179,808
<b>Reconciliation of Changes in Net Assets to Cash Provided by Operating Activities</b>		
Change in net assets	\$ (168,396)	\$ (2,417,468)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
(Gain) loss on sale of assets	(14,898)	(4,401)
Noncash donation of stock, building, and equipment	(6,328)	(79,408)
(Increase) decrease in receivables and promises to give	(276,912)	(311,746)
(Increase) decrease in prepaid expense and other	(197,888)	(197,112)
Realized and unrealized (gain) loss on investments	202,852	(71,970)
Transfers to (from) other funds	30,000	30,595
Purchase of property and equipment (net)	3,029,509	5,219,598
Increase (decrease) in accounts payable	254,979	39,178
<b>Net Cash Provided by (Used for) Operating Activities</b>	\$ 2,852,918	\$ 2,207,266
<b>Interest Paid</b>	\$ 15,068	\$ 26,986
<b>Income Taxes Paid</b>	\$ 3,000	\$ 3,755

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, 2022 AND 2021

	2022	2021
<b>Assets</b>		
Property and Equipment		
Autos, trucks, and buses	\$ 1,461,296	\$ 1,354,820
Tractors and ground equipment	581,238	572,431
Furniture, fixtures, and equipment	1,085,884	1,512,962
Building and improvements	35,086,248	24,598,537
Land and land improvements	2,806,982	2,788,450
	\$ 41,021,648	\$ 30,827,200
Less: accumulated depreciation	(14,603,601)	(14,152,531)
	\$ 26,418,047	\$ 16,674,669
Construction in progress	62,425	8,272,594
	\$ 26,480,472	\$ 24,947,263
<b>Net Assets</b>		
Without Donor Restrictions		
Undesignated	\$ 26,480,472	\$ 24,947,263
Designated	-	-
Total net assets without donor restrictions	\$ 26,480,472	\$ 24,947,263
With donor restrictions	-	-
	\$ 26,480,472	\$ 24,947,263

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, 2022 AND 2021

	2022	2021
<b>Expenses</b>		
Provision for depreciation	\$ (1,500,356)	\$ (1,188,426)
Gain (loss) on assets abandoned or sold	5,513	(11,714)
	\$ (1,494,843)	\$ (1,200,140)
<b>Excess (Deficiency) of Revenue Over Expenses</b>		
<b>Acquisition of Property and Equipment Without Donor Restrictions</b>		
Transfers from other funds	3,028,052	5,243,429
	\$ 1,533,209	\$ 4,043,289
<b>Change in Net Assets Without Donor Restrictions</b>		
<b>Net Assets - Beginning of Year</b>	24,947,263	20,903,974
<b>Net Assets - End of Year</b>	\$ 26,480,472	\$ 24,947,263

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, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
<b>Cash Flows (To) From Operating Activities</b>		
Cash transfers (to) from other funds	\$ -	\$ -
Net cash provided by (used for) operating activities	<u>\$ -</u>	<u>\$ -</u>
<b>Cash Flows (To) From Investing Activities</b>		
Proceeds from sale of assets	\$ -	\$ -
Net cash provided by (used for) investing activities	<u>\$ -</u>	<u>\$ -</u>
<b>Cash and Cash Equivalents - Beginning of Year</b>	<u>\$ -</u>	<u>\$ -</u>
<b>Cash and Cash Equivalents - End of Year</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
<b>Reconciliation of Changes in Net Assets to Cash Provided by Operating Activities</b>		
Change in net assets	\$ 1,533,209	\$ 4,043,289
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	1,500,356	1,188,426
(Gain) loss on assets abandoned or sold	(5,513)	11,714
Transfers (from) to other funds	<u>(3,028,052)</u>	<u>(5,243,429)</u>
<b>Net Cash Provided by (Used for) Operating Activities</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
<b>Interest Paid</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
<b>Income Taxes Paid</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

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 YEARS ENDED DECEMBER 31, 2022 AND 2021**

**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 purposes. 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.

Louisiana United Methodist Children and Family Services, Inc. provides psychiatric residential treatment facility (PRTF) services under network provider agreements with Healthy Louisiana managed care organizations. In 2022, Healthy Louisiana is managed by five independent managed care organizations which are contracted by Louisiana Department of Health. On February 24, 2022, the PRTF located in Mandeville, Louisiana moved into the new thirty (32) bed facility in Loranger, Louisiana.

**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.

**Donated Nonfinancial Assets**

During the year ended December 31, 2022 donated nonfinancial assets totaled \$461,237 which consisted of \$2,232 of Mayhaw berries, \$4,120 of jars, \$1,075 saddles, a \$396,000 residential home property, \$51,300 in clothing, shoes, toys, crafts, schools supplies and holiday novelty items, and \$6,510 in special event supplies, gift cards and food. Valuation was recorded at retail cost. The Mayhaw berries and jars were utilized for the production of jams and jelly which are associated with the OWL program. The residential home is listed as an asset held for sale in the Local Investment Fund.

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

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

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

**Donated Nonfinancial Assets (continued)**

During the year ended December 31, 2021 donated nonfinancial assets totaled \$2,588 which consisted of \$1,332 of Mayhaw berries and \$1,256 of jars. Valuation was recorded at retail cost. The Mayhaw berries and the jars were utilized for the production of jams and jelly which are associated with the OWL program.

**Concentration of revenue**

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 2022 and 2021, the Organization received approximately ninety-seven percent (97%) and sixty-nine percent (69%), 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, 2022 and 2021, respectively, that were unrestricted funds:

	<u>2022</u>	<u>2021</u>
Local Investment Fund		
Cash and cash equivalents:		
Louisiana National Bank Toma Lodge, Ruston, Louisiana, dated August 22, 2022, maturing February 20, 2023, 0.15% annual percentage rate, interest credited monthly.	\$ 100,000	\$ -

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

## NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

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

## Certificates of Deposit (continued)

	<u>2022</u>	<u>2021</u>
Local Investment Fund		
Louisiana National Bank Toma Lodge, Ruston, Louisiana, dated February 23, 2021, maturing February 24, 2022, 0.50% annual percentage rate, interest credited monthly.	<u>-</u>	<u>100,000</u>
Cash and cash equivalents	<u>\$ 100,000</u>	<u>\$ 100,000</u>

## Letters of Credit

During the current year, the Organization obtained a letter, dated November 14, 2022, from Origin Bank, Ruston, Louisiana, stating that the Organization has a standing approval for a \$300,000 letter of credit through December 31, 2023. The letter of credit approval is to satisfy licensing requirements of \$100,000 for each of the Organization's Ruston, Loranger, and Sulphur, Louisiana locations.

During the prior year, the Organization obtained a letter, dated August 23, 2021, from Origin Bank, Ruston, Louisiana, stating that the Organization has a standing approval for a \$300,000 letter of credit through December 31, 2022. The letter of credit 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: 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. If the account has been discharged in bankruptcy, it is charged off in that period. If all attempts at recovery have been taken, debts will be written off for the client care in three years unless a prior determination has been made. The CFO will recommend debts for client care to be written off to the President/CEO or his/her designee.

**LOUISIANA UNITED METHODIST CHILDREN AND FAMILY SERVICES, INC.****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021****NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****Accounts Receivable (continued)**

The policy for charging off uncollectible pledge receivables is as follows: Contributors who make pledges will be sent reminders from the DPR 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 by the DPR department. If the pledge has been discharged in bankruptcy it is charged off in that period.

An allowance for uncollectible accounts related to services and cost reimbursement totaled \$1,004,968 and \$987,218 as of December 31, 2022 and 2021, respectively. Also, an allowance related to accounts for unconditional promises to give totaled \$71,580 and \$90,539 as of December 31, 2022 and 2021, 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.

As of December 31, 2022 and 2021, the Organization's accounts receivable contains \$88,598 and \$104,020, 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 2022, this receivable is the net amount of federal, state, and local funding derived from the Louisiana Department of Education's October 1, 2021 and February 1, 2022 student counts at Howard School, less actual services and benefits received from the Lincoln Parish School Board. For 2021, the Louisiana Department of Education's October 1, 2020 and February 1, 2021 student counts were used.

**Donated Property and Services**

Donated services 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.

**LOUISIANA UNITED METHODIST CHILDREN AND FAMILY SERVICES, INC.****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021****NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****Contributions (continued)**

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.

**Penalties**

The Organization paid \$2,000 and \$0 penalties for the years ended December 31, 2022 and 2021, 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, 2022 and 2021, the Organization had no uninsured cash balances, but held \$8,905,693 and \$10,130,910, 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 \$786,967 for 2022 and \$647,887 for 2021. The Organization also funds the minister's retirement with the Louisiana Annual Conference of the United Methodist Church. Contributions by the Organization totaled \$17,543 and \$14,672 during 2022 and 2021, respectively.

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

## NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

## 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 Entities*, 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.

	<u>2022</u>	<u>2021</u>
Net income (loss) for years – Endowment Fund		
Interest	\$ 169,991	\$ 137,124
Dividends and settlement income	204,284	251,996
Income from pooled fund	382,785	630,885
Realized and unrealized gains and (losses)	<u>(7,034,551)</u>	<u>4,810,967</u>
	\$ (6,277,491)	\$ 5,830,972
Less: investment expenses	<u>(96,630)</u>	<u>(139,946)</u>
	<u>\$ (6,374,121)</u>	<u>\$ 5,691,026</u>

Gross proceeds from the sale of securities amounted to \$5,073,476 and \$4,556,968 for the years ended December 31, 2022 and 2021, respectively.

Investments in this fund had a cost basis of \$30,580,984 with unrealized gains of \$5,158,985 as of December 31, 2022. During the year 2022 the Organization recognized unrealized losses of \$7,763,777 on these investments.. Investments in this fund had a cost basis of \$30,830,212 with unrealized gains of \$12,946,774 as of December 31, 2021. During the year 2021 the Organization recognized unrealized gains of \$3,587,278 on these investments.

**Local Investment Fund**

During 2000, the Organization received a bequest from the Estate of Hattye Jordan. The Hattye Recouley 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 \$329,603 and \$371,324 for 2022 and 2021, respectively. The discounted values were \$275,488 and \$305,169 for 2022 and 2021, 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 \$758,696 and \$920,155 as of December 31, 2022 and 2021, respectively. The discounted values were \$721,736 and \$877,682 for 2022 and 2021, 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, 2022 and 2021, respectively.

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

## NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

**NOTE 3 - INVESTMENTS (continued)**

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.

**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.

The market value of the assets in the permanently restricted fund was \$432,813 and \$508,520 as of December 31, 2022 and 2021, 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, 2022 and 2021, were \$13,828 and \$15,977, respectively. The cash surrender values of the policies as of December 31, 2022 and 2021, were \$512,724 and \$498,896, respectively.

**NOTE 4 - FAIR VALUE MEASUREMENTS**

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 Measurements) and the lowest priority to unobservable inputs (Level 3 Measurements). The three levels of the fair value hierarchy under ASC 820 are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has ability to access.

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

## NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

## NOTE 4 - FAIR VALUE MEASUREMENTS (continued)

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Fair Value of Assets Measured on a Recurring Basis

The Organization's investments in securities with readily determinable fair values are recorded at fair value based on quoted market prices. For those investments, where quoted prices are unavailable, management estimates fair value based on quoted prices for similar instruments with consideration of actively quoted interest rates, credit ratings and spreads, prepayment models, and collateral data. The Organization utilizes several externally managed funds of funds for private equity, venture capital, and hedge funds, and with these types of investments, quoted prices are often unavailable, and pricing inputs are generally unobservable. The Organization relies on the valuation procedures and methodologies of the external managers hired specifically to invest in such securities or in strategies which employ such securities. The application of those valuation procedures and methodologies are borne out in each manager's FASB ASC 820 compliant annual audited financial statements and were monitored through the Organization's reporting periods ended December 31, 2022 and 2021.

Investments held in pooled accounts managed by United Methodist Foundation are included in Level 2 of the fair value hierarchy as the investment pool is valued using the net asset value as reported by the custodian. The net asset values are determined based on the fair values of the underlying investments. The custodian uses independent pricing services, where available, to value the securities. If an independent pricing service does not value a security or the value is not, in the view of the custodian, representative of the market value, the custodian will attempt to obtain a price quote from a secondary pricing source, which may include third party brokers, investment advisers, and principal market makers or affiliated pricing services. If a secondary source is unable to provide a price, the custodian may obtain a quotation from the counterparty that sold the security.

This method may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the hierarchy, the Organization's assets measured at fair value on recurring basis as of December 31, 2022 and 2021.

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

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 4 - FAIR VALUE MEASUREMENTS (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>2022 LOCAL INVESTMENT FUND</b>						
Equity securities - cost or donated value						
Publically Traded	\$ 39,962	\$ 79,429	\$ 79,429	\$ -	\$ -	\$ 39,467
Closely Held	16,984	235,664	-	-	235,664	218,680
Total Equity securities	<u>\$ 56,946</u>	<u>\$ 315,093</u>	<u>\$ 79,429</u>	<u>\$ -</u>	<u>\$ 235,664</u>	<u>\$ 258,147</u>
Net income - Local Investment Fund						
Interest		\$ 19,149				
Dividends		38,675				
		<u>\$ 57,824</u>				
<b>2022 INVESTMENTS ENDOWMENT FUND</b>						
<b><u>Argent Trust Company - Ruston, LA</u></b>						
Cash equivalents	<u>\$ 531,767</u>	<u>\$ 531,767</u>				
<b>Equities</b>						
<b>Mutual funds</b>						
Mutual funds - foreign	\$ 1,720,460	\$ 1,731,349	\$ 1,731,349	\$ -	\$ -	\$ 10,889
Mutual funds - domestic	1,081,678	1,775,142	1,775,142	-	-	693,464
Total mutual funds	<u>\$ 2,802,138</u>	<u>\$ 3,506,491</u>	<u>\$ 3,506,491</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 704,353</u>
Common stock	\$ 3,970,855	\$ 7,984,811	\$ 7,984,811	\$ -	\$ -	\$ 4,013,956
Total equities	<u>\$ 6,772,993</u>	<u>\$ 11,491,302</u>	<u>\$ 11,491,302</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,718,309</u>
<b>Corporate bonds</b>						
Foreign bonds nts and debentures	\$ 2,849,107	\$ 2,591,379	\$ -	\$ 2,591,379	\$ -	\$ (257,728)
Intermediate term fixed income fund	105,801	89,606	-	89,606	-	(16,195)
Mortgage bond	114,740	96,990	-	96,990	-	(17,750)
Municipal obligations	1,402,874	1,278,003	-	1,278,003	-	(124,871)
Short term fixed income fund	412,547	390,588	-	390,588	-	(21,959)
Taxable municipal obligations	239,529	225,840	-	225,840	-	(13,689)
U.S. government agency bonds	1,137,126	967,963	-	967,963	-	(169,163)
U.S. treasuries	740,865	731,189	731,189	-	-	(9,676)
Total fixed income securities	100,120	96,094	96,094	-	-	(4,026)
	<u>\$ 7,102,709</u>	<u>\$ 6,467,652</u>	<u>\$ 827,283</u>	<u>\$ 5,640,369</u>	<u>\$ -</u>	<u>\$ (635,057)</u>
Total Argent Investments without cash	<u>\$ 13,875,702</u>	<u>\$ 17,958,954</u>	<u>\$ 12,318,585</u>	<u>\$ 5,640,369</u>	<u>\$ -</u>	<u>\$ 4,083,252</u>
<b><u>The United Methodist Foundation of LA</u></b>						
Cash equivalents	<u>\$ -</u>	<u>\$ -</u>				
<b>Mutual Funds - Equity</b>						
Money accounts	\$ 2,702,470	\$ 2,255,610	\$ 2,255,610	\$ -	\$ -	\$ (446,860)
Preferred stocks	445,455	445,455	-	445,455	-	-
Stocks and related	185	17	-	-	-	(168)
Corporate bonds	9,318,006	10,946,688	10,946,688	-	-	1,628,682
Government and agency securities	1,363,466	1,268,381	-	1,268,381	-	(95,085)
Pooled income funds	1,929,857	1,812,414	617,393	1,195,021	-	(117,444)
	<u>945,843</u>	<u>1,052,450</u>	<u>-</u>	<u>1,052,450</u>	<u>-</u>	<u>106,607</u>
Total United Methodist Foundation Investments without cash	<u>\$ 16,705,283</u>	<u>\$ 17,781,015</u>	<u>\$ 13,819,691</u>	<u>\$ 3,961,307</u>	<u>\$ -</u>	<u>\$ 1,075,732</u>
Endowment fund total investments without cash equivalents	<u>\$ 30,580,984</u>	<u>\$ 35,739,969</u>	<u>\$ 26,138,276</u>	<u>\$ 9,601,676</u>	<u>\$ -</u>	<u>\$ 5,158,985</u>
Total stocks, bonds, and notes	<u>\$ 30,637,930</u>	<u>\$ 36,055,062</u>	<u>\$ 26,217,705</u>	<u>\$ 9,601,676</u>	<u>\$ 235,664</u>	<u>\$ 5,417,132</u>

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

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 4 - FAIR VALUE MEASUREMENTS (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>2021 LOCAL INVESTMENT FUND</b>						
Equity securities - cost or donated value						
Publically Traded	\$ 39,962	\$ 100,335	\$ 100,335	\$ -	\$ -	\$ 60,373
Closely Held	16,984	231,544	-	-	231,544	214,560
Total Equity securities	<u>\$ 56,946</u>	<u>\$ 331,879</u>	<u>\$ 100,335</u>	<u>\$ -</u>	<u>\$ 231,544</u>	<u>\$ 274,933</u>
Net income - Local Investment Fund						
Interest		\$ 10,055				
Dividends		34,887				
		<u>\$ 44,942</u>				
<b>2021 INVESTMENTS ENDOWMENT FUND</b>						
<b><u>Argent Trust Company - Ruston, LA</u></b>						
Cash equivalents	<u>\$ 636,750</u>	<u>\$ 636,750</u>				
<b>Equities</b>						
<b>Mutual funds</b>						
Mutual funds - foreign	\$ 1,713,622	\$ 2,192,179	\$ 2,192,179	\$ -	\$ -	\$ 478,557
Mutual funds - domestic	1,129,256	2,385,653	2,385,653	-	-	1,256,397
Total mutual funds	<u>\$ 2,842,878</u>	<u>\$ 4,577,832</u>	<u>\$ 4,577,832</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,734,954</u>
Common stock	\$ 4,104,814	\$ 10,590,623	\$ 10,590,623	\$ -	\$ -	\$ 6,485,809
Total equities	<u>\$ 6,947,692</u>	<u>\$ 15,168,455</u>	<u>\$ 15,168,455</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,220,763</u>
Corporate bonds	\$ 3,101,688	\$ 3,113,804	\$ -	\$ 3,113,804	\$ -	\$ 12,116
Foreign bonds nts and debentures	106,526	104,183	-	104,183	-	(2,343)
Intermediate term fixed income fund	309,744	321,525	-	321,525	-	11,781
Mortgage bond	1,405,245	1,418,384	-	1,418,384	-	13,139
Municipal obligations	439,691	438,878	-	438,878	-	(813)
Short term fixed income fund	239,529	242,490	-	242,490	-	2,961
Taxable municipal obligations	1,007,418	1,002,843	-	1,002,843	-	(4,575)
U.S. treasuries	100,177	103,699	103,699	-	-	3,522
Total fixed income securities	<u>\$ 6,710,018</u>	<u>\$ 6,745,806</u>	<u>\$ 103,699</u>	<u>\$ 6,642,107</u>	<u>\$ -</u>	<u>\$ 35,788</u>
Total Argent Investments without cash	<u>\$ 13,657,710</u>	<u>\$ 21,914,261</u>	<u>\$ 15,272,154</u>	<u>\$ 6,642,107</u>	<u>\$ -</u>	<u>\$ 8,256,551</u>
<b><u>The United Methodist Foundation of LA</u></b>						
Cash equivalents	<u>\$ -</u>	<u>\$ -</u>				
Mutual Funds - Equity	\$ 1,405,359	\$ 1,405,359	\$ 896,179	\$ 509,180	\$ -	\$ -
Money Accounts	9,404,563	13,742,716	13,742,716	-	-	4,338,153
Stocks and Related	1,162,109	1,170,271	-	1,170,271	-	8,162
Corporate Bonds	1,218,536	1,249,330	1,222,390	26,940	-	30,794
U. S. Government Bonds	773,777	765,541	-	765,541	-	(8,236)
Mortgage Asset Backed	2,317,035	2,327,446	2,327,446	-	-	10,411
Pooled income funds	891,123	1,202,062	-	1,202,062	-	310,939
Total United Methodist Foundation Investments without cash	<u>\$ 17,172,502</u>	<u>\$ 21,862,725</u>	<u>\$ 18,188,731</u>	<u>\$ 3,673,994</u>	<u>\$ -</u>	<u>\$ 4,690,223</u>
Endowment fund total investments without cash equivalents	<u>\$ 30,830,212</u>	<u>\$ 43,776,986</u>	<u>\$ 33,460,885</u>	<u>\$ 10,316,101</u>	<u>\$ -</u>	<u>\$ 12,946,774</u>
Total stocks, bonds, and notes	<u>\$ 30,887,158</u>	<u>\$ 44,108,865</u>	<u>\$ 33,561,220</u>	<u>\$ 10,316,101</u>	<u>\$ 231,544</u>	<u>\$ 13,221,707</u>

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

## NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

## NOTE 4 - FAIR VALUE MEASUREMENTS (continued)

The following table sets forth a summary of changes in the fair value of the Organization's Level 3 assets in the Local Investment Fund for the years ended December 31, 2022 and 2021.

	<u>2022</u>	<u>2021</u>
Closely-held company stock:		
Balance, beginning of year	\$ 231,544	\$ 249,981
Unrealized gains related to instruments still held at the reporting date	<u>4,120</u>	<u>(18,437)</u>
Balance, end of year	<u>\$ 235,664</u>	<u>\$ 231,544</u>

The Organization's Level 3 closely-held company stock has been valued using a base price provided by the closely-held company as determined by a third-party consultant. The base price was applicable throughout the year 2022. Purchases as a result of the closely-held company exercising its purchase option during the year were at that price. No unobservable inputs internally developed by the Organization have been applied to these investments.

The following table sets forth a summary of changes in the fair value of the Organization's Level 3 assets in the Operating Fund for the years ended December 31, 2022 and 2021.

	<u>2022</u>	<u>2021</u>
Cash surrender value of insurance:		
Balance, beginning of year	\$ 498,896	\$ 482,919
Increase in value, net	<u>13,827</u>	<u>15,977</u>
Balance, end of year	<u>\$ 512,723</u>	<u>\$ 498,896</u>

The Organization's Level 3 cash surrender value of life insurance with MetLife has been valued using a table provided by the Metropolitan Life Insurance Company that represents the amount the Organization can realize upon surrender of the policies.

## NOTE 5 - 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 Healthy Louisiana managed care organizations. 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 \$25,247,074 and \$20,785,910 for 2022 and 2021, respectively. Accounts receivable balances related to this activity were \$5,668,352 and \$3,997,826 as of December 31, 2022 and 2021, respectively. The 2022 and 2021 revenue includes \$0 and \$1,243,061, respectively, from the federal HRSA Cares Act provider relief program.

LOUISIANA UNITED METHODIST CHILDREN AND FAMILY SERVICES, INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

**NOTE 5 – 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 \$1,004,968 and \$987,218 for 2022 and 2021, respectively, has been provided for accounts receivable, and cost reimbursement receivables related to services. Accounts receivable balances over 90 days past due were \$1,938,479 and \$1,567,568 as of December 31, 2022 and 2021, respectively.

**Pledges Receivable**

**Operating Fund**

The Organization received pledges during the years ended December 31, 2022 and 2021, totaling \$6,000 and \$5,000, 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 2019, the Organization launched a 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 in Loranger, Louisiana, in Tangipahoa Parish. The Organization created 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”. 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 years ending December 31, 2022 and 2021 totaling \$500,000 and \$878,500, respectively. \$0 and \$0 were from employees of the Organization for the years ending December 31, 2022 and 2021, respectively. The pledges are to be collected over a 5-year period. An allowance for uncollected pledges of 12% and 12% of the totals, or \$71,580 and \$90,539 for the years ending December 31, 2022 and 2021, respectively, has been established based on historical collection rates. A discount rate of 1% of the total, or \$15,081 and \$9,198 discounts, have been applied to calculate the current balance of pledge receivables as of December 31, 2022 and 2021, respectively totaling \$716,901 and \$509,573.

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

2023	\$	253,871
2024		232,203
2025		221,097
2026		4,877
2027 and after		4,852

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

## NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

## NOTE 6 - INVENTORY

Inventories as of December 31, 2022 and 2021, consist of salsa products produced at the Outdoor Wilderness Learning Center at an approximate cost of \$11,160 and \$3,496, respectively. Supplies related to COVID-19 prevention located in Ruston, Louisiana, totaled \$10,518 and \$27,185 as of December 31, 2022 and 2021, respectively. Food inventory located at the Outdoor Wilderness Learning Center totaled \$1,643 and \$1,397 as of December 31, 2022 and 2021, respectively. Food inventory located in Sulphur, Louisiana, totaled \$6,846 and \$10,127 as of December 31, 2022 and 2021, respectively. Food inventory located in Ruston, Louisiana, totaled \$41,835 and \$33,663 as of December 31, 2022 and 2021, respectively. Supplies inventory located in Loranger, Louisiana totaled \$11,801 and \$13,267 as of December 31, 2022 and 2021. Total inventory reflected in the general operating fund totaled \$83,803 and \$89,135 as of December 31, 2022 and 2021, respectively.

	<u>2022</u>	<u>2021</u>
OWL salsa products	\$ 11,160	\$ 3,496
Supplies, Ruston, LA	10,518	27,185
Food, OWL	1,643	1,397
Food, Ruston, LA	41,835	33,663
Food, Sulphur, LA	6,846	10,127
Supplies, Loranger, LA	<u>11,801</u>	<u>13,267</u>
Totals	<u>\$ 83,803</u>	<u>\$ 89,135</u>

## NOTE 7 - 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, 2022	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Land and improvements	\$ 2,806,982	\$ (63,064)	\$ 2,743,918
Buildings and improvements	35,086,248	(11,960,080)	23,126,168
Furniture and fixtures	1,069,229	(899,601)	169,628
Office furniture and equipment	16,655	(16,655)	-
Automobiles, trucks, and vans	1,461,296	(1,162,068)	299,228
Tractors and other equipment	<u>581,238</u>	<u>(502,133)</u>	<u>79,105</u>
Totals	<u>\$ 41,021,648</u>	<u>\$ (14,603,601)</u>	<u>\$ 26,418,047</u>

December 31, 2021	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Land and improvements	\$ 2,788,450	\$ (55,231)	\$ 2,733,219
Buildings and improvements	24,598,537	(11,179,178)	13,419,359
Furniture and fixtures	1,492,643	(1,327,505)	165,138
Office furniture and equipment	20,319	(20,319)	-
Automobiles, trucks, and vans	1,354,820	(1,155,796)	199,024
Tractors and other equipment	<u>572,431</u>	<u>(414,502)</u>	<u>157,929</u>
Totals	<u>\$ 30,827,200</u>	<u>\$ (14,152,531)</u>	<u>\$ 16,674,669</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 7 - PROPERTY AND EQUIPMENT (continued)**

As of December 31, 2022 construction in progress consisted of a camera system and chiller totaling \$62,425. As of December 31, 2021 it consisted of a telephone system and building construction of the new Methodist Children's Home in Loranger, Louisiana that were not completed totaling \$8,272,594. The construction period interest included \$15,068 and \$26,986 paid during 2022 and 2021, respectively, on the line of credit with the United Methodist Foundation of Louisiana.

The depreciation expense was \$1,500,356 and \$1,188,426 for the years ended December 31, 2022 and 2021, 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 8 - 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, 2022 until June 30, 2022, and July 1, 2022 until December 31, 2022, for the period ending June 30, 2023. 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 \$611,025 and \$713,972 for 2022 and 2021, respectively.

The Child Victims' Assistance Program subgrant requires a 20% match for personnel, related benefits, and contract services. Revenue from this program totaled \$0 and \$9,319 for 2022 and 2021, 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 \$254,262 and \$236,723 during 2022 and 2021, respectively.

**NOTE 9 - RELATED PARTY**

Total contributions received from employees, officers, and Organization board members of the Organization totaled \$65,142 and \$381,471 during 2022 and 2021, respectively.

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

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

## NOTE 10 - 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.

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

	<u>Totals</u>	<u>General Operating Fund</u>	<u>Endowment Fund</u>	<u>Local Investment Fund</u>	<u>Fixed Asset Fund</u>
<b>December 31, 2022</b>					
Net assets without donor restrictions	\$ <u>72,069,252</u>	\$ <u>4,687,490</u>	\$ <u>33,527,560</u>	\$ <u>7,373,730</u>	\$ <u>26,480,472</u>
Designated:					
Operating budget	\$ <u>1,984,528</u>	\$ -	\$ <u>1,984,528</u>	\$ -	\$ -
Capital improvements:					
Furniture and equipment	<u>385,000</u>	-	-	<u>385,000</u>	-
Total designated	\$ <u>2,369,528</u>	\$ -	\$ <u>1,984,528</u>	\$ <u>385,000</u>	\$ -
 Total net assets without donor restrictions	 \$ <u>74,438,780</u>	 \$ <u>4,687,490</u>	 \$ <u>35,512,088</u>	 \$ <u>7,758,730</u>	 \$ <u>26,480,472</u>
 <b>December 31, 2021</b>					
Net assets without donor restrictions	\$ <u>77,875,334</u>	\$ <u>4,057,292</u>	\$ <u>41,750,953</u>	\$ <u>7,119,826</u>	\$ <u>24,947,263</u>
Designated:					
Operating budget	\$ <u>1,792,350</u>	\$ -	\$ <u>1,792,350</u>	\$ -	\$ -
Capital improvements:					
Furniture and equipment	<u>97,503</u>	-	-	<u>97,503</u>	-
Total designated	\$ <u>1,889,853</u>	\$ -	\$ <u>1,792,350</u>	\$ <u>97,503</u>	\$ -
 Total net assets without donor restrictions	 \$ <u>79,765,187</u>	 \$ <u>4,057,292</u>	 \$ <u>43,543,303</u>	 \$ <u>7,217,329</u>	 \$ <u>24,947,263</u>

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

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

## NOTE 11 - NET ASSETS WITH DONOR RESTRICTIONS

	<u>2022</u>	<u>2021</u>
<b>Operating Fund</b>		
Current assets:		
Checking - Origin Bank	\$ 36,697	\$ 36,697
<b>Endowment Fund</b>		
Long-term investments:		
Pooled funds	170,810	306,066
<b>Local Investment Fund</b>		
Current assets:		
Checking - Origin Bank	161,087	911,544
Accounts receivable - promises to give (net)	645,320	419,033
Long-term investments:		
H.R. Jordan Charitable Remainder Trust	275,488	305,169
Barbara Williamson Charitable Lead Trust	721,736	877,682
The Pomeroy Trust, LLC	135,486	135,486
R.D. Webb property	<u>8,100</u>	<u>8,100</u>
Balances at year end	<u>\$ 2,154,724</u>	<u>\$ 2,999,777</u>
<b>Endowment Fund</b>		
Long-term investments:		
Pooled funds	<u>\$ 643,065</u>	<u>\$ 613,065</u>
Balances at year end	<u>\$ 643,065</u>	<u>\$ 613,065</u>
Net assets with donor restrictions	<u>\$ 2,797,789</u>	<u>\$ 3,612,842</u>

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

## NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

## NOTE 11 - 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, 2022:

	Time Restricted	Purpose Restricted	Perpetual in Nature	Total
Endowments	\$ -	\$ 170,810	\$ 643,065	\$ 813,875
H.R. Jordan Charitable Remainder Trust	275,488	-	-	275,488
Barbara Williamson Charitable Lead Trust	721,736	-	-	721,736
The Pomeroy Trust, LLC	135,486	-	-	135,486
R.D. Webb Property	8,100	-	-	8,100
Other	-	<u>843,104</u>	-	<u>843,104</u>
Totals	<u>\$ 1,140,810</u>	<u>\$ 1,013,914</u>	<u>\$ 643,065</u>	<u>\$ 2,797,789</u>

The following is the composition by type of fund of net assets with donor restrictions as of December 31, 2021:

	Time Restricted	Purpose Restricted	Perpetual in Nature	Total
Endowments	\$ -	\$ 306,066	\$ 613,065	\$ 919,131
H.R. Jordan Charitable Remainder Trust	305,169	-	-	305,169
Barbara Williamson Charitable Lead Trust	877,682	-	-	877,682
The Pomeroy Trust, LLC	135,486	-	-	135,486
R.D. Webb Property	8,100	-	-	8,100
Other	-	<u>1,367,274</u>	-	<u>1,367,274</u>
Totals	<u>\$ 1,326,437</u>	<u>\$ 1,673,340</u>	<u>\$ 613,065</u>	<u>\$ 3,612,842</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 (\$24,401) and \$21,650 for the years ended December 31, 2022 and 2021, respectively. The market values of the assets of this account as of December 31, 2022 and 2021, were \$142,583 and \$167,524, respectively. \$100,000 of the balance is permanently restricted.

LOUISIANA UNITED METHODIST CHILDREN AND FAMILY SERVICES, INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 11 - 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 income (loss) included in the temporarily restricted fund was (\$2,386) and \$2,117 for the years ended December 31, 2022 and 2021, respectively. The market values of the assets of this account as of December 31, 2022 and 2021, were \$13,942 and \$16,381, 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 \$407,600 will not be expended. Contributions of \$30,000 and \$30,000 were contributed for the years ending December 31, 2022 and 2021, respectively. The income (loss) included in temporarily restricted funds was (\$78,011) and \$54,682 for the years ended December 31, 2022 and 2021, respectively. The market values of the assets of this account in the endowment fund as of December 31, 2022 and 2021, were \$481,381 and \$531,102, respectively. \$407,600 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 educational 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, 2022 and 2021, 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 2022 and 2021, \$0 and \$595, 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 (\$27,548) and \$24,402 for the years ended December 31, 2022 and 2021, respectively. The market values of the assets of this account as of December 31, 2022 and 2021, were \$160,969 and \$189,125, respectively. The market value of the assets in the Local Investment checking account was \$0 and \$0 as of December 31, 2022 and 2021, respectively. \$110,465 of the balance is permanently restricted.

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

## NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

**NOTE 12 - 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 2022 and 2021 was \$3,500 and \$3,722, respectively, on income of \$11,939 and \$20,444, respectively.

**NOTE 13 - 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, that terminated by notice on April 26, 2021 effective October 31, 2021. At that time it became a month to month lease until February 28, 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 lease required 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 \$16,587 for the period of April 1, 2019 through March 31, 2022, due and payable on the first day of the month. Total rental expenses were \$33,174 and \$199,044 for the years 2022 and 2021, respectively.

**Therapeutic Foster Care Program**

The Organization has office space leased for Therapeutic Foster Care in Covington, Louisiana (\$1,800 monthly); Alexandria, Louisiana (\$2,400 monthly); Monroe, Louisiana (\$4,500 monthly)/(\$4,500 monthly); Shreveport, Louisiana (\$600 monthly) and Lafayette, Louisiana (\$1,507 monthly) with terms ending July 2021 (36 months), July 2022 (36 months), October 2022 (60 months), January 2022 (12 months), and July 2022 (12 months), respectively. Rental expenses were \$134,583 and \$130,807 for the years 2022 and 2021, respectively.

**Independent Living Program**

The Independent Living Program has office space leased in Covington, Louisiana (\$1,350 monthly); and Lafayette, Louisiana (\$1,100 monthly), with terms ending February 2022 (24 months) and June 2023 (24 months), respectively. Rental expenses were \$41,550 and \$45,600 for the years 2022 and 2021, respectively.

The Organization adopted ASC 842, *Leases*, effective December 31, 2022. See Note 17 for further discussion of the impact of adoption.

The Organization determines if an arrangement is a lease at inception. Leases are included in right-of-use (ROU) assets and lease liabilities in the statement of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term, and ROU assets also include prepaid or accrued rent. Operating lease expense is recognized on a straight-line basis over the lease term. Louisiana United Methodist Children and Family Services, Inc. does not report ROU assets and leases liabilities for its short-term leases (leases

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

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

## NOTE 13 - OPERATING LEASES (continued)

with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term..

The Organization evaluated current contracts to determine which met the criteria of a lease. The right-of-use (ROU) assets represent the Organization's right to use underlying assets for the lease term, and the lease liabilities represent the Organization's obligation to make lease payments arising from these leases. The ROU assets and lease liabilities, all of which arise from operating leases, were calculated based on the present value of future payments over the lease terms. The Organization has made an accounting policy election to use a risk-free rate in lieu of its incremental borrowing rate to discount future lease payments. The weighted-average discount rate applied to calculate lease liabilities as of December 31, 2022 was 4.11%.

The Organization's operating leases consist of real estate office spaces for the Independent Living Programs and Therapeutic Foster Care Program in Alexandria, Monroe and Lafayette, Louisiana areas. Two leases terms exclude a one-year extension, available at the Organization's option, which is not reasonably certain to exercise. Therefore, the payments associated with the extensions are not included in the ROU asset nor the lease liability recognized as of December 31, 2022.

Louisiana United Methodist Children and Family Services, Inc's operating lease cost was \$384,616, and short-term lease cost was approximately \$121,950. As of December 31, 2022, the weighted-average remaining lease term for the Organization's operating leases was approximately 5 years.

Cash paid for operating leases for the year ended December 31, 2022 was \$209,307. There was no noncash investing and financing transactions related to leasing other than the transition entry described in note 17.

Future maturities of lease liabilities are presented in the following table:

	2023	\$ 121,950
	2024	121,950
	2025	101,350
	2026	33,150
	2027	<u>33,150</u>
Total lease payments		\$ 411,550
Less present value discount		<u>(26,933)</u>
Total lease obligations		<u>\$ 384,617</u>

## NOTE 14 - 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, 2022, the liabilities were \$37,798 and \$47,176 for each employee and as of December 31, 2021, the liabilities were \$47,221 and \$56,052 for each employee. Retirement payments for the years ended December 31, 2022 and 2021, were \$12,000 and \$12,000, and \$12,000 and \$12,000, respectively.

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

## NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

## NOTE 15 - SCHEDULE OF EXPENSES

The following schedules summaries expense by their natural expense and function classifications, which occurred during the years ended December 31, 2022 and 2021:

December 31, 2022	Total	Program	Fundraising	Management
		Services		and General
Salaries, benefits, and payroll taxes	\$ 27,577,613	\$ 23,403,699	\$ 411,516	\$ 3,762,398
Insurance expense	911,312	239,985	-	671,327
Professional services	574,287	200,828	26,095	347,364
Lease/rental expense	230,907	197,733	-	33,174
Food expense	900,374	900,374	-	-
Foster parent payments	2,592,474	2,592,474	-	-
Interest expense	74,240	-	-	74,240
Office and postage expense	220,065	81,124	15,197	123,744
Telephone	230,233	133,137	3,941	93,155
Travel and seminar	418,657	298,598	35,124	84,935
Training	83,214	42,412	-	40,802
Utilities	510,408	401,468	9,100	99,840
Repairs and maintenance	946,209	410,351	34,801	504,057
Supplies	893,734	515,467	7,073	371,194
Bad debt expense	220,000	-	-	220,000
Miscellaneous	793,481	431,229	130,877	231,375
Total before depreciation	\$ 37,180,208	\$ 29,848,879	\$ 673,724	\$ 6,657,605
Depreciation	1,500,356	1,332,778	12,628	154,950
Totals	<u>\$ 38,680,564</u>	<u>\$ 31,181,657</u>	<u>\$ 686,352</u>	<u>\$ 6,812,555</u>
December 31, 2021	Total	Program	Fundraising	Management
		Services		and General
Salaries, benefits, and payroll taxes	\$ 23,640,640	\$ 19,954,113	\$ 404,830	\$ 3,281,697
Insurance expense	682,128	131,688	-	550,440
Professional services	635,525	200,885	66,487	370,153
Lease/rental expense	397,051	198,007	-	199,044
Food expense	829,285	829,285	-	-
Foster parent payments	2,301,204	2,301,204	-	-
Office and postage expense	174,595	72,823	17,720	84,052
Telephone	238,779	118,711	4,185	115,883
Travel and seminar	238,947	172,885	26,793	39,269
Training	70,737	41,483	-	29,254
Utilities	445,502	363,220	7,394	74,888
Repairs and maintenance	642,846	209,699	10,311	422,836
Supplies	494,253	468,763	7,137	18,353
Disaster Expense - Louisiana	180,581	180,581	-	-
Bad debt expense	550,000	-	-	550,000
Miscellaneous	666,262	330,668	99,049	236,545
Total before depreciation	\$ 32,190,335	\$ 25,574,015	\$ 643,906	\$ 5,972,414
Depreciation	1,188,426	904,467	16,757	267,202
Totals	<u>\$ 33,378,761</u>	<u>\$ 26,478,482</u>	<u>\$ 660,663</u>	<u>\$ 6,239,616</u>

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

## NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

**NOTE 16 - SUBSEQUENT EVENTS**

In accordance with ASC 855, the Organization evaluated subsequent events through June 23, 2023, the date these financial statements were available to be issued. The Organization had no subsequent events to disclose.

**NOTE 17 - NEW PRONOUNCEMENTS**

In 2022, Louisiana United Methodist Children and Family Services, Inc. adopted Accounting Standards Update (ASU) No. 2016-02, *Leases*, which requires lessees to recognize leases on the statement of financial position and disclose key information about leasing arrangements. The Organization elected not to restate the comparative period (2021). It also elected not to reassess at adoption (i) expired or existing contracts to determine whether they are or contain a lease, (ii) the lease classification of any existing leases, or (iii) initial direct costs for existing leases. As a result of implementing ASU No. 2016-02, Louisiana United Methodist Children and Family Services, Inc. recognized right-of-use assets of \$384,617 and lease liabilities totaling \$384,616 in its combined statements of financial position as of December 31, 2022. The adoption did not result in a significant effect on amounts reported in the combined statement of activities for the year ended December 31, 2022.

**NOTE 18 - LINE OF CREDIT**

On March 12, 2020, the Organization signed a promissory note with the United Methodist Foundation of Louisiana in the amount of six million dollars (\$6,000,000) for the purpose of construction of the new Methodist Children's Home in Tangipahoa Parish. There were no borrowings against the line during the year ended December 31, 2020. Interest is payable monthly at a variable interest rate per annum based on the United Methodist Foundation of Louisiana Fixed Income Fund Rate of Interest, adjusted monthly plus 2%. One of the custodial accounts on deposit with the lender serves as collateral for this line of credit.

During the prior year, the Organization borrowed \$2,000,000 on July 23, 2021, \$1,000,000 on November 1, 2021, and \$1,000,000 on December 14, 2021 for a total of \$4,000,000 that was due December 31, 2021 to the United Methodist Foundation of Louisiana for the construction of the new Methodist Children's Home in Tangipahoa Parish. The interest rate at December 31, 2021 was two and one-half percent (2.50%). A total amount of interest paid on the loan for 2021 was \$26,986. The interest was considered construction period interest and has been included in the construction period cost of the facility during 2021.

During the current year, the Organization paid \$1,400,000 principal on the note resulting in a balance due of \$2,600,000 that was due December 31, 2022 to the United Methodist Foundation of Louisiana. The interest rate at December 31, 2022 was two and three quarter percent (2.75%). A total amount of interest paid on the loan for 2022 was \$89,308. The interest paid that was considered construction period interest and has been included in the construction period cost of the facility during 2022 was \$15,068.

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

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

## NOTE 19 - 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>2022</u>	<u>2021</u>
Financial assets at year-end		
Cash and cash equivalents	\$ 10,499,694	\$ 12,166,503
Stocks, bonds and notes	36,055,062	44,108,865
Cash surrender value life insurance	512,723	498,896
Less those unavailable for general expenditures within one year, due to donor restrictions (Note 11)	(2,797,789)	(3,612,842)
Line of Credit collateral investments (Note 18)	<u>(2,600,000)</u>	<u>(4,000,000)</u>
Financial asset available to meet cash needs for general expenditure within one year	<u>\$ 41,669,690</u>	<u>\$ 49,161,422</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, 2022

<u>Federal Grants/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Expenditures</u>
<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, 2022)	93.674	\$ 114,210
Independent Living Program – Monroe, LA (ended June 30, 2023)	93.674	53,599
Independent Living Program – Covington, LA (ended June 30, 2022)	93.674	\$ 114,826
Independent Living Program – Covington, LA (ended June 30, 2023)	93.674	89,996
Independent Living Program – Lake Charles, LA (ended June 30, 2022)	93.674	\$ 77,519
Independent Living Program – Lake Charles, LA (ended June 30, 2023)	93.674	45,266
Independent Living Program – Lafayette, LA (ended June 30, 2022)	93.674	\$ 82,949
Independent Living Program – Lafayette, LA (ended June 30, 2023)	93.674	69,383
<b>Subtotal</b>		<b><u>\$ 647,748</u></b>
Social Services Block Grant – Independent Living Program Monroe, La (ended June 30, 2023)	93.667	\$ 27,028
Social Services Block Grant – Independent Living Program Covington, La (ended June 30, 2023)	93.667	\$ 20,332
Social Services Block Grant – Independent Living Program Lake Charles, La (ended June 30, 2023)	93.667	\$ 21,276
Social Services Block Grant – Independent Living Program Lafayette, La (ended June 30, 2023)	93.667	\$ 73
<b>Subtotal</b>		<b><u>\$ 68,709</u></b>
Title IV-E Foster Care –Monroe, La (ended June 30, 2023)	93.658	\$ 12,837
Title IV-E Foster Care –Covington, La (ended June 30, 2023)	93.658	\$ -
Title IV-E Foster Care –Lake Charles, La (ended June 30, 2023)	93.658	\$ 8,610
Title IV-E Foster Care –Lafayette, La (ended June 30, 2023)	93.658	\$ 8,610
<b>Subtotal</b>		<b><u>\$ 30,057</u></b>
Provider Relief Fund 2021	93.498	<b><u>\$ 1,243,061</u></b>
<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, 2022)	93.667	\$ 177,800
Support Organization Program (ended September 30, 2023)	93.667	\$ 68,214
<b>Subtotal</b>		<b><u>\$ 246,014</u></b>
<b>Total Federal Awards</b>		<b><u>\$ 2,235,589</u></b>

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

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED DECEMBER 31, 2022

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, 2022. 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 of 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, 2022.

Findings of Noncompliance

There were no federal awards findings or questioned costs reported during the audit for the year ended December 31, 2022.

Reconciliation of Provider Relief Fund Grant Revenue Recognized in the Financial Statements to Federal Awards Expended on the Schedule

During the prior fiscal year, the U.S. Department of Health and Human Services (HHS) began providing COVID-19 related funding under Assistance Listing Number 93.498. The funds are to be utilized to offset eligible COVID-19 expenditures and lost revenues related to COVID-19 as defined in the program regulations. The agency recognized amounts received as the program's requirements were met as shown in the table below. The amounts received and expended are reported in the Schedule according to HHS periods of availability (also known as the "period of performance"). Accordingly, the \$0 and \$1,243,061 expended and recognized in the years ended December 31, 2022 and 2021, respectively.

Year	Provider Relief Funding Received	Amount Recognized as Revenue	Amount Reported as Unearned Revenue	Amount Reported on the SEFA
2020	\$ 390,113	\$ 1,476,410	\$ -	\$ 1,476,410
2021	\$ 2,329,358	\$ 1,243,061	\$ -	\$ -
2022	\$ -	\$ -	\$ -	\$ 1,243,061

LOUISIANA UNITED METHODIST CHILDREN  
AND FAMILY SERVICES, INC.

GENERAL OPERATING FUND REVENUE DETAIL  
STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	Location			Totals	
	Ruston	SELA	SWLA	2022	2021
<b>Unrestricted Revenue and Support</b>					
Contributions					
Contributions	\$ 1,031,363	\$ 91,558	\$ 63,873	\$ 1,186,794	\$ 902,422
Sponsorships	155,002	2,188	3,075	160,265	148,510
United Way and other grants	513	-	-	513	169
Contributions - noncash	65,237	-	-	65,237	33,591
Total contributions	<u>\$ 1,252,115</u>	<u>\$ 93,746</u>	<u>\$ 66,948</u>	<u>\$ 1,412,809</u>	<u>\$ 1,084,692</u>
Children's Home offerings	<u>\$ 10,707</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,707</u>	<u>\$ 3,389</u>
Special events	<u>\$ 15,474</u>	<u>\$ 95,445</u>	<u>\$ -</u>	<u>\$ 110,919</u>	<u>\$ 105,486</u>
Child Care Support					
Child care support (TIPS)	\$ 39,302	\$ 3,653	\$ 7,276	\$ 50,231	\$ 57,195
PRTF revenue	17,875,817	3,109,787	4,033,105	25,018,709	19,485,654
Total child care support	<u>\$ 17,915,119</u>	<u>\$ 3,113,440</u>	<u>\$ 4,040,381</u>	<u>\$ 25,068,940</u>	<u>\$ 19,542,849</u>
Federal Funds					
HRSA CARES Act Provider Relief	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,243,061</u>
Independent Living Services (Federal Subgrant and Other)					
Independent living services	\$ 611,025	\$ -	\$ -	\$ 611,025	\$ 713,972
Total independent living services	<u>\$ 611,025</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 611,025</u>	<u>\$ 713,972</u>
Federal Subgrant					
Child abuse counseling	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,319</u>
Family Plus Program	<u>\$ 25,589</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,589</u>	<u>\$ 25,563</u>
Family Development Services					
Client fees	\$ 81,332	\$ -	\$ -	\$ 81,332	\$ 57,026
United Way grants	40,733	-	-	40,733	44,531
Total family development services	<u>\$ 122,065</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 122,065</u>	<u>\$ 101,557</u>
Medical and Nursing	<u>\$ 128,769</u>	<u>\$ 22,717</u>	<u>\$ 26,648</u>	<u>\$ 178,134</u>	<u>\$ 169,341</u>
Methodist Foster Care	<u>\$ 5,511,949</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,511,949</u>	<u>\$ 4,967,119</u>
Foster Care Grant	<u>\$ 254,262</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 254,262</u>	<u>\$ 236,723</u>
Trust Funds					
Marjorie D. Vickery Trust	\$ 90,000	\$ -	\$ -	\$ 90,000	\$ 99,600
Pomeroy Trust	72,072	-	-	72,072	2,326
Conference Fund Trusts	60,345	28,365	5,279	93,989	69,726
Ed and Gladys Hurley Trust	2,000	-	-	2,000	2,000
Total trust funds	<u>\$ 224,417</u>	<u>\$ 28,365</u>	<u>\$ 5,279</u>	<u>\$ 258,061</u>	<u>\$ 173,652</u>
Interest and dividends	<u>\$ 66,369</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 66,369</u>	<u>\$ 56,385</u>
Outdoor Wilderness Project income	<u>\$ 306,971</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 306,971</u>	<u>\$ 267,844</u>
Educational services	<u>\$ 497,044</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 497,044</u>	<u>\$ 508,011</u>
Miscellaneous income	<u>\$ 35,552</u>	<u>\$ 350</u>	<u>\$ -</u>	<u>\$ 35,902</u>	<u>\$ 38,712</u>
Total unrestricted income	<u>\$ 26,977,427</u>	<u>\$ 3,354,063</u>	<u>\$ 4,139,256</u>	<u>\$ 34,470,746</u>	<u>\$ 29,247,675</u>

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

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

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	Location			Totals	
	Ruston	SELA	SWLA	2022	2021
Total Restricted Income					
Restrictions satisfied by payments	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Expenses</b>					
<b>Administrative and General</b>					
Salaries	\$ 1,349,756	\$ 213,465	\$ 250,433	\$ 1,813,654	\$ 1,597,973
Payroll taxes	91,257	15,313	18,413	124,983	112,259
Employee benefits	276,198	35,917	45,898	358,013	318,790
Advertising	1,096	1,111	-	2,207	2,432
Dues and licenses	5,915	1,364	1,602	8,881	11,303
Insurance	491,673	69,044	87,863	648,580	513,869
Office supplies	54,104	34,260	22,367	110,731	60,738
Postage	150	3,453	2,600	6,203	14,378
Professional services	109,546	5,250	5,250	120,046	101,928
Payroll -HR Solutions	130,688	-	-	130,688	128,279
Lease expense	-	33,174	-	33,174	199,044
Motor vehicle expense	9,564	-	-	9,564	4,096
Subscriptions	195	-	-	195	385
Telephone	34,382	15,374	22,198	71,954	94,571
In-service training	226	1,245	2,666	4,137	3,844
Travel and seminar	28,590	8,232	11,563	48,385	17,983
Board meeting expense	6,329	-	-	6,329	4,909
Interest	-	74,240	-	74,240	-
Utilities	27,231	72,609	-	99,840	74,888
Miscellaneous	17,570	12,620	1,088	31,278	9,805
Office and equipment maintenance contracts	-	196	84	280	7,368
Accreditation	10,602	-	-	10,602	42,599
Banking and processing fees	9,614	-	-	9,614	8,945
Bad debt expense	220,000	-	-	220,000	550,000
Total administrative and general	\$ 2,874,686	\$ 596,867	\$ 472,025	\$ 3,943,578	\$ 3,880,386
<b>Human Resources</b>					
Salaries	\$ 246,188	\$ -	\$ -	\$ 246,188	\$ 197,249
Payroll taxes	17,333	-	-	17,333	14,050
Employee benefits	68,038	-	-	68,038	48,104
Unemployment benefits	14,228	-	-	14,228	23,347
Advertising and promotion	8,204	-	-	8,204	18,523
Dues and licenses	388	-	-	388	-
Insurance	8,269	-	-	8,269	13,224
Office supplies	4,039	-	-	4,039	4,637
Training	9,344	-	-	9,344	7,324
Travel and seminar	-	-	-	-	1,724
Miscellaneous	33,258	-	-	33,258	27,948
Total human resources	\$ 409,289	\$ -	\$ -	\$ 409,289	\$ 356,130
<b>Staff Development</b>					
Salaries	\$ 209,840	\$ -	\$ -	\$ 209,840	\$ 189,355
Payroll taxes	15,046	-	-	15,046	13,885
Employee benefits	49,743	-	-	49,743	42,927
Advertising and promotion	1,852	-	-	1,852	1,788
Dues and licenses	251	-	-	251	57
Insurance	250	-	-	250	-
Office supplies	2,435	-	-	2,435	3,385
Training	27,321	-	-	27,321	18,086
Travel and seminar	7,858	-	-	7,858	4,711
Miscellaneous	22,178	-	-	22,178	15,482
Total staff development	\$ 336,774	\$ -	\$ -	\$ 336,774	\$ 289,676

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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, 2022 AND 2021

Expenses	Location			Totals	
	Ruston	SELA	SWLA	2022	2021
<b>Information Management</b>					
Salaries	\$ 324,287	\$ -	\$ -	\$ 324,287	\$ 298,682
Payroll taxes	22,296	-	-	22,296	21,177
Employee benefits	71,329	-	-	71,329	59,564
Office supplies	336	-	-	336	914
Telephone	21,201	-	-	21,201	21,312
Travel and seminar	17,894	-	-	17,894	9,283
Technology, equipment, and maintenance	433,506	-	-	433,506	379,590
Miscellaneous	1,985	-	-	1,985	9,870
<b>Total information management</b>	<b>\$ 892,834</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 892,834</b>	<b>\$ 800,392</b>
<b>Health Information System</b>					
Salaries	\$ 346,622	\$ -	\$ -	\$ 346,622	\$ 297,831
Payroll taxes	24,682	-	-	24,682	21,596
Employee benefits	70,344	-	-	70,344	48,255
Electronic health records	63,158	-	-	63,158	63,131
Supplies	3,484	-	-	3,484	1,586
Travel and seminar	1,234	-	-	1,234	1,472
Miscellaneous	4,855	-	-	4,855	5,800
<b>Total health information system</b>	<b>\$ 514,379</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 514,379</b>	<b>\$ 439,671</b>
<b>Total administrative and general</b>	<b>\$ 5,027,962</b>	<b>\$ 596,867</b>	<b>\$ 472,025</b>	<b>\$ 6,096,854</b>	<b>\$ 5,766,255</b>
<b>Plant Operation and Maintenance</b>					
Salaries	\$ 418,068	\$ 71,614	\$ 85,284	\$ 574,966	\$ 549,375
Payroll taxes	30,751	5,003	6,455	42,209	40,394
Employee benefits	51,270	13,863	7,025	72,158	74,817
Contract for outside services	-	-	-	-	14,539
Repairs - buildings and grounds	220,937	40,743	74,010	335,690	149,675
Supplies	19,096	16,063	21,825	56,984	48,691
Utilities	20,606	-	87,981	108,587	95,916
Vehicle gas, oil, and repairs	12,711	5,444	4,028	22,183	30,347
Miscellaneous	5,703	-	631	6,334	3,870
<b>Total plant operation and maintenance</b>	<b>\$ 779,142</b>	<b>\$ 152,730</b>	<b>\$ 287,239</b>	<b>\$ 1,219,111</b>	<b>\$ 1,007,624</b>
<b>Medical and Nursing</b>					
Salaries	\$ 1,150,605	\$ 410,081	\$ 482,177	\$ 2,042,863	\$ 1,838,762
Payroll taxes	76,521	30,083	35,343	141,947	131,760
Employee benefits	224,129	25,561	54,769	304,459	238,431
Medical service - PRTF	9,055	29,247	34,059	72,361	131,582
Office supplies	5,634	472	353	6,459	6,026
Medical supplies - PRTF	50,429	11,143	13,525	75,097	58,527
Employee drug screens	2,501	-	-	2,501	3,383
Professional Medical Services	-	62,156	-	62,156	1,087
Psychologist - PRTF	14,400	-	-	14,400	14,400
Physician - PRTF	18,000	-	-	18,000	18,000
Training	9,704	-	1,542	11,246	16,619
Miscellaneous	23,789	58	1,323	25,170	20,756
<b>Total medical and nursing</b>	<b>\$ 1,584,767</b>	<b>\$ 568,801</b>	<b>\$ 623,091</b>	<b>\$ 2,776,659</b>	<b>\$ 2,479,333</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, 2022 AND 2021

Expenses	Location			Totals	
	Ruston	SELA	SWLA	2022	2021
<b>Dietary</b>					
Salaries	\$ 577,515	\$ 140,289	\$ 204,326	\$ 922,130	\$ 635,891
Payroll taxes	41,463	9,959	14,261	65,683	44,118
Employee benefits	76,167	13,368	34,401	123,936	96,164
Food - PRTF	641,761	96,338	161,251	899,350	828,626
Food - special	-	1,024	-	1,024	659
Supplies	60,195	23,874	24,994	109,063	85,466
Miscellaneous	5,711	1,742	1,667	9,120	11,107
Total dietary	<u>\$ 1,402,812</u>	<u>\$ 286,594</u>	<u>\$ 440,900</u>	<u>\$ 2,130,306</u>	<u>\$ 1,702,031</u>
<b>W. A. J. Lewis Building - PRTF</b>					
<b>Therapeutic and training:</b>					
Salaries	\$ 1,817,137	\$ -	\$ -	\$ 1,817,137	\$ 1,643,332
Payroll taxes	135,175	-	-	135,175	121,339
Employee benefits	170,466	-	-	170,466	152,186
Motor vehicle	4,515	-	-	4,515	3,020
Utilities	35,280	-	-	35,280	31,738
Office supplies	6,521	-	-	6,521	2,199
Supplies	17,700	-	-	17,700	13,371
Laundry and linen	5,576	-	-	5,576	4,330
Telephone	670	-	-	670	4,414
Travel and seminar	5,195	-	-	5,195	1,989
Personal hygiene	4,607	-	-	4,607	3,306
Clothing	2,691	-	-	2,691	4,808
Miscellaneous	927	-	-	927	250
Recreational	3,123	-	-	3,123	4,531
Total W. A. J. Lewis Building	<u>\$ 2,209,583</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,209,583</u>	<u>\$ 1,990,813</u>
<b>Scott Building - PRTF</b>					
<b>Therapeutic and training:</b>					
Salaries	\$ 1,914,839	\$ -	\$ -	\$ 1,914,839	\$ 1,592,234
Payroll taxes	142,321	-	-	142,321	118,068
Employee benefits	165,922	-	-	165,922	135,637
Office supplies	11,497	-	-	11,497	8,377
Supplies	1,764	-	-	1,764	2,258
Travel and seminar	6,949	-	-	6,949	350
Activities	1,142	-	-	1,142	4,086
Housekeeping supplies	27,694	-	-	27,694	41,340
Linen and bedding	406	-	-	406	3,603
Utilities	62,015	-	-	62,015	57,971
Motor vehicles	6,674	-	-	6,674	1,745
Personal hygiene	2,596	-	-	2,596	4,901
Clothing	5,114	-	-	5,114	4,587
Miscellaneous	750	-	-	750	700
Total Scott Building	<u>\$ 2,349,683</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,349,683</u>	<u>\$ 1,975,857</u>
<b>Residential - PRTF</b>					
<b>Administration:</b>					
Salaries	\$ 202,087	\$ -	\$ -	\$ 202,087	\$ 178,113
Payroll taxes	13,155	-	-	13,155	11,605
Employee benefits	58,753	-	-	58,753	52,803
Office supplies	7,152	-	-	7,152	4,643
Travel and seminar	1,545	-	-	1,545	512
Telephone	-	-	-	-	117
Miscellaneous	10,244	-	-	10,244	8,009
Total administration expenses	<u>\$ 292,936</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 292,936</u>	<u>\$ 255,802</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, 2022 AND 2021

	Location			Totals	
	Ruston	SELA	SWLA	2022	2021
<b>Expenses</b>					
Residential - PRTF (continued)					
Therapeutic and training:					
Salaries - child care	\$ 2,935,882	\$ 1,009,674	\$ 1,520,388	\$ 5,465,944	\$ 4,440,048
Payroll taxes	217,110	73,504	110,056	400,670	323,774
Employee benefits	276,514	94,220	173,929	544,663	444,721
Supplies	11,281	-	1,248	12,529	13,158
Miscellaneous	1,432	301	2,868	4,601	4,408
Travel and seminar	17,545	3,958	12,930	34,433	5,879
Supplies - housekeeping	23,659	-	-	23,659	25,068
Linen and bedding	1,151	1,321	4,139	6,611	10,359
Motor vehicle expense	13,535	-	-	13,535	6,391
Utilities	44,507	-	-	44,507	42,441
Personal hygiene	11,472	3,991	6,834	22,297	19,206
Clothing	10,836	-	5,107	15,943	16,934
Activities	13,319	4,508	12,602	30,429	37,490
Total therapeutic and training	<u>\$ 3,578,243</u>	<u>\$ 1,191,477</u>	<u>\$ 1,850,101</u>	<u>\$ 6,619,821</u>	<u>\$ 5,389,877</u>
Total residential - PRTF	<u>\$ 3,871,179</u>	<u>\$ 1,191,477</u>	<u>\$ 1,850,101</u>	<u>\$ 6,912,757</u>	<u>\$ 5,645,679</u>
Recreational - PRTF					
Salaries	\$ 232,739	\$ -	\$ -	\$ 232,739	\$ 217,103
Payroll taxes	16,390	-	-	16,390	15,655
Employee benefits	37,637	-	-	37,637	44,676
Supplies	9,973	-	-	9,973	2,669
Activities	16,011	-	-	16,011	8,021
Training	1,167	-	-	1,167	1,183
Miscellaneous	439	-	-	439	501
Utilities	25,656	-	-	25,656	25,742
Total recreational - PRTF	<u>\$ 340,012</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 340,012</u>	<u>\$ 315,550</u>
Educational Services					
Howard School:					
Salaries	\$ 775,967	\$ -	\$ -	\$ 775,967	\$ 665,223
Payroll taxes	55,923	-	-	55,923	48,474
Employee benefits	149,553	-	-	149,553	104,623
Supplies	12,740	333	903	13,976	20,778
Miscellaneous	11,713	-	-	11,713	8,880
Utilities	18,202	-	-	18,202	15,762
Intranet	3,720	-	-	3,720	3,720
Total school services	<u>\$ 1,027,818</u>	<u>\$ 333</u>	<u>\$ 903</u>	<u>\$ 1,029,054</u>	<u>\$ 867,460</u>
Vocational Tech Program					
Salaries	\$ 134,881	\$ -	\$ -	\$ 134,881	\$ 121,438
Payroll taxes	10,110	-	-	10,110	8,968
Employee benefits	10,526	-	-	10,526	18,210
Supplies	7,589	-	-	7,589	9,208
Telephone	-	-	-	-	2,601
Utilities	10,122	-	-	10,122	8,570
Miscellaneous	2,035	-	-	2,035	1,412
Total vocational tech program	<u>\$ 175,263</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 175,263</u>	<u>\$ 170,407</u>
Total educational services	<u>\$ 1,203,081</u>	<u>\$ 333</u>	<u>\$ 903</u>	<u>\$ 1,204,317</u>	<u>\$ 1,037,867</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, 2022 AND 2021

	Location			Totals	
	Ruston	SELA	SWLA	2022	2021
<b>Expenses</b>					
Pastoral Care					
Salaries	\$ 94,167	\$ -	\$ -	\$ 94,167	\$ 83,490
Payroll taxes	3,044	-	-	3,044	2,260
Employee benefits	45,990	-	-	45,990	40,018
Allowance	17,031	20	2,473	19,524	19,062
Housing allowance	3,500	-	-	3,500	1,750
Supplies	4,675	58	215	4,948	4,138
Activities	414	-	-	414	757
Miscellaneous	5,439	-	-	5,439	2,772
Travel	2,562	-	-	2,562	2,078
Utilities	28,746	-	-	28,746	29,902
Church gifts to residents	72,029	5,064	4,700	81,793	60,568
Total pastoral care	<u>\$ 277,597</u>	<u>\$ 5,142</u>	<u>\$ 7,388</u>	<u>\$ 290,127</u>	<u>\$ 246,795</u>
Family Counseling Center					
Family counseling services:					
Salaries	\$ 322,051	\$ -	\$ -	\$ 322,051	\$ 281,531
Payroll taxes	22,602	-	-	22,602	19,542
Employee benefits	79,939	-	-	79,939	59,886
Advertising and promotion	2,377	-	-	2,377	2,754
Supplies	5,573	-	-	5,573	5,442
Banking and processing fees	2,081	-	-	2,081	1,112
Telephone	13,246	-	-	13,246	14,075
Travel & seminars	4,004	-	-	4,004	5,292
Professional training	725	-	-	725	-
Rent	21,600	-	-	21,600	21,600
Miscellaneous	2,626	-	-	2,626	1,212
Utilities	804	-	-	804	-
Total family counseling services	<u>\$ 477,628</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 477,628</u>	<u>\$ 412,446</u>
CVA Grant					
Salaries	\$ -	\$ -	\$ -	\$ -	\$ 9,319
Payroll taxes	-	-	-	-	624
Employee benefits	-	-	-	-	1,607
Supplies	-	-	-	-	1,518
Total CVA grant	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,068</u>
Total family counseling center	<u>\$ 477,628</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 477,628</u>	<u>\$ 425,514</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, 2022 AND 2021

Expenses	Location			Totals	
	Ruston	SELA	SWLA	2022	2021
<b>Expenses</b>					
Clinical Services					
Salaries	\$ 1,458,060	\$ 162,680	\$ 181,740	\$ 1,802,480	\$ 1,560,562
Payroll taxes	101,254	11,161	12,683	125,098	110,816
Employee benefits	275,332	40,728	31,966	348,026	297,469
Therapeutic supplies	3,574	1,115	1,987	6,676	5,141
Travel and seminars	29,676	7,262	6,857	43,795	18,488
Travel - court	308	-	-	308	-
Office supplies	5,538	-	132	5,670	5,952
Professional services	5,250	-	9,125	14,375	5,250
Utilities	6,347	-	-	6,347	5,261
Miscellaneous	13,031	750	1,135	14,916	16,059
Total clinical services	<u>\$ 1,898,370</u>	<u>\$ 223,696</u>	<u>\$ 245,625</u>	<u>\$ 2,367,691</u>	<u>\$ 2,024,998</u>
Independent Life Skills Services					
Monroe Region:					
Salaries	\$ 129,801	\$ -	\$ -	\$ 129,801	\$ 111,638
Payroll taxes	8,942	-	-	8,942	8,122
Employee benefits	27,287	-	-	27,287	22,888
Disaster expense-Louisiana	-	-	-	-	83,354
Travel and seminars	3,961	-	-	3,961	1,898
Supplies	3,220	-	-	3,220	3,781
Postage	634	-	-	634	477
Miscellaneous	19,146	-	-	19,146	1,787
Vehicle	2,675	-	-	2,675	1,900
Telephone	6,907	-	-	6,907	4,822
Utilities	3,376	-	-	3,376	2,890
Total Monroe region	<u>\$ 205,949</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 205,949</u>	<u>\$ 243,557</u>
Covington Region:					
Salaries	\$ 141,368	\$ -	\$ -	\$ 141,368	\$ 152,249
Payroll taxes	10,089	-	-	10,089	11,060
Employee benefits	17,974	-	-	17,974	16,622
Disaster expense-Louisiana	-	-	-	-	57,411
Travel and seminars	2,345	-	-	2,345	785
Supplies	6,848	-	-	6,848	4,619
Rent	16,200	-	-	16,200	16,200
Miscellaneous	17,937	-	-	17,937	1,518
Telephone	7,922	-	-	7,922	9,022
Utilities	4,471	-	-	4,471	3,093
Total Covington region	<u>\$ 225,154</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 225,154</u>	<u>\$ 272,579</u>
Lake Charles Region:					
Salaries	\$ 99,186	\$ -	\$ -	\$ 99,186	\$ 86,670
Payroll taxes	6,720	-	-	6,720	5,839
Employee benefits	22,308	-	-	22,308	16,850
Disaster expense-Louisiana	-	-	-	-	19,572
Travel and seminars	3,688	-	-	3,688	802
Supplies	2,830	-	-	2,830	2,091
Rent	12,150	-	-	12,150	16,200
Miscellaneous	332	-	-	332	188
Vehicle	1,236	-	-	1,236	638
Telephone	2,349	-	-	2,349	4,197
Utilities	1,872	-	-	1,872	1,466
Total Lake Charles region	<u>\$ 152,671</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 152,671</u>	<u>\$ 154,513</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, 2022 AND 2021

Expenses	Location			Totals	
	Ruston	SELA	SWLA	2022	2021
Independent Life Skills Services (continued)					
Lafayette Region:					
Salaries	\$ 105,031	\$ -	\$ -	\$ 105,031	\$ 98,955
Payroll taxes	7,089	-	-	7,089	7,307
Employee benefits	20,542	-	-	20,542	12,248
Disaster expenses-Louisiana	-	-	-	-	20,244
Travel and seminars	3,291	-	-	3,291	382
Supplies	1,114	-	-	1,114	1,745
Rent	13,200	-	-	13,200	13,200
Miscellaneous	2,335	-	-	2,335	220
Vehicle	2,751	-	-	2,751	1,904
Telephone	5,662	-	-	5,662	4,600
Total Lafayette region	<u>\$ 161,015</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 161,015</u>	<u>\$ 160,805</u>
Total Independent Life Skills Services	<u>\$ 744,789</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 744,789</u>	<u>\$ 831,454</u>
Methodist Foster Care					
Salary	\$ 1,990,329	\$ -	\$ -	\$ 1,990,329	\$ 1,758,502
Payroll taxes	140,323	-	-	140,323	123,986
Employee benefits	354,814	-	-	354,814	292,224
Advertising/ recruiting	29,997	-	-	29,997	36,716
Office supplies	39,862	-	-	39,862	35,177
Insurance	239,985	-	-	239,985	131,688
Rent/utilities	134,583	-	-	134,583	130,807
Miscellaneous	18,050	-	-	18,050	1,699
Telephone	71,114	-	-	71,114	56,706
Transportation/travel	159,775	-	-	159,775	118,206
Training	19,200	-	-	19,200	13,300
Foster parent daily rate	2,436,678	-	-	2,436,678	2,208,590
Reimbursements	155,796	-	-	155,796	92,614
Utilities	12,639	-	-	12,639	9,606
Total Methodist Foster Care	<u>\$ 5,803,145</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,803,145</u>	<u>\$ 5,009,821</u>
Foster Care Support					
Salary	\$ 181,384	\$ -	\$ -	\$ 181,384	\$ 162,436
Payroll taxes	13,179	-	-	13,179	11,992
Employee benefits	27,329	-	-	27,329	22,783
Office supplies	3,329	-	-	3,329	9,972
Miscellaneous	1,694	-	-	1,694	200
Telephone	2,011	-	-	2,011	2,161
Travel and seminars	17,088	-	-	17,088	11,035
Total Foster Care Support	<u>\$ 246,014</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 246,014</u>	<u>\$ 220,579</u>
Outdoor Wilderness Learning Center					
Salaries	\$ 253,312	\$ -	\$ -	\$ 253,312	\$ 225,651
Payroll taxes	18,463	-	-	18,463	16,472
Employee benefits	47,570	-	-	47,570	43,402
Advertising	770	-	-	770	2,857
Training and challenge course	10,074	-	-	10,074	10,381
Telephone	23,256	-	-	23,256	15,996
Utilities	38,844	-	-	38,844	32,862
Supplies - O.W.L.	39,960	-	-	39,960	30,774
Supplies - farm	119	-	-	119	1,507
Equipment and building repairs	52,478	-	-	52,478	29,677
Salsa and jelly supplies	20,807	-	-	20,807	17,020
Miscellaneous	4,667	-	-	4,667	3,034
Vehicle cost	20,660	-	-	20,660	14,561
Total Outdoor Wilderness Learning Center	<u>\$ 530,980</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 530,980</u>	<u>\$ 444,194</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, 2022 AND 2021

Expenses	Location			Totals	
	Ruston	SELA	SWLA	2022	2021
<b>Methodist Equine Program</b>					
Salaries	\$ 135,108	\$ -	\$ -	\$ 135,108	\$ 117,663
Payroll taxes	9,718	-	-	9,718	8,597
Employee benefits	27,653	-	-	27,653	25,656
Advertising	249	-	-	249	764
Supplies	31,003	-	-	31,003	25,832
Travel and seminars	2,997	-	-	2,997	747
Veterinarian and ferrier	19,536	-	-	19,536	17,114
Miscellaneous	206	-	-	206	-
Total Methodist Equine Program	<u>\$ 226,470</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 226,470</u>	<u>\$ 196,373</u>
<b>Development and Public Relations</b>					
Salaries	\$ 337,295	\$ -	\$ -	\$ 337,295	\$ 324,499
Payroll taxes	24,403	-	-	24,403	24,680
Employee benefits	49,818	-	-	49,818	55,651
Advertising	3,573	-	-	3,573	6,791
Supplies	7,073	-	-	7,073	7,137
Telephone	3,941	-	-	3,941	4,185
Digital Communications	11,998	-	-	11,998	6,439
Printing	56,290	-	-	56,290	54,284
Postage	15,197	-	-	15,197	17,720
Travel and seminars	13,528	-	-	13,528	20,639
Regional development activities	14,823	-	-	14,823	5,527
Special events	8,766	26,599	-	35,365	16,423
Software maintenance	34,801	-	-	34,801	10,311
Miscellaneous	8,828	-	-	8,828	9,585
Professional services	26,095	-	-	26,095	66,487
Utilities	9,100	-	-	9,100	7,394
Vehicle cost	21,596	-	-	21,596	6,154
Total Public Relations and Development	<u>\$ 647,125</u>	<u>\$ 26,599</u>	<u>\$ -</u>	<u>\$ 673,724</u>	<u>\$ 643,906</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, 2022 AND 2021

Expenses	Location			Totals	
	Ruston	SELA	SWLA	2022	2021
Advocacy and Community Development					
Salaries	\$ 14,136	\$ -	\$ -	\$ 14,136	\$ 14,357
Payroll taxes	990	-	-	990	926
Employee benefits	4,448	-	-	4,448	3,952
Advertising	33	-	-	33	298
Total Advocacy and Community Development	<u>\$ 19,607</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,607</u>	<u>\$ 19,533</u>
Capital Expenditures					
Equipment and trailers	\$ 5,334	\$ -	\$ -	\$ 5,334	\$ 2,440
Furniture and fixtures	-	-	-	-	13,858
Building and improvements	8,107	-	-	8,107	11,934
Total Capital Expenditures	<u>\$ 13,441</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,441</u>	<u>\$ 28,232</u>
Total Expenses	<u>\$ 29,653,387</u>	<u>\$ 3,052,239</u>	<u>\$ 3,927,272</u>	<u>\$ 36,632,898</u>	<u>\$ 32,012,408</u>

LOUISIANA UNITED METHODIST CHILDREN  
AND FAMILY SERVICES, INC.

STATEMENTS OF CHANGES IN GENERAL FIXED ASSETS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	Land and Improvements	Buildings and Improvements	Construction in Progress	Autos, Furniture, and Equipment	Total
<b>December 31, 2022</b>					
General Fixed Assets - Beginning of Year	\$ 2,788,450	\$ 24,598,537	\$ 8,272,594	\$ 3,440,213	\$ 39,099,794
Transfers	\$ 6,844	\$ 8,223,037	\$ (8,272,594)	\$ 42,713	\$ 0
Additions					
General operating fund	\$ -	\$ 8,107	\$ -	\$ 5,334	\$ 13,441
Local investment fund	42,502	2,686,242	62,425	268,918	3,060,087
General fixed asset	-	-	-	-	-
Total additions	<u>\$ 42,502</u>	<u>\$ 2,694,349</u>	<u>\$ 62,425</u>	<u>\$ 274,252</u>	<u>\$ 3,073,528</u>
Retirements					
General fixed assets	\$ (30,814)	\$ (429,675)	\$ -	\$ (628,761)	\$ (1,089,250)
General Fixed Assets - End of Year	<u>\$ 2,806,982</u>	<u>\$ 35,086,248</u>	<u>\$ 62,425</u>	<u>\$ 3,128,417</u>	<u>\$ 41,084,073</u>
	Land and Improvements	Buildings and Improvements	Construction in Progress	Autos, Furniture, and Equipment	Total
<b>December 31, 2021</b>					
General Fixed Assets - Beginning of Year	\$ 2,759,316	\$ 24,453,614	\$ 3,356,386	\$ 3,690,269	\$ 34,259,585
Transfers	\$ 17,456	\$ 3,450	\$ (20,906)	\$ -	\$ -
Additions					
General operating fund	\$ -	\$ 14,374	\$ -	\$ 13,858	\$ 28,232
Local investment fund	13,358	201,654	4,937,114	67,472	5,219,598
General fixed asset	-	-	-	-	-
Total additions	<u>\$ 13,358</u>	<u>\$ 216,028</u>	<u>\$ 4,937,114</u>	<u>\$ 81,330</u>	<u>\$ 5,247,830</u>
Retirements					
General fixed assets	\$ (1,680)	\$ (74,555)	\$ -	\$ (331,386)	\$ (407,621)
General Fixed Assets - End of Year	<u>\$ 2,788,450</u>	<u>\$ 24,598,537</u>	<u>\$ 8,272,594</u>	<u>\$ 3,440,213</u>	<u>\$ 39,099,794</u>

**OTHER SUPPLEMENTARY INFORMATION**



**SILAS SIMMONS** LLP

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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, 2022; the related statements of activities and cash flows for the years ended December 31, 2022, as listed in the table of contents; and the related notes to the financial statements, and have issued our report thereon dated June 23, 2023.

**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.

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..

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 and, therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 deficiency. However, material weaknesses or significant deficiencies may exist that have not been identified.

## 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 Simmons, LLP".

Monroe, Louisiana  
June 23, 2023



**SILAS SIMMONS** LLP

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

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

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Louisiana United Methodist Children and Family Services, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Louisiana United Methodist Children and Family Services, Inc.'s major federal programs for the year ended December 31, 2022. Louisiana United Methodist Children and Family Services, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Louisiana United Methodist Children and Family Services, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Louisiana United Methodist Children and Family Services, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Louisiana United Methodist Children and Family Services, Inc.'s compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Louisiana United Methodist Children and Family Services, Inc.'s federal programs.

### *Auditor's Responsibilities for the Audit of Compliance*

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Louisiana United Methodist Children and Family Services, Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Louisiana United Methodist Children and Family Services, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Louisiana United Methodist Children and Family Services, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Louisiana United Methodist Children and Family Services, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Louisiana United Methodist Children and Family Services, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Silas Simmons, LLP*

Monroe, Louisiana  
June 23, 2023

LOUISIANA UNITED METHODIST CHILDREN AND FAMILY SERVICES, INC.  
SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

**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 Numbers

93.674  
93.498

Name of Federal Program or Cluster

U.S. Department of Health and Human Services:  
Independent Living Program  
Provider Relief - CARES ACT

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

\$750,000

Auditee qualifies as low-risk auditee?

Yes

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, 2022

**SECTION II: FINANCIAL STATEMENT FINDINGS**

There were no findings related to the financial statements for the year ended December 31, 2022.

**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.  
STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**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? | Yes        |
| 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:

CFDA Numbers

93.674

Name of Federal Program or Cluster

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

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

**FOR THE YEAR ENDED DECEMBER 31, 2021**

**SECTION II: FINANCIAL STATEMENT FINDINGS**

Finding: 2021-01	Accounts payable account was not adjusted properly during the year end process.
Condition:	A significant internal control deficiency was noted with respect to the posting of foster care reimbursements paid during the subsequent period related to the current year end.
Criteria:	Proper posting of liabilities that existed as of the end of the year is necessary to reflect the proper allocation of expenses to appropriate general ledger accounts.
Effect:	The Louisiana United Methodist Children and Family Services, Inc. initially reflected an understatement of accounts payable on the statement of financial position, an understatement of foster care reimbursements on the statement of activities, and an overstatement of net assets.
Cause:	Personnel responsible for posting the subsequent payments did not identify the correct posting date and an adequate review did not exist to ensure compliance with the internal controls in place.
Questioned Cost:	None, the posting errors were corrected and subsequently posted by the CFO.
Recommendations:	We recommend monthly reconciliations be performed in a timely manner for all liability accounts (including the foster care reimbursements) and that appropriate corrective action is taken to resolve any identified variances. We recommend management monitor the reconciliation process to assure timely and accurate performance of the reconciliations and ultimate resolution of variances identified.
Views of responsible Officials and planned Corrective actions:	To ensure all required year end postings are made properly, Louisiana United Methodist Children and Family Services, Inc. will update policies and procedures to ensure there is an adequate complete reconciliation for year end close out.

**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, 2022**

Agency Head Name: Rick Wheat, President and CEO

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 200,112
Benefits - insurance	26,420
Benefits - retirement	12,007
Benefits - FICA	12,006
Car allowance	N/A
Vehicle provided by Organization	N/A
Per diem	N/A
Reimbursements	N/A
Travel	161
Registration fees	225
Conference travel	N/A
Continuing professional education fees	N/A
Housing	N/A
Unvouchered expenses	N/A
Special meals	N/A

LOUISIANA UNITED METHODIST CHILDREN  
AND FAMILY SERVICES, INC.

STATEWIDE AGREED-UPON PROCEDURES REPORT  
DECEMBER 31, 2022



**SILAS SIMMONS** LLP

CERTIFIED PUBLIC ACCOUNTANTS *and* ADVISORS

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**INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES**

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

We have performed the procedures detailed in the Schedule of Agreed-Upon Procedures and Findings on pages 70-80, which were agreed to by the Louisiana United Methodist Children and Family Services, Inc. and the Louisiana Legislative Auditor (LLA), on the control and compliance areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2022, through December 31, 2022. The Louisiana United Methodist Children and Family Services, Inc.'s management is responsible for those control and compliance areas identified in the SAUPs.

The Louisiana United Methodist Children and Family Services, Inc. has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the control and compliance areas identified in LLA's SAUPs for the fiscal period January 1, 2022, through December 31, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

Our procedures and findings are described in the Schedule of Agreed-Upon Procedures and Findings on pages 70-80.

We were engaged by Louisiana United Methodist Children and Family Services, Inc. to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those control and compliance areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Louisiana United Methodist Children and Family Services, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those control and compliance areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

*Silas Simmons, LLP*

Monroe, Louisiana  
June 23, 2023

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

## SCHEDULE OF AGREED-UPON PROCEDURES AND FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2022

*Written Policies and Procedures*

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1. Obtain and inspect the Entity's written policies and procedures and observe that they address each of the following categories and subcategories, as applicable:
  - a) Budgeting, including preparing, adopting, monitoring, and amending the budget.
  - b) Purchasing, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.
  - c) Disbursements, including processing, reviewing, and approving.
  - d) Receipts/Collections, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions.
  - e) Payroll/Personnel, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
  - f) Contracting, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
  - g) Travel and expense reimbursement, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
  - h) Credit Cards (and debit cards, fuel cards, purchase cards, if applicable), including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
  - i) Ethics, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the Entity's ethics policy.
  - j) Debt Service, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
  - k) Information Technology Disaster Recovery/Business Continuity, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
  - l) Prevention of Sexual Harassment, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

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

## SCHEDULE OF AGREED-UPON PROCEDURES AND FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2022

Performance: We reviewed the written policies and procedures for the related functions listed in the above procedures. Through our review, we were able to verify that the Organization has appropriate written policies and procedures for the related topics as applicable to public funds and the organization's operations.

Exceptions: No exceptions were found as a result of these procedures.

Management's response: Not applicable.

*Board or Finance Committee*

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and
  - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
  - b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. *Alternately, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
  - c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.
  - d) observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Performance: We obtained a copy of the organization's board/committee minutes for the fiscal period. We reviewed the minutes and determined the managing board met on a frequency in accordance with the organization's enabling legislation, charter, or equivalent document. We reviewed the minutes and verified they referenced or included financial activity relating to public funds during the fiscal period. We observed the unassigned fund balance in the general fund did not have a negative balance in the prior year audit report.

Exceptions: No exceptions were found as a result of these procedures.

Management's response: Not applicable.

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

## SCHEDULE OF AGREED-UPON PROCEDURES AND FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2022

*Bank Reconciliations*

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3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the Entity's main operating account. Select the Entity's main operating account and randomly select five additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each selected account, and observe that—
  - a) Bank reconciliations include evidence that they were prepared within two months of the related statement closing date;
  - b) Bank reconciliations include written evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation; and
  - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than twelve months from the statement closing date, if applicable.

Performance: We obtained a list of bank accounts applicable to public funds from management and had management identify the main operating bank account. We obtained the related bank statements and randomly selected one month from the fiscal period and determined the bank reconciliations had been prepared within two months of the related statement closing date, included evidence of a member of management unrelated to the cash collection/disbursement processes had reviewed each bank reconciliation, and included documentation that management had researched reconciling items that have been outstanding for more than twelve months from that statement closing date.

Exceptions: No exceptions were found as a result of these procedures.

Management's response: Not applicable.

*Collections*

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4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select five deposit sites (or all deposit sites if less than five).
5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site, obtain and inspect written policies and procedures relating to employee job duties at each collection location, and observe that job duties are properly segregated at each collection location such that
  - a) Employees responsible for cash collections do not share cash drawers/registers;
  - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation to the deposit;

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## SCHEDULE OF AGREED-UPON PROCEDURES AND FINDINGS

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- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and
  - d) the employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is not responsible for collecting cash, unless another employee verifies the reconciliation.
6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash.. Observe that the bond or insurance policy for theft was in force during the fiscal period
  7. Randomly select two deposit dates for each of the five bank accounts selected for Procedure 3 under "Bank Reconciliations." Obtain supporting documentation for each of the ten deposits and:
    - a) Observe that receipts are sequentially pre-numbered.
    - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
    - c) Trace the deposit slip total to the actual deposit per the bank statement.
    - d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than ten miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
    - e) Trace the actual deposit per the bank statement to the general ledger.

Performance: We obtained a listing of collection locations and management's representation that the listing was complete. The organization has only one collection location and all receipts come in the form of direct deposit. We obtained written policies and procedures and inquired of management and employees and determined the organization has a process specifically defined to ensure a separation of duties and determine completeness of collections for each revenue source by a person who is not responsible for collections. We randomly selected two deposit dates and performed the procedures above by tracing the deposits to collection documentation, bank statements, general ledger, and the Office of Statewide Reporting and Accounting Policy vendor payments.

Exceptions: No exceptions were found as a result of these procedures.

Management's response: Not applicable.

*Non-Payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases)*

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8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select five locations (or all locations if less than 5).

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## FOR THE YEAR ENDED DECEMBER 31, 2022

9. For each location selected under Procedure 8, obtain a listing of those employees involved with nonpayroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties and observe that job duties are properly segregated such that—
  - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
  - b) At least two employees are involved in processing and approving payments to vendors;
  - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;
  - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and
  - e) Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.
10. For each location selected under Procedure 8, obtain the Entity's nonpayroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select five disbursements for each location, obtain supporting documentation for each transaction and observe that—
  - a) the disbursement matched the related original itemized invoice/billing statement, and supporting documentation indicates that deliverables included on the invoice were received by the entity, and
  - b) the disbursement documentation included evidence of segregation of duties tested under Procedure 9, as applicable.
11. Using the Entity's main operating account and the month selected in Bank Reconciliations Procedure 3, randomly select five non-payroll-related electronic disbursements and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds per the Entity's policy, and (b) approved by the required number of authorized signers per the Entity's policy.

Performance: We obtained a list of locations that process payments and management's representation that the listing was complete. The organization has one location for processing payments. We reviewed written policies and procedures and inquired of management and employees to determine that the organization has a process specifically defined to ensure a separation of duties and observed that job duties are properly segregated such that at least two employees are involved in initiating, approving, and placing a purchase request, at least two employees are involved in processing and approving payments to vendors, and an employee other than the employee responsible for processing checks is responsible for periodically reviewing changes to vendor files. For the one location from Procedure 8, we randomly selected five non-payroll disbursement transactions and obtained the supporting documentation and observed that the selected disbursements matched the related original invoice and that the related documentation included evidence of segregation of duties tested under Procedure 9.

Exceptions: No exceptions were found as a result of these procedures.

Management's response: Not applicable.

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## SCHEDULE OF AGREED-UPON PROCEDURES AND FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2022

*Credit Cards/Debit Cards/Fuel Cards/Purchase Cards*

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12. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
13. Using the listing prepared by management, randomly select five cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card, obtain supporting documentation, and:
  - a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation were reviewed and approved, in writing, by someone other than the authorized card holder.
  - b) Observe that finance charges and late fees were not assessed on the selected statements.
14. Using the monthly statements or combined statements selected under Procedure 13, excluding fuel cards, randomly select ten transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions. For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals.

Performance: We inquired of management and received a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards, including the card numbers and the names of the persons who maintained possession of the cards. We also received representation from management that the listing was complete. We randomly selected five cards that were used during the fiscal period and randomly selected one monthly statement for each card selected. We reviewed the statement to determine whether there was evidence that it was reviewed and approved, in writing, by someone other than the authorized card holder. We also reviewed the statement to determine whether finance charges and/or late fees were assessed on the statement. We obtained supporting documentation for all transactions to determine whether there was an original itemized receipt, documentation of the business/public purpose, and other required written documentation.

Exceptions: No exceptions were found as a result of these procedures.

Management's response: Not applicable.

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## SCHEDULE OF AGREED-UPON PROCEDURES AND FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2022

*Travel and Travel-Related Expense Reimbursements (excluding card transactions)*

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15. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select five reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the five reimbursements selected—
- a) If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov));
  - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
  - c) Observe that each reimbursement is supported by documentation of the business/public purpose and other documentation required by Written Policies and Procedures (Procedure 1h); and
  - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Performance: We obtained a list of all travel and related expense reimbursements and received representation from management that the listing was complete. We randomly selected five travel and related expense reimbursements and obtained the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. We determined all per diem rates agreed with the rates established by the governing authorities. All reimbursements were based off mileage rates and no actual costs were used. We observed each reimbursement was supported by appropriate documentation, including purpose and approval, in accordance with the organization's written policies and procedures.

Exceptions: No exceptions were found as a result of these procedures.

Management's response: Not applicable.

*Contracts*

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16. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Obtain management's representation that the listing is complete. Randomly select five contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and
- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law, if required by law;
  - b) Observe that the contract was approved by the governing body/board, if required by policy or law;
  - c) If the contract was amended, observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms; and

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## SCHEDULE OF AGREED-UPON PROCEDURES AND FINDINGS

## FOR THE YEAR ENDED DECEMBER 31, 2022

- d) Randomly select one payment from the fiscal period for each of the five contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Performance: We obtained a listing of all contracts in effect during the fiscal period and management's representation that the listing was complete. We reviewed all three contracts and none were subject to the Louisiana Public Bid Law. All contracts were approved by the appropriate official and board in accordance with the organization's written policies and procedures. We determined the selected contracts did not include amendments to the original contracts. We randomly selected one payment for each contract and compared the payment to the written contract information to determine that the invoice and related payment complied with the terms of the contract.

Exceptions: No exceptions were found as a result of these procedures.

Management's response: Not applicable.

*Payroll and Personnel*

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17. Obtain a listing of employees and elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select five employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
18. Randomly select one pay period during the fiscal period. For the five employees/officials selected under Procedure 17, obtain attendance records and leave documentation for the pay period and observe that—
- a) all selected employees/officials documented their daily attendance and leave;
  - b) supervisors approved the attendance and leave of the selected employees/officials; and
  - c) any leave accrued or taken during the pay period is reflected in the Entity's cumulative leave records; and
  - d) the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.
19. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the listing is complete. Randomly select two employees/officials and, obtain related documentation of the hours and pay rates used in management's termination payment calculations and agree the hours to the employees'/officials' cumulative leave records, agree the pay rates to the employees'/officials' authorized pay rates in the employees'/officials' personnel files, and agree the termination payment to entity policy.
20. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and any associated forms have been filed, by required deadlines.

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

## SCHEDULE OF AGREED-UPON PROCEDURES AND FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2022

Performance: We obtained a listing of all persons employed during the fiscal period and management's representation that the listing was complete. We randomly selected five employees, obtained personnel files, and agreed pay rates to personnel files. We determined that all selected employees documented their daily attendance and leave for the selected pay period. We determined that the attendance and leave of each employee for the selected pay period was approved by each employee's respective supervisor. For the five employees selected, we determined that accrued and/or paid leave in the pay period was properly reflected in the organization's cumulative leave records

We obtained a listing of all employees terminated during the fiscal period and management's representation that the listing was complete. We randomly selected two employees from the list and agreed the hours to the employees' cumulative leave records, agreed the pay rates to the employees' personnel files, and determined that the termination payments agreed to the organization's written policies and procedures. We obtained management's representation that employer and employee portions of third-party payroll-related amounts have been paid, and any related forms have been timely filed.

Exceptions: No exceptions were found as a result of these procedures.

Management's response: Not applicable.

*Ethics*

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21. Using the five randomly selected employees/officials from Procedure 17 under "Payroll and Personnel," obtain ethics documentation from management, and:
- a) Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
  - b) Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
22. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Performance: The organization is a nonprofit entity not subject to the Louisiana Code of Ethics one hour of ethics training requirement. The organization's *Code of Ethics and Compliance* contains the *Organizational Code of Ethics*, the *Code of Ethics* (for employees), the *Ethical Reporting Policy* and specific steps for reporting unethical behavior, policies regarding the *Federal False Claims Act*, the *Louisiana Medical Assistance Programs Integrity Law and the Louisiana Medicaid Fraud and Abuse Laws*, as well as encouragement and specific steps and contact information for reporting such fraud and abuse. Each employee signs a copy of the Code of Ethics and this signed copy is placed in the employee file which is maintained by the organization's Human Resources department.

Exceptions: Not applicable to this nonprofit entity.

Management's response: Not applicable.

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

## SCHEDULE OF AGREED-UPON PROCEDURES AND FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2022

*Debt Service*

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23. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.
24. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balance and payments to those required by debt covenants.

Exceptions: Not applicable to this nonprofit entity.

Management's response: Not applicable.

*Fraud Notice*

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25. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the Entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the Entity is domiciled as required by R.S. 24:523.
26. Observe that the Entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Performance: We inquired of management of any misappropriations of public funds or assets during the year and none were noted. We inquired and observed fraud notice posted on the premises and website.

Exceptions: No exceptions were found as a result of these procedures.

Management's response: Not applicable.

*Information Technology Disaster Recovery/Business Continuity*

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27. Perform the following procedures -
- a) Obtain and inspect the Entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe evidence that such backup occurred within the past week, was not stored on the local server or network, and was encrypted.
  - b) Obtain and inspect the Entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past three months.

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## SCHEDULE OF AGREED-UPON PROCEDURES AND FINDINGS

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- c) Obtain a listing of the Entity's computers currently in use, and their related locations, and management's representation that the listing is complete. Randomly select five computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.
28. Randomly select five terminated employees using the list of terminated employees obtained in Procedure 19 under "Payroll and Personnel" above. Observe evidence that the selected terminated employees have been removed or disabled from the network.

Performance: We performed the procedures and discussed the results with management.

*Prevention of Sexual Harassment*

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29. Using the five randomly selected employees/officials from Procedure 17 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.
30. Observe that the Entity has posted its sexual harassment policy and complaint procedure on its website.
31. Obtain the Entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that it includes the applicable requirements of R.S. 42:344:
- a) Number and percentage of public servants in the agency who have completed the training requirements;
  - b) Number of sexual harassment complaints received by the agency;
  - c) Number of complaints which resulted in a finding that sexual harassment occurred;
  - d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
  - e) Amount of time it took to resolve each complaint.

Exceptions: Not applicable to this nonprofit entity.

Management's response: Not applicable.



*Established in 1952.*

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