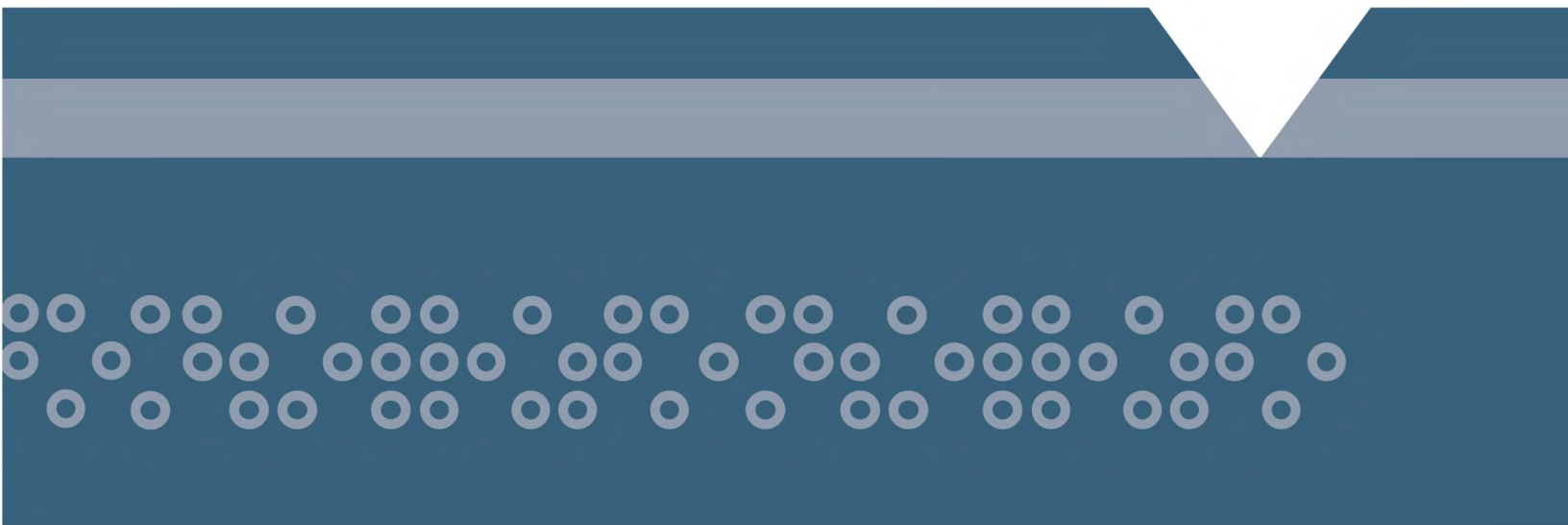


**First United Methodist Church**  
Shreveport, Louisiana

May 31, 2023



**FIRST UNITED METHODIST CHURCH  
SHREVEPORT, LOUISIANA**

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**REVIEWED FINANCIAL STATEMENTS**



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REGIONS TOWER  
333 TEXAS STREET, SUITE 1525 | SHREVEPORT, LOUISIANA 71101  
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The Finance Committee  
First United Methodist Church  
Shreveport, Louisiana

### **Independent Accountant's Review Report**

We have reviewed the accompanying financial statements of First United Methodist Church which comprise the statement of financial position as of May 31, 2023, and the related statements of activities, functional expenses and cash flows for the period then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the Church's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

### **Accountant's Responsibility**

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services Committee promulgated by the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of First United Methodist Church and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our reviews.

### **Basis for Qualified Conclusion**

As explained in Note 1(d) to the financial statements, we were unable to conclude on the fixed asset balance in the accompanying statements of financial position stated at \$27,548,871 for May 31, 2023. Depreciation on these assets has been omitted from the financial statements referred to above and is not presently determinable. We have concluded that this is a departure from accounting principles generally accepted in the United States of America. In addition, the Church elected not to adopt generally accepted accounting principles concerning fair value measurements and, accordingly, the related disclosures are not included in the notes to the financial statements. Generally accepted accounting principles require disclosures that stratify balance sheet amounts measured at fair value based on the inputs used to derive fair value measurements.

### **Accountant's Qualified Conclusion**

Based on our review, except for the effect of the matters described in the Basis for Qualified Conclusion paragraph, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

### **Supplementary Information**

The supplementary information included in the Schedule of Benefits and Other Payments to Agency Head is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The supplementary information has been subjected to the review procedures applied in our review of the basic financial statements. We are not aware of any material modifications that should be made to the supplementary information. We have not audited the supplementary information and do not express an opinion on such information.

### **Emphasis of Matter**

As discussed in Note 11, all assets of First United Methodist Church were transferred to First Methodist Church (a new entity) effective June 1, 2023. Our conclusion is not modified with respect to this matter.

*Heard, McElroy & Vestal, LLC*

Shreveport, Louisiana  
December 26, 2024

**FIRST UNITED METHODIST CHURCH**  
**STATEMENT OF FINANCIAL POSITION**  
**MAY 31, 2023**

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<b>ASSETS</b>	<u>5/31/2023</u>
<b><u>Current assets:</u></b>	
Cash-Note 2	\$ 2,516,482
Pledge receivables	1,454,681
Money market funds-Note 5	630,157
Certificates of deposit	<u>817,369</u>
Total current assets	5,418,689
<b><u>Property, plant and equipment</u></b> -Note 4	27,548,871
<b><u>Other assets:</u></b>	
Investments-Note 5	20,887,018
Beneficial interest in perpetual trust-Note 8	<u>2,490,433</u>
Total other assets	<u>23,377,451</u>
<b>Total assets</b>	<u><u>\$ 56,345,011</u></u>
 <b>LIABILITIES AND NET ASSETS</b>	
<b><u>Current liabilities:</u></b>	
Accounts payable and accrued expenses	<u>\$ 87,779</u>
Total liabilities	87,779
<b><u>Net assets:</u></b>	
Without donor restrictions	
Undesignated	31,101,480
Designated by the Board	<u>8,594,016</u>
Total without donor restrictions	39,695,496
With donor restrictions	
Perpetual in nature-Note 6	12,277,008
Time restrictions	1,454,681
Purpose restrictions	<u>2,830,047</u>
Total with donor restrictions	<u>16,561,736</u>
Total net assets-Note 10	<u>56,257,232</u>
<b>Total liabilities and net assets</b>	<u><u>\$ 56,345,011</u></u>

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

**FIRST UNITED METHODIST CHURCH**  
**STATEMENT OF ACTIVITIES**  
**FOR THE FIVE MONTHS ENDED MAY 31, 2023**

	5/31/2023		
	Without Donor Restrictions	With Donor Restrictions	Total
<b><u>Revenue and other support:</u></b>			
Contributions and bequests	\$ 167,188	\$ 107,120	\$ 274,308
Pledge contributions	-	-	-
Other contributions	3,181	-	3,181
Plate offering	3,605	-	3,605
Foundation and trusts	11,000	61,961	72,961
Miscellaneous income	30,609	-	30,609
Special offering	31,193	-	31,193
Child Development Center fees	753,878	-	753,878
Gain on perpetual trust	85,096	-	85,096
Net investment return	313,485	470,915	784,400
Total revenue and support	1,399,235	639,996	2,039,231
<b><u>Net assets released from restrictions</u></b>	<u>1,617,975</u>	<u>(1,617,975)</u>	<u>-</u>
	3,017,210	(977,979)	2,039,231
<b><u>Expenses:</u></b>			
Programs	1,425,739	-	1,425,739
Missions and outreach	593,921	-	593,921
Administrative	1,882,421	-	1,882,421
Total expenses	<u>3,902,081</u>	<u>-</u>	<u>3,902,081</u>
<b><u>Changes in net assets</u></b>	<u>(884,871)</u>	<u>(977,979)</u>	<u>(1,862,850)</u>
<b><u>Net assets-beginning of period</u></b>	<u>40,580,367</u>	<u>17,539,715</u>	<u>58,120,082</u>
<b><u>Net assets-end of period</u></b>	<u>\$ 39,695,496</u>	<u>\$ 16,561,736</u>	<u>\$ 56,257,232</u>

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

**FIRST UNITED METHODIST CHURCH**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE FIVE MONTHS ENDED MAY 31, 2023**

	5/31/2023			
	Programs	Missions & Outreach	Administrative	Total
Ministry to others-apportionments	\$ -	\$ 70,942	\$ 41,665	\$ 112,607
Ministry of evangelism	-	27,876	-	27,876
Ministry of communications	28,788	58,974	43,181	130,943
Ministry to membership	54,770	-	37,574	92,344
Music and the arts	76,587	-	-	76,587
Ministry of education	53,450	-	-	53,450
Care of church property	70,460	-	105,690	176,150
Pulpit/pastoral expenses	119,074	-	178,611	297,685
Missions	-	347,312	-	347,312
Personnel expenses	323,029	-	484,543	807,572
Child Development Center	647,081	-	-	647,081
Miscellaneous	-	5,010	6,785	11,795
Designated-other	52,500	83,807	984,372	1,120,679
	<u>\$ 1,425,739</u>	<u>\$ 593,921</u>	<u>\$ 1,882,421</u>	<u>\$ 3,902,081</u>

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



**FIRST UNITED METHODIST CHURCH**  
**STATEMENT OF CASH FLOWS**  
**FOR THE FIVE MONTHS ENDED MAY 31, 2023**

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	<u>5/31/2023</u>
<b><u>Cash flows from operating activities:</u></b>	
Changes in net assets	\$ (1,862,850)
Adjustments to reconcile changes in net assets to net cash (used) by operating activities:	
Unrealized (gain) on investments	(857,229)
Realized loss on investments	369,549
(Gain) on perpetual trust	(85,096)
Changes in assets and liabilities:	
Decrease in pledge receivables	1,073,570
(Decrease) in accounts payable	<u>(1,060)</u>
Total adjustments	<u>499,734</u>
Net cash (used) by operating activities	(1,363,116)
<b><u>Cash flows from investing activities:</u></b>	
Net (purchases) of investments	(145,682)
Net (purchases) of certificates of deposit	<u>(569,548)</u>
Net cash (used) by investing activities	(715,230)
<b><u>Net increase (decrease) in cash</u></b>	(2,078,346)
<b><u>Cash-beginning of period</u></b>	<u>4,594,828</u>
<b><u>Cash-end of period</u></b>	<u><u>\$ 2,516,482</u></u>

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

# FIRST UNITED METHODIST CHURCH

## NOTES TO FINANCIAL STATEMENTS

MAY 31, 2023

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### 1. Summary of Significant Accounting Policies

First United Methodist Church of Shreveport and its facilities are located at 500 Common Street in Shreveport, Louisiana. The Church is a nonprofit religious organization exempt from federal income taxes under Internal Revenue Code Section 501(c)(3). The following is a summary of significant accounting policies of the Church:

#### **(a) *Financial Statement Presentation***

In accordance with generally accepted accounting principles, the Church is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. The Church continues to use fund accounting for recording purposes and presents the financial statements in the categories required by these accounting principles based upon the existence or absence of donor restrictions, as follows:

*Net assets without donor restrictions* - Net assets that are not subject to donor restrictions. Some net assets without donor restrictions may be designated by the Board for specific purposes.

*Net assets with donor restrictions* - Net assets subject to donor restrictions that may or will be met by actions of the Church, and/or by the passage of time, or that are permanent in nature.

#### **(b) *Contributions***

In accordance with generally accepted accounting principles, contributions received are recorded as without donor restrictions or with donor restrictions depending on the existence and/or nature of any donor restrictions.

Contributions that are without donor restrictions are recognized when the contribution is received. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. Contributions with donor restrictions are recorded as increases in net assets without donor restrictions if the restriction is satisfied in the same year as it is received. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restriction and reported in the statement of activities as net assets released from restrictions.

The Church records all pledges that are expected to be collected within the next fiscal year.

#### **(c) *Investments***

Under generally accepted accounting principles, investments in marketable equity securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Net investment return is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

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**FIRST UNITED METHODIST CHURCH**

**NOTES TO FINANCIAL STATEMENTS**

**MAY 31, 2023**

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**(d) *Property, Plant, and Equipment***

Purchased land, buildings, furniture, fixtures, and equipment are recorded at cost and donated assets at fair value as of the date of the donation. The Church did not maintain adequate records relating to fixed assets acquired prior to January 1, 1985; therefore, these amounts have been omitted from these financial statements. Depreciation related to these assets, as well as the assets acquired since January 1, 1985, has not been reflected in these financial statements due to the total amount being indeterminable.

**(e) *Contributed Services***

During the period ended May 31, 2023, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded.

**(f) *Cash and Cash Equivalents***

For purposes of the statements of cash flows, cash and cash equivalents are comprised of demand deposits and certificates of deposit that have an original maturity of three months or less. Cash equivalents are carried at cost, which approximates market value.

**(g) *Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Material estimates that are particularly susceptible to significant change in the near term relate to the Health Reimbursement Account liability, reflected in Accounts payable and accrued expenses, and the estimated fair value of the future cash flows associated with the Church's interest in a perpetual trust.

**(h) *Tax Status***

For tax purposes, First United Methodist Church of Shreveport, Louisiana, is a tax-exempt organization as described in Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes has been made in the financial statements. The Church is required to review various tax positions it has taken with respect to its exempt status and determine whether in fact it continues to qualify as a tax-exempt entity. As a tax-exempt entity, the Church must also assess whether it has any tax positions associated with unrelated business income subject to income tax. The Church does not expect any of these tax positions to change significantly over the next twelve months.

**FIRST UNITED METHODIST CHURCH**

**NOTES TO FINANCIAL STATEMENTS**

**MAY 31, 2023**

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**(i) Functional Expenses**

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include facility related expenses, which are allocated on a square-footage basis, as well as salaries and benefits, which are allocated on the basis of estimates of time and effort. Expenses of the Church's designated fund are allocated based on individual account balances at year-end.

**(j) Liquidity and Availability**

The Church has \$5,418,689 of financial assets available within one year of the balance sheet date, consisting of cash of \$2,516,482, pledges receivable of \$1,454,681, money market funds of \$630,157, and certificates of deposit of \$817,369. Included in this amount are financial assets in the amount of \$1,528,854 that are subject to donor restrictions that make them unavailable for general expenditure within one year of the balance sheet date. Management has a goal to maintain cash and short-term investments on hand to meet 60 days of normal operating expenses. The church also has a line of credit in place for additional liquidity needs.

**(k) Child Development Center Fees**

Revenue from the Childcare Center consists of tuition and fees. Performance obligations under these arrangements, which have the same pattern of transfer on a monthly basis, are satisfied over time as the services are provided.

**2. Cash**

At May 31, 2023, the Church's cash position is summarized as follows:

	<u>5/31/2023</u>
Without donor restrictions	\$ 987,628
With donor restrictions	<u>1,528,854</u>
	<u>\$ 2,516,482</u>

At times, the Church may maintain deposits in excess of the federally insured limit of \$250,000. The Church has attempted to minimize its risk by maintaining accounts at various institutions. The Church monitors the soundness of these institutions and feels that risk is negligible.

**FIRST UNITED METHODIST CHURCH**  
**NOTES TO FINANCIAL STATEMENTS**  
**MAY 31, 2023**

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**3. Pledge Receivables**

Pledge receivables are detailed as follows:

	<u>5/31/2023</u>
Total pledges receivable as of 12/31/2022	\$ 2,528,251
<u>Less: Pledges paid through 5/31/2023</u>	<u>(1,073,570)</u>
Total	<u>\$ 1,454,681</u>

**4. Property, Plant, and Equipment**

A summary of fixed assets at May 31, 2023 is as follows:

	<u>5/31/2023</u>
Buildings	\$ 16,786,550
Land and improvements	5,827,589
Furniture and equipment	<u>4,934,732</u>
	<u>\$ 27,548,871</u>

**5. Investments**

Investments are presented in the financial statements at fair market value. Investments at May 31, 2023 include the following:

	<u>5/31/2023</u>	
	<u>Market</u>	<u>Cost</u>
U.S. government agencies	\$ 3,846,783	\$ 3,807,490
Mutual funds	16,152,512	16,738,048
Alternative assets	872,821	923,595
Money market funds	630,157	630,157
Insurance policies	<u>14,902</u>	<u>14,902</u>
	<u>\$ 21,517,175</u>	<u>\$ 22,114,192</u>

**FIRST UNITED METHODIST CHURCH**  
**NOTES TO FINANCIAL STATEMENTS**  
**MAY 31, 2023**

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**6. Eternal Flame Endowment**

Changes in Eternal Flame Endowment net assets for the five months ended May 31, 2023:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, December 31, 2022	4,921,710	11,901,620	16,823,330
Net investment return	240,871	470,915	711,786
Appropriation of endowment assets for expenditure	<u>(175,000)</u>	<u>(95,527)</u>	<u>(270,527)</u>
Endowment net assets, May 31, 2023	<u>\$ 4,987,581</u>	<u>\$ 12,277,008</u>	<u>\$ 17,264,589</u>

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below corpus. These deficiencies could result from unfavorable market fluctuations. Subsequent gains that restore the fair value of the assets of the endowment funds to corpus will be classified as an increase in net assets with donor restrictions or an increase in net assets without donor restrictions as applicable. There were no reported deficiencies in endowed net assets as of May 31, 2023.

**7. Note Payable-Line of Credit**

The Church has a line of credit agreement with Iberia Bank effective July 30, 2019, with a maturity date of August 1, 2023. The line of credit bears interest on any outstanding balance at the WSJ prime index rate. The agreement states an available principal amount of \$500,000, of which \$0 was outstanding at May 31, 2023.

**8. Beneficial Interest in a Perpetual Trust (Mewborne Trust)**

The Church is the sole income beneficiary of a trust that was established in 1974. The value of the trust to the Church is recorded in the financial statements at an estimate of the fair value of future cash flows which amounted to \$2,490,433 at May 31, 2023. The total value of the assets in the trust was \$12,011,617 at May 31, 2023.

**FIRST UNITED METHODIST CHURCH**  
**NOTES TO FINANCIAL STATEMENTS**  
**MAY 31, 2023**

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**9. Pension Plans**

The ordained ministers of the Church are members of the Clergy Retirement Security Program (CRSP) and Comprehensive Protection Plan (CPP) offered by the General Board of Pensions of the United Methodist Church. In addition to employee payroll deduction, contributions to the pension fund for the ministers totaled \$22,982 for the five months ended May 31, 2023.

The Church also contributes to a defined contribution plan for lay Church employees. The amount contributed to annuities was \$37,955 for the five months ended May 31, 2023.

**10. Net Assets**

The Church classifies as net assets with donor restrictions the original value of gifts donated for permanent endowment, and any subsequent gifts to such endowments. The Church considers all realized and unrealized gains and losses of the endowment fund to be with donor restriction and therefore not available for expenditure. The endowment document does not specifically state the treatment for these gains and losses. Therefore, the Church could, at a future date, execute an endowment document allowing a portion of these funds to be spent. The amount of unrealized and realized gains and (losses) included in net assets with donor restrictions is \$4,420,522 at May 31, 2023.

**11. Disaffiliation**

In accordance with the United Methodist Book of Discipline Paragraph 2553, a Church Conference was held by First United Methodist Church of Shreveport on April 16, 2023, whereby 84% of 1,120 ballots cast approved disaffiliation from the United Methodist Church. On May 27, 2023, a Special Session of the Louisiana Annual Conference ratified the vote and effective June 1, 2023, the Church became independent, operating as First Methodist Church of Shreveport, Louisiana. All assets of First United Methodist Church of Shreveport, Louisiana were transferred to First Methodist Church of Shreveport, Louisiana effective June 1, 2023. An exit fee of \$810,771 was paid in full by First United Methodist Church of Shreveport, Louisiana to the Conference, which is the cost of disaffiliating from the United Methodist Church.

**12. Subsequent Events**

The Church is required to evaluate events or transactions that may occur after the balance sheet date for potential recognition or disclosure in the financial statements. The Church performed such an evaluation through December 26, 2024, the date which the financial statements were available to be issued, and, except for the information contained in the next paragraph, noted no such subsequent events.

On July 9, 2023, the congregation meeting as a Church Conference voted 96% of 619 ballots cast to affiliate with the Global Methodist Church denomination. On July 17, 2023, the Global Methodist Church approved the vote and accepted the affiliation with First Methodist Church of Shreveport. The legal name of the Church will remain "First Methodist Church of Shreveport," and will not require incorporation of the word "Global" in its name.

## **SUPPLEMENTARY INFORMATION**



**FIRST UNITED METHODIST CHURCH**  
**SCHEDULE OF BENEFITS AND OTHER PAYMENTS TO AGENCY HEAD**  
**FOR THE FIVE MONTHS ENDED MAY 31, 2023**

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Louisiana Revised Statute 24:513 (A) (3) requires reporting of the total compensation, reimbursements, and benefits paid to the agency head or chief executive officer. This law was further amended by Act 462 of the 2016 Regular Session of the Louisiana Legislature to clarify that nongovernmental or not-for-profit local auditees are required to report only the compensation, reimbursements, and benefits paid to the agency head or chief executive officer from public funds.

First United Methodist Church is not required to report the total compensation, reimbursements, and benefits paid to Dr. Steven Bell, Senior Pastor during the five months ended May 31, 2023, as none of those payments were made from public funds.

## **OTHER REPORTS**



REGIONS TOWER

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To the Finance Committee

First United Methodist Church

Shreveport, Louisiana

**Independent Accountant's Report  
on Applying Agreed-Upon Procedures**

We have performed the procedures enumerated below on the Organization's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the five months ended May 31, 2023, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*. Management of First United Methodist Church is responsible for its financial records and compliance with applicable laws and regulations.

First United Methodist Church 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 Organization's compliance with the laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the five months ended May 31, 2023. Additionally, the Louisiana Legislative Auditor has agreed to and acknowledged that the procedures performed are appropriate for its purposes. The 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.

The procedures and associated findings are as follows:

***Federal, State and Local Awards***

1. Obtain the list of federal, state, and local government grant award expenditures for the five months ended, by grant and grant year, from the organization's management.

First United Methodist Church provided us with the list of expenditures made for grant awards received during the five months ended May 31, 2023:

Award	Grant Year	Amount
American Rescue Plan Act (ARPA) Stabilization Grant – Round 3	2023	<u>248,255.00</u>
Total expenditures		<u>248,255.00</u>

2. For each of the above awards, randomly select six disbursements from each grant administered during the five months ended May 31, 2023, provided no more than 30 disbursements are selected.

3. Obtain documentation for the disbursements selected in Procedure 2. Compare the selected disbursements to supporting documentation, and report whether the disbursements agree to the amount and payee in the supporting documentation.

We examined supporting documentation for each of the selected disbursements and found that payment was for the proper amount and made to the correct payee.

4. Report whether the selected disbursements were coded to the correct fund and general ledger account.

All of the payments were properly coded to the correct fund and general ledger account.

5. Report whether the selected disbursements were approved in accordance with the Organization's policies and procedures.

All items were properly approved.

6. For each selected disbursement made for a state or local grant award, obtain the grant agreement. Compare the documentation for each disbursement to the program compliance requirements or the requirements of the grant agreement relating to activities allowed or unallowed, eligibility, and reporting; and report whether the disbursements comply with these requirements:

*Activities allowed or unallowed:*

We reviewed the previously listed disbursements for types of services allowed or not allowed.

*Eligibility*

We reviewed the previously listed disbursements for eligibility requirements.

*Reporting*

We reviewed the previously listed disbursements for reporting requirements.

No exceptions were noted for the above tests.

7. Obtain the close-out reports, if required, for any program selected in Procedure 2 that was closed out during the five months ended May 31, 2023. Compare the close-out reports, if applicable, with the organization's financial records; and report whether the amounts in the close-out reports agree with the Agency's financial records.

We reviewed a survey submitted by First United Methodist Church to the Louisiana Department of Education for Round 3 of the American Rescue Plan Act Grant funds as required.

***Open Meetings***

8. Obtain evidence from management that agendas for meetings recorded in the minute book were posted as required by Louisiana Revised Statute 42:11 through 42:28 (the open meetings law), and report whether there are any exceptions.

First United Methodist Church is not subject to Louisiana Revised Statute 42:11 through 42:28.

***Budget***

9. For each grant exceeding five thousand dollars, obtain the comprehensive grant budgets that the agency provided to the applicable federal, state, or local grantor agency. Report whether the budgets for federal, state, and local grants included the purpose and duration of the grants; and whether budgets for state grants also included specific goals, objective, and measures of performance.

Per review of grant requirements, First United Methodist Church was not required to submit comprehensive grant budgets to the granting agency.

### ***State Audit Law***

10. Report whether the agency provided for a timely report in accordance with R.S. 24:513.

The agency's report was not submitted to the Legislative Auditor by the original due date of November 30, 2023. Applications for extension were submitted to the Louisiana Legislative Auditor.

11. Inquire of management and report whether the agency entered into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

First United Methodist Church is not subject to the public bid law.

### ***Prior Comments and Recommendations***

12. Obtain and report management's representation as to whether any prior-year suggestions, exceptions, recommendations, and/or comments have been resolved.

We noted no prior-year recommendations requiring resolution.

We were engaged by First United Methodist Church to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the AICPA, and the standards applicable to attestation engagement contained in *Government Auditing Standards*, issued by the United States Comptroller General. 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 the organization's compliance with the foregoing matters. 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 First United Methodist Church and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

*Heard, McElroy & Vestal, LLC*

Shreveport, Louisiana  
December 26, 2024

**FIRST UNITED METHODIST CHURCH**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FIVE MONTHS ENDED MAY 31, 2023**

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I. Summary of Review Results

1. The accountant's review report noted no material modifications to the financial statements of First United Methodist Church, except for that noted related to the depreciation of fixed assets and investment disclosures.
2. No instances of noncompliance were disclosed during the review or attestation engagement.
3. First United Methodist Church is not subject to a Federal Single audit for the five months ended May 31, 2023.

II. Findings – Financial Statement Review

None

**LOUISIANA ATTESTATION QUESTIONNAIRE**  
**(For Attestation Engagements of Quasi-public Agencies)**

December 18, 2024

Heard, McElroy & Vestal, L.L.C

333 Texas Street, Suite 1525

Shreveport, LA 71101

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of May 31, 2023 and for the period then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

**Federal, State, and Local Awards**

We have detailed for you the amount of federal, state, and local award expenditures for the fiscal year, by grant and grant year.

Yes ☒ No ☐ N/A ☐

All transactions relating to federal, state, and local grants have been properly recorded within our accounting records and reported to the appropriate state, federal, and local grantor officials.

Yes ☒ No ☐ N/A ☐

The reports filed with federal, state, and local agencies are properly supported by books of original entry and supporting documentation.

Yes ☒ No ☐ N/A ☐

We have complied with all applicable specific requirements of all federal, state, and local programs we administer, to include matters contained in the OMB Compliance Supplement, matters contained in the grant awards, eligibility requirements, activities allowed and unallowed, and reporting and budget requirements.

Yes ☒ No ☐ N/A ☐

**Open Meetings**

Our meetings, as they relate to public funds, have been posted as an open meeting as required by R.S. 42:11 through 42:28 (the open meetings law). **Note: Please refer to Attorney General Opinion No. 13-0043 and the guidance in the publication “Open Meeting FAQs,” available on the Legislative Auditor’s website to determine whether a non-profit agency is subject to the open meetings law.**

Yes ☐ No ☐ N/A ☒

**Budget**

For each federal, state, and local grant we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance

Yes ☒ No ☐ N/A ☐

**Reporting**

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes ☒ No ☐ N/A ☐

We did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Yes ☒ No ☐ N/A ☐

We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes ☒ No ☐ N/A ☐

We have complied with R.S. 24:515.2 regarding reporting of pre- and post- adjudication court costs, fines and fees assessed or imposed; the amounts collected; the amounts outstanding; the amounts retained; the amounts disbursed, and the amounts received from disbursements.

Yes ☐ No ☐ N/A ☒

#### **Prior-Year Comments**

We have resolved all prior-year recommendations and/or comments.

Yes ☐ No ☐ N/A ☒

#### **General**

We acknowledge that we are responsible for the Agency's compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes ☒ No ☐ N/A ☐

We acknowledge that we are responsible for determining that the procedures performed are appropriate for the purposes of this engagement.

Yes ☒ No ☐ N/A ☐

We have evaluated our compliance with these laws and regulations prior to making these representations.

Yes ☒ No ☐ N/A ☐

We have provided you with all relevant information and access under the terms of our agreement.

Yes ☒ No ☐ N/A ☐

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations.

Yes ☒ No ☐ N/A ☐

We are not aware of any material misstatements in the information we have provided to you.

Yes ☒ No ☐ N/A ☐

We have disclosed to you any communications from regulatory agencies, internal auditors, other independent practitioners or consultants, and others concerning noncompliance with the foregoing laws and regulations, including communications received during the period under examination; and will disclose to you any such communication received between the end of the period under examination and the date of your report.

Yes ☒ No ☐ N/A ☐

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies all known noncompliance and other events subsequent to the date of this representation and the date of your report that could have a material effect on our compliance with laws and regulations and the internal



controls with such laws and regulations, or would require adjustment or modification to the results of the agreed-upon procedures.

Yes ☒ No ☐ N/A ☐

The previous responses have been made to the best of our belief and knowledge.

Amanda Storei  
Director of First Beginnings

Dixy Pollock  
Business Administrator for FMC-S

12/18/24  
Date

12.26.24  
Date