

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

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY DATA
DECEMBER 31, 2018 AND 2017
AND
INDEPENDENT AUDITOR'S REPORT**

**REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER
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**LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.
RUSTON, LOUISIANA**

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AND FAMILY SERVICES, INC.
RUSTON, LOUISIANA**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY DATA
DECEMBER 31, 2018 AND 2017
AND
INDEPENDENT AUDITOR'S REPORT**

GARDNER, LANGSTON AND BRYAN

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of Louisiana United Methodist Children and Family Services, Inc., (a nonprofit organization) which comprise the statements of financial position as of December 31, 2018 and 2017, and the related statements of activities and cash flows for the years then ended, as listed in the table of contents, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Louisiana United Methodist Children and Family Services, Inc. as of December 31, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards on Page 39 is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the financial statements. The schedules of additional details are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated June 24, 2019, on our consideration of Louisiana United Methodist Children and Family Services, Inc.'s internal control over financial statements reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Louisiana United Methodist Children and Family Services, Inc.'s internal control over financial reporting 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.

Gardner, Langston, and Bryan, CPAs



Monroe, Louisiana
June 24, 2019

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

**COMBINED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2018 AND 2017**

	General Operating Fund	Endowment Fund	Local Investment Fund	General Fixed Assets	Total All Funds 2018	Total All Funds 2017
ASSETS						
Current Assets						
Cash and cash equivalents	\$ 1,975,165	\$ 1,363,496	\$ 9,198,491	\$	\$ 12,537,152	\$ 8,128,320
Certificate of deposit						100,000
Accounts and cost reimbursement receivable (net)	3,085,193		812,477		3,897,670	5,457,946
Prepaid expenses and other	249,133	39,526	2,500		221,839	† 216,508
Promises to give - restricted (net)			88,293		88,293	0
Promises to give - unrestricted (net)	5,015				5,015	5,300
Inventory	51,716				51,716	44,868
Total current assets	\$ 5,366,222	\$ 1,403,022	\$ 10,101,761	\$ 0	\$ 16,801,685	\$ 13,952,942
Long-Term Investments						
Stocks, bonds and notes	\$	\$ 31,673,056	\$ 95,658	\$	\$ 31,768,714	\$ 36,035,679
Investment property			521,936		521,936	521,936
Trust funds - temporarily restricted			1,747,302		1,747,302	1,917,483
Cash surrender value life insurance	443,565				443,565	423,905
Total long-term investments	\$ 443,565	\$ 31,673,056	\$ 2,364,896	\$ 0	\$ 34,481,517	\$ 38,899,003
Property and Equipment						
Land and improvements	\$	\$	\$	\$ 2,759,341	\$ 2,759,341	\$ 2,646,047
Property, plant and equipment				26,595,595	26,595,595	26,086,685
Less: Accumulated depreciation				(11,998,275)	(11,998,275)	(11,647,310)
Construction in progress				463,006	463,006	212,327
Total property and equipment	\$ 0	\$ 0	\$ 0	\$ 17,819,667	\$ 17,819,667	\$ 17,297,749
Other Assets						
Utility deposits	\$	\$	\$ 12,471	\$	\$ 12,471	\$ 8,871
Promises to give - restricted (net)			261,869		261,869	0
Total other assets	\$ 0	\$ 0	\$ 274,340	\$ 0	\$ 274,340	\$ 8,871
Total Assets	\$ 5,809,787	\$ 33,076,078	\$ 12,740,997	\$ 17,819,667	\$ 69,377,209	\$ 70,158,565
LIABILITIES						
Current Liabilities						
Accounts payable	\$ 391,528	\$	\$ 182,034	\$	\$ 573,562	\$ 708,303
Accrued compensation	1,014,073				1,014,073	1,004,996
Other payables			69,320		0	† 0
Deferred revenue					0	7,627
Total current liabilities	\$ 1,405,601	\$ 0	\$ 251,354	\$ 0	\$ 1,587,635	\$ 1,720,926
Other Liabilities						
Retirement payable	\$ 152,080	\$	\$	\$	\$ 152,080	\$ 166,483
Total other liabilities	\$ 152,080	\$ 0	\$ 0	\$ 0	\$ 152,080	\$ 166,483
Total Liabilities	\$ 1,557,681	\$ 0	\$ 251,354	\$ 0	\$ 1,739,715	\$ 1,887,409
NET ASSETS						
Without donor restrictions	\$ 4,210,609	\$ 31,896,940	\$ 10,006,029	\$ 17,819,667	\$ 63,933,245	\$ 65,145,946
With donor restrictions	41,497	1,179,138	2,483,614	0	3,704,249	3,125,210
Total Net Assets	\$ 4,252,106	\$ 33,076,078	\$ 12,489,643	\$ 17,819,667	\$ 67,637,494	\$ 68,271,156
Total Liabilities and Net Assets	\$ 5,809,787	\$ 33,076,078	\$ 12,740,997	\$ 17,819,667	\$ 69,377,209	\$ 70,158,565

† After interfund payables/receivables have been eliminated.

The accompanying notes are an integral part of these statements.

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

**COMBINED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

	General Operating Fund	Endowment Fund	Local Investment Fund	General Fixed Assets	Total All Funds 2018	Total All Funds 2017
REVENUE AND SUPPORT WITHOUT DONOR RESTRICTIONS						
Contributions	\$ 1,068,821	\$	\$ 17,862	\$	\$ 1,086,683	\$ 1,015,454
Educational services	370,392				370,392	355,848
Children's home offerings	160,060				160,060	87,477
Wills and bequests			54,700		54,700	22,834
Child care support	19,474,148				19,474,148	17,335,667
Independent living services	497,195				497,195	447,504
Grants for child care	55,993				55,993	40,628
Family development services	133,201				133,201	127,222
Methodist foster care	3,115,123				3,115,123	1,721,232
Trust funds	237,324		60,945		298,269	273,619
Interest income	181,384	98,482	27,149		307,015	160,845
Dividend and pooled funds income	199	813,541	95,596		909,336	814,729
Miscellaneous	318,594	5,636			324,230	345,953
Net realized and unrealized gain (loss) on investments		(2,954,813)	55,196	(3,850)	(2,903,467)	4,139,868
Other investment income			3,207,637		3,207,637	4,204,067
Total unrestricted revenue and support	<u>\$ 25,612,434</u>	<u>\$ (2,037,154)</u>	<u>\$ 3,519,085</u>	<u>\$ (3,850)</u>	<u>\$ 27,090,515</u>	<u>\$ 31,092,947</u>
NET ASSETS RELEASED FROM RESTRICTIONS						
Restrictions satisfied by payments (net)	<u>\$ 225,475</u>	<u>\$ 7,214</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 232,689</u>	<u>\$ 262,626</u>
EXPENSES						
Administrative and general	\$ 4,233,576	\$ 70,300	\$ 200,253	\$	\$ 4,504,129	\$ 4,569,411
Plant operation and maintenance	887,242				887,242	829,179
Medical and nursing	2,420,896				2,420,896	2,290,393
Dietary	1,419,559				1,419,559	1,294,771
W. A. J. Lewis building	1,707,717				1,707,717	1,608,753
Scott building	1,851,405				1,851,405	1,899,810
Residential group care	5,507,922				5,507,922	5,178,455
Recreational - PRTF	229,498				229,498	249,224
Educational services	996,763				996,763	1,033,360
Pastoral care	212,976				212,976	197,930
Family counseling center	778,264				778,264	682,607
Clinical services	1,762,988				1,762,988	1,685,819
Life skills services	606,318				606,318	554,771
Methodist foster care	3,065,668				3,065,668	2,206,030
Outdoor wilderness learning center	640,205				640,205	682,775
Development and public relations	664,931				664,931	781,890
Family plus	242,626				242,626	446,941
Advocacy and community development	5,354				5,354	0
Provision for depreciation				1,031,444	1,031,444	986,844
Total expenses	<u>\$ 27,233,908</u>	<u>\$ 70,300</u>	<u>\$ 200,253</u>	<u>\$ 1,031,444</u>	<u>\$ 28,535,905</u>	<u>\$ 27,178,963</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES						
	<u>\$ (1,395,999)</u>	<u>\$ (2,100,240)</u>	<u>\$ 3,318,832</u>	<u>\$ (1,035,294)</u>	<u>\$ (1,212,701)</u>	<u>\$ 4,176,610</u>
CHANGE IN NET ASSETS FROM OPERATIONS						
	<u>\$ (1,395,999)</u>	<u>\$ (2,100,240)</u>	<u>\$ 3,318,832</u>	<u>\$ (1,035,294)</u>	<u>\$ (1,212,701)</u>	<u>\$ 4,176,610</u>
OTHER CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS						
Property and equipment acquisitions and transfers	(78,024)		(1,479,188)	1,557,212	0	0
Operating transfers	1,632,411	(1,632,411)			0	0
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS						
	<u>\$ 158,388</u>	<u>\$ (3,732,651)</u>	<u>\$ 1,839,644</u>	<u>\$ 521,918</u>	<u>\$ (1,212,701)</u>	<u>\$ 4,176,610</u>
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS						
Net realized and unrealized gain (loss) on investments	\$	\$ (81,146)	\$ (177,126)	\$	\$ (258,272)	\$ 190,404
Pooled funds income		23,092			23,092	18,481
Contributions, wills and bequests, grants	205,010		841,898		1,046,908	502,965
Net assets released from restrictions	(225,475)	(7,214)	0		(232,689)	(262,626)
Transfers (to) from unrestricted net assets		111,893	(111,893)		0	0
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS						
	<u>\$ (20,465)</u>	<u>\$ 46,625</u>	<u>\$ 552,879</u>	<u>\$ 0</u>	<u>\$ 579,039</u>	<u>\$ 449,224</u>
INCREASE (DECREASE) IN NET ASSETS						
	<u>\$ 137,923</u>	<u>\$ (3,686,026)</u>	<u>\$ 2,392,523</u>	<u>\$ 521,918</u>	<u>\$ (633,662)</u>	<u>\$ 4,625,834</u>
NET ASSETS - BEGINNING OF YEAR						
	<u>4,114,183</u>	<u>36,762,104</u>	<u>10,097,120</u>	<u>17,297,749</u>	<u>68,271,156</u>	<u>63,645,322</u>
NET ASSETS - END OF YEAR						
	<u>\$ 4,252,106</u>	<u>\$ 33,076,078</u>	<u>\$ 12,489,643</u>	<u>\$ 17,819,667</u>	<u>\$ 67,637,494</u>	<u>\$ 68,271,156</u>

The accompanying notes are an integral part of these statements.

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

**COMBINED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

	General Operating Fund	Endowment Fund	Local Investment Fund	General Fixed Assets	Total All Funds 2018	Total All Funds 2017
CASH FLOWS (TO) FROM OPERATING ACTIVITIES						
Cash received from services	\$ 25,334,845	\$	\$ 705,690	\$	\$ 26,040,535	\$ 18,669,373
Cash received from contributions and grants	1,200,041				1,200,041	1,696,638
Income from trust funds	235,158		60,945		296,103	243,927
Interest received	179,288	100,641	25,461		305,390	161,257
Dividends and pooled income	199	842,269	95,596		938,064	835,659
Receipts from investment properties			3,715,604		3,715,604	5,757,764
Miscellaneous receipts	294,374				294,374	322,849
Cash paid to employees, suppliers, deposits	(27,431,093)	(70,300)	(611,467)		(28,112,860)	(26,794,502)
Cash received from (to) other funds	1,632,411	(1,632,411)			0	0
Net cash provided (used) by operating activities	<u>\$ 1,445,223</u>	<u>\$ (759,801)</u>	<u>\$ 3,991,829</u>	<u>\$ 0</u>	<u>\$ 4,677,251</u>	<u>\$ 892,965</u>
CASH FLOWS (TO) FROM INVESTING ACTIVITIES						
Proceeds from sale of investments	\$	\$ 2,726,486	\$ 10,291	\$	\$ 2,736,777	\$ 1,661,651
Purchase of investments and CDs		(1,440,162)			(1,440,162)	(1,379,076)
Purchase of property and equipment (net)	(78,024)		(1,491,140)		(1,569,164)	(835,457)
Endowment transfers		111,893	(111,893)		0	0
Proceeds from asset dispositions			4,130		4,130	0
Net cash provided (used) by investing activities	<u>\$ (78,024)</u>	<u>\$ 1,398,217</u>	<u>\$ (1,588,612)</u>	<u>\$ 0</u>	<u>\$ (268,419)</u>	<u>\$ (552,882)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>\$ 1,367,199</u>	<u>\$ 638,416</u>	<u>\$ 2,403,217</u>	<u>\$</u>	<u>\$ 4,408,832</u>	<u>\$ 340,083</u>
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>607,966</u>	<u>725,080</u>	<u>6,795,274</u>	<u></u>	<u>8,128,320</u>	<u>7,788,237</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 1,975,165</u></u>	<u><u>\$ 1,363,496</u></u>	<u><u>\$ 9,198,491</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 12,537,152</u></u>	<u><u>\$ 8,128,320</u></u>
RECONCILIATION OF CHANGES IN NET ASSETS TO CASH PROVIDED BY OPERATING ACTIVITIES						
Change in net assets	\$ 137,923	\$ (3,686,026)	\$ 2,392,523	\$ 521,918	\$ (633,662)	\$ 4,625,834
Adjustments to reconcile changes in net assets to net cash provided:						
Depreciation and amortization				1,031,444	1,031,444	986,844
Uncollectible pledges/receivables (net)			34,411		34,411	8,677
(Gain) Loss on abandoned or sold assets			166,789	3,850	170,639	(301,049)
Decrease (Increase) in receivables and promises to give	1,423,198	2,159	(294,788)		1,130,569	(60,087)
Decrease (Increase) in prepaid expenses, deposits, and other	(24,650)		164,844		140,194	(41,395)
Decrease (Increase) in inventory	(6,848)				(6,848)	4,090
Increase (Decrease) in payables and accrued expenses	(139,935)		(7,760)		(147,695)	(117,705)
Realized and unrealized loss (gain) on investments		3,035,959	(55,271)		2,980,688	(4,029,223)
Purchase of property and equipment	78,024		1,479,188	(1,557,212)	0	0
Transfers to (from) other funds		(111,893)	111,893		0	0
Non-cash bequest to assets for sale or real estate	(22,489)				(22,489)	(183,021)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u><u>\$ 1,445,223</u></u>	<u><u>\$ (759,801)</u></u>	<u><u>\$ 3,991,829</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 4,677,251</u></u>	<u><u>\$ 892,965</u></u>
INTEREST PAID	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>
INCOME TAXES PAID	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 3,500</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 3,500</u></u>	<u><u>\$ 2,900</u></u>

The accompanying notes are an integral part of these statements.

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

**GENERAL OPERATING FUND
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2018 AND 2017**

	2018	2017
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 1,975,165	\$ 607,966
Accounts and cost reimbursement receivables (net of \$1,012,152 and \$1,409,800 allowance for 2018 and 2017, respectively)	3,085,193	4,555,684
Unconditional promises to give (net of \$0 and \$0 allowance for 2018 and 2017, respectively)	5,015	5,300
Due from Local Investment Fund	69,320	0
Inventory	51,716	44,868
Prepaid expenses and other	179,813	174,823
Total current assets	\$ 5,366,222	\$ 5,388,641
Long-Term Investments		
Cash surrender value life insurance	\$ 443,565	\$ 423,905
Total long-term investments	\$ 443,565	\$ 423,905
Total Assets	\$ 5,809,787	\$ 5,812,546
LIABILITIES		
Current Liabilities		
Accounts payable	\$ 391,528	\$ 518,510
Accrued compensation	1,014,073	1,004,996
Due to Local Investment Fund	0	747
Deferred revenue	0	7,627
Total current liabilities	\$ 1,405,601	\$ 1,531,880
Other Liabilities		
Retirement payable	\$ 152,080	\$ 166,483
Total other liabilities	\$ 152,080	\$ 166,483
Total Liabilities	\$ 1,557,681	\$ 1,698,363
NET ASSETS		
Without donor restrictions		
Undesignated	\$ 4,210,609	\$ 4,052,221
Designated	0	0
Total net assets without donor restrictions	\$ 4,210,609	\$ 4,052,221
With donor restrictions	41,497	61,962
Total Net Assets	\$ 4,252,106	\$ 4,114,183
Total Liabilities and Net Assets	\$ 5,809,787	\$ 5,812,546

The accompanying notes are an integral part of these statements.

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

**GENERAL OPERATING FUND
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
REVENUE AND SUPPORT WITHOUT DONOR RESTRICTIONS		
Contributions	\$ 1,068,821	\$ 992,944
Children's home offerings	160,060	87,477
Special events	55,667	94,100
Child care support	19,256,155	17,118,574
Independent living services	497,195	447,504
Federal subgrant for child care	55,993	40,628
Family plus program	57,094	78,056
Family development services	133,201	127,222
Medical and nursing	160,899	139,037
Methodist foster care	3,115,123	1,721,232
Trust funds	237,324	214,200
Interest income	181,384	57,517
Dividend income	199	246
Outdoor wilderness learning center	202,881	218,035
Educational services	370,392	355,848
Miscellaneous income	60,046	30,824
	<u>\$ 25,612,434</u>	<u>\$ 21,723,444</u>
NET ASSETS RELEASED FROM RESTRICTIONS		
Restrictions satisfied by payments (net)	<u>\$ 225,475</u>	<u>\$ 202,471</u>
EXPENSES		
Administrative and general	\$ 4,233,576	\$ 4,311,983
Plant operation and maintenance	887,242	829,179
Medical and nursing	2,420,896	2,290,393
Dietary	1,419,559	1,294,771
W. A. J. Lewis building	1,707,717	1,608,753
Scott building	1,851,405	1,899,810
Residential group care	5,507,922	5,178,455
Recreational - PRTF	229,498	249,224
Educational services	996,763	1,033,360
Pastoral care	212,976	197,930
Family counseling center	778,264	682,607
Clinical services	1,762,988	1,685,819
Life skills services	606,318	554,771
Methodist foster care	3,065,668	2,206,030
Outdoor wilderness learning center	640,205	682,775
Development and public relations	664,931	781,890
Capital expenditures	78,024	47,101
Family plus program	242,626	446,941
Advocacy and community development	5,354	0
	<u>\$ 27,311,932</u>	<u>\$ 25,981,792</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	<u>\$ (1,474,023)</u>	<u>\$ (4,055,877)</u>
NET ASSETS TRANSFERRED FROM OTHER FUNDS	<u>\$ 1,632,411</u>	<u>\$ 5,604,529</u>
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>\$ 158,388</u>	<u>\$ 1,548,652</u>
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS		
Income from Lincoln Health Foundation - grant	\$ 205,010	\$ 196,927
Contribution for post secondary education		50,000
Net assets released from restrictions	<u>(225,475)</u>	<u>(202,471)</u>
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	<u>\$ (20,465)</u>	<u>\$ 44,456</u>
INCREASE (DECREASE) IN NET ASSETS	<u>\$ 137,923</u>	<u>\$ 1,593,108</u>
NET ASSETS - BEGINNING OF YEAR	<u>4,114,183</u>	<u>2,521,075</u>
NET ASSETS - END OF YEAR	<u>\$ 4,252,106</u>	<u>\$ 4,114,183</u>

The accompanying notes are an integral part of these statements.

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

**GENERAL OPERATING FUND
STATEMENTS OF CASH FLOWS
AS OF DECEMBER 31, 2018 AND 2017**

	2018	2017
CASH FLOWS (TO) FROM OPERATING ACTIVITIES		
Cash received from services	\$ 25,334,845	\$ 18,669,373
Cash received from contributions	1,200,041	1,220,392
Income from trust funds	235,158	184,508
Interest received	179,288	57,453
Dividends received	199	246
Miscellaneous receipts	294,374	322,849
Transfer from other funds	1,632,411	1,532,454
Cash paid to employees and suppliers	(27,431,093)	(25,945,130)
Net cash provided (used) by operating activities	<u>\$ 1,445,223</u>	<u>\$ (3,957,855)</u>
CASH FLOWS (TO) FROM INVESTING ACTIVITIES		
Purchase of property and equipment	\$ (78,024)	\$ (47,101)
Endowment transfers	0	4,072,075
Net cash provided (used) in investing activities	<u>\$ (78,024)</u>	<u>\$ 4,024,974</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ 1,367,199	\$ 67,119
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	607,966	540,847
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 1,975,165</u>	<u>\$ 607,966</u>
RECONCILIATION OF CHANGES IN NET ASSETS TO CASH PROVIDED BY OPERATING ACTIVITIES		
Change in net assets	\$ 137,923	\$ 1,593,108
Adjustments to reconcile changes in net assets to net cash used by operating activities:		
Uncollectible pledges and receivables (net)	0	8,677
Noncash donations	(22,489)	(8,756)
(Increase) Decrease in accounts receivable and pledges	1,423,198	(1,458,193)
(Increase) Decrease in prepaid expenses	(4,990)	(19,440)
(Increase) Decrease in inventory	(6,848)	4,090
(Increase) Decrease in cash surrender value of life insurance	(19,660)	(18,908)
Increase (Decrease) in accounts payable	(126,982)	(47,545)
Increase (Decrease) in accrued wages	9,077	20,025
Increase (Decrease) in deferred revenue	(7,627)	7,627
Increase (Decrease) in retirement payable	(14,403)	(13,566)
Purchase of property and equipment	78,024	47,101
Transfer to (from) other funds	0	(4,072,075)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 1,445,223</u>	<u>\$ (3,957,855)</u>
INTEREST PAID	<u>\$ 0</u>	<u>\$ 0</u>
INCOME TAXES PAID	<u>\$ 0</u>	<u>\$ 0</u>

The accompanying notes are an integral part of these statements.

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

**ENDOWMENT FUND
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2018 AND 2017**

	2018	2017
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 1,363,496	\$ 725,080
Accrued interest and dividends	39,526	41,685
Total current assets	\$ 1,403,022	\$ 766,765
Long-Term Investments		
Investments - Depository Trust Company - custodian	\$ 15,302,276	\$ 17,426,375
Investments - Merrill Lynch - custodian	16,370,780	18,568,964
Total long-term investments	\$ 31,673,056	\$ 35,995,339
Total Assets	\$ 33,076,078	\$ 36,762,104
NET ASSETS		
Without Donor Restrictions		
Undesignated	\$ 30,242,218	\$ 34,004,394
Designated	1,654,722	1,625,197
Total net assets without donor restrictions	\$ 31,896,940	\$ 35,629,591
With Donor Restrictions		
Total Net Assets	\$ 33,076,078	\$ 36,762,104

The accompanying notes are an integral part of these statements.

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

**ENDOWMENT FUND
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
REVENUE AND SUPPORT WITHOUT DONOR RESTRICTIONS		
Dividend income	\$ 295,560	\$ 263,010
Interest income	98,482	94,267
Settlement income and other	5,636	2,994
Income from pooled funds	517,981	470,932
Realized and unrealized gain (loss) on investments	<u>(2,954,813)</u>	<u>3,848,440</u>
Total revenue and support without donor restrictions	<u>\$ (2,037,154)</u>	<u>\$ 4,679,643</u>
NET ASSETS RELEASED FROM RESTRICTIONS		
Restrictions satisfied by payments (net)	<u>\$ 7,214</u>	<u>\$ 14,742</u>
EXPENSES		
Management and custody fees	<u>\$ 70,300</u>	<u>\$ 66,995</u>
Total expenses	<u>\$ 70,300</u>	<u>\$ 66,995</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ (2,100,240)	\$ 4,627,390
OTHER CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
Transfer (to) from Operating Fund	\$ (1,632,411)	\$ (1,654,529)
Transfer (to) from Local Investment Fund (net)	<u>0</u>	<u>200,000</u>
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>\$ (3,732,651)</u>	<u>\$ 3,172,861</u>
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS		
Net realized and unrealized gain (loss) on investments	\$ (81,146)	\$ 82,304
Income from pooled funds	23,092	18,481
Net assets released from restrictions	(7,214)	(14,742)
Transfer (to) from Local Investment Fund (net)	<u>111,893</u>	<u>105,079</u>
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	<u>\$ 46,625</u>	<u>\$ 191,122</u>
CHANGE IN NET ASSETS	\$ (3,686,026)	\$ 3,363,983
NET ASSETS - BEGINNING OF YEAR	<u>\$ 36,762,104</u>	<u>33,398,121</u>
NET ASSETS - END OF YEAR	<u><u>\$ 33,076,078</u></u>	<u><u>\$ 36,762,104</u></u>

The accompanying notes are an integral part of these statements.

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

**ENDOWMENT FUND
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

	2018	2017
CASH FLOWS (TO) FROM OPERATING ACTIVITIES		
Interest received	\$ 100,641	\$ 94,583
Dividends and settlements received	301,196	266,004
Income from pooled funds	541,073	488,781
Transfers to operating fund	(1,632,411)	(1,532,454)
Cash paid to suppliers of services and taxes	(70,300)	(66,995)
Net cash provided (used) by operating activities	\$ (759,801)	\$ (750,081)
CASH FLOWS (TO) FROM INVESTING ACTIVITIES		
Proceeds from sale of securities	\$ 2,726,486	\$ 1,640,296
Transfer from local investment fund	111,893	183,004
Purchase of securities	(1,440,162)	(1,379,076)
Net cash provided (used) by investing activities	\$ 1,398,217	\$ 444,224
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ 638,416	\$ (305,857)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	725,080	1,030,937
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 1,363,496	\$ 725,080
RECONCILIATION OF CHANGES IN NET ASSETS TO CASH PROVIDED BY OPERATING ACTIVITIES		
Change in net assets	\$ (3,686,026)	\$ 3,363,983
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
(Increase) Decrease in receivables	2,159	(316)
Net realized and unrealized (gain) loss on investments	3,035,959	(3,930,744)
Transfers to (from) other funds	(111,893)	(183,004)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (759,801)	\$ (750,081)
INTEREST PAID	\$ 0	\$ 0
INCOME TAXES PAID	\$ 0	\$ 0

The accompanying notes are an integral part of these statements.

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

**LOCAL INVESTMENT FUND
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2018 AND 2017**

	2018	2017
ASSETS		
Current assets		
Cash and cash equivalents	\$ 9,198,491	\$ 6,795,274
Certificate of deposit	0	100,000
Accounts receivable	812,477	902,262
Accounts receivable - Promises to give (current portion)	88,293	0
Due from Operations Fund	0	747
Prepaid expenses	2,500	0
Total current assets	\$ 10,101,761	\$ 7,798,283
Long-term investments		
Stocks and bonds	\$ 95,658	\$ 40,340
Louise Briley Leake Trust Fund - temporarily restricted	616,266	689,911
Hattye Jordan Trust Fund - temporarily restricted	238,631	251,981
Barbara Williamson Trust Fund - temporarily restricted	747,628	830,767
The Pomeroy Trust, LLC - temporarily restricted	135,486	135,486
R.D. Webb Property - temporarily restricted	9,291	9,338
Loraine Howard Property	462,035	462,035
R.D. Shelley Property	801	801
L.V. Lindingham Property	100	100
A.P. White Property	59,000	59,000
Total long-term investments	\$ 2,364,896	\$ 2,479,759
Other assets		
Utility and rent deposits	\$ 12,471	\$ 8,871
Accounts receivable - Promises to give (less allowance for uncollectible pledge \$34,411, 2018) net of current portion	261,869	0
Total other assets	\$ 274,340	\$ 8,871
Total Assets	\$ 12,740,997	\$ 10,286,913
LIABILITIES		
Current liabilities		
Accounts payable	\$ 182,034	\$ 189,793
Due to Operations Fund	69,320	0
Total Current Liabilities	\$ 251,354	\$ 189,793
NET ASSETS		
Without donor restrictions		
Undesignated	\$ 8,285,639	\$ 7,639,237
Designated		
Capital improvements	1,720,390	527,148
Total designated	\$ 1,720,390	\$ 527,148
Total net assets without donor restrictions	\$ 10,006,029	\$ 8,166,385
With donor restrictions	2,483,614	1,930,735
Total Net Assets	12,489,643	10,097,120
Total Liabilities and Net Assets	\$ 12,740,997	\$ 10,286,913

The accompanying notes are an integral part of these statements.

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

**LOCAL INVESTMENT FUND
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
REVENUE AND SUPPORT WITHOUT DONOR RESTRICTIONS		
Loraine Howard Property (oil and gas, timber, rents)	\$ 3,368,259	\$ 4,451,268
R.D. Webb Property (oil and gas)	115,545	127,104
Shelley Property (oil and gas)	64,830	51,540
Thurman Property (oil and gas)	61,664	81,133
Other investment property	795	643
Trust funds	60,945	59,419
Wills and bequests	54,700	22,834
Contributions and memorials	17,862	22,510
Dividend income	23,958	23,890
Interest income	27,149	9,061
Income from pooled funds	71,638	56,651
Net realized and unrealized gain (loss) in investments	<u>55,196</u>	<u>(10,415)</u>
Total revenue and support without donor restrictions	<u>\$ 3,922,541</u>	<u>\$ 4,895,638</u>
NET ASSETS RELEASED FROM RESTRICTIONS		
Restrictions satisfied by payments (net)	<u>\$ 0</u>	<u>\$ 45,413</u>
EXPENSES		
Administrative and general	\$ 199,253	\$ 187,533
Oil and gas expenditures	403,456	507,621
Capital expenditures	1,491,140	795,635
Income tax	<u>1,000</u>	<u>2,900</u>
Total expenses	<u>\$ 2,094,849</u>	<u>\$ 1,493,689</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	<u>\$ 1,827,692</u>	<u>\$ 3,447,362</u>
OTHER CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
Transfer (to) from General Operating Fund (net)	\$ 0	\$ (3,950,000)
Transfer (to) from Endowment Fund (net)	0	(200,000)
Transfer (to) from Fixed Assets Fund (net)	<u>11,952</u>	<u>7,279</u>
Total other changes in net assets without donor restrictions	<u>\$ 11,952</u>	<u>\$ (4,142,721)</u>
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>\$ 1,839,644</u>	<u>\$ (695,359)</u>
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS		
Net realized and unrealized gain (loss) in investments	\$ (177,126)	\$ 108,100
Contributions and grants	685,579	103,921
Wills and bequests	156,319	152,117
Net assets released from restrictions	0	(45,413)
Transfer (to) from unrestricted net assets	0	(74,559)
Transfer (to) from Endowment Fund	<u>(111,893)</u>	<u>(30,520)</u>
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	<u>\$ 552,879</u>	<u>\$ 213,646</u>
INCREASE (DECREASE) IN NET ASSETS	<u>\$ 2,392,523</u>	<u>\$ (481,713)</u>
NET ASSETS - BEGINNING OF YEAR	<u>10,097,120</u>	<u>10,578,833</u>
NET ASSETS - END OF YEAR	<u>\$ 12,489,643</u>	<u>\$ 10,097,120</u>

The accompanying notes are an integral part of these statements.

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

**LOCAL INVESTMENT FUND
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

	2018	2017
CASH FLOWS (TO) FROM OPERATING ACTIVITIES		
Cash received from contributions, wills and bequests	\$ 705,690	\$ 476,246
Income from trust funds	60,945	59,419
Interest received	25,461	9,221
Dividends and pooled funds	95,596	80,628
Receipts from investment properties	3,715,604	5,757,764
Cash paid to suppliers and utility deposits	(611,467)	(782,377)
Net cash provided (used) by operating activities	\$ 3,991,829	\$ 5,600,901
CASH FLOWS (TO) FROM INVESTING ACTIVITIES		
Transfer (to) from General Operating Fund (net)	\$ 0	\$ (3,950,000)
Transfer (to) from Endowment Fund (net)	(111,893)	(305,079)
Capital purchases for Plant Fund (net)	(1,491,140)	(788,356)
Proceeds from disposition of assets (net)	4,130	21,355
Proceeds from sale of stock	10,291	0
Net cash provided (used) by investing activities	\$ (1,588,612)	\$ (5,022,080)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ 2,403,217	\$ 578,821
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	6,795,274	6,216,453
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 9,198,491	\$ 6,795,274
RECONCILIATION OF CHANGES IN NET ASSETS TO CASH PROVIDED BY OPERATING ACTIVITIES		
Change in net assets	\$ 2,392,523	\$ (481,713)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
(Gain) Loss on sale of assets	177,201	794
Allowance for uncollected promises	34,411	0
Non cash donation of stock, building, and equipment	(10,412)	(174,265)
(Increase) Decrease in receivables and promises to give	(294,788)	1,398,422
(Increase) Decrease in prepaid expense and other	164,844	(3,047)
Realized and unrealized (gain) loss on investments	(55,271)	(98,479)
Transfers to (from) other funds	111,893	4,255,079
Purchase of property and equipment (net)	1,479,188	788,356
Increase (Decrease) in accounts payable	(7,760)	(84,246)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 3,991,829	\$ 5,600,901
INTEREST PAID	\$ 0	\$ 0
INCOME TAXES PAID	\$ 3,500	\$ 2,900

The accompanying notes are an integral part of these statements.

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

**GENERAL FIXED ASSETS
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2018 AND 2017**

	2018	2017
ASSETS		
Property and equipment		
Autos, trucks, and buses	\$ 1,291,654	\$ 1,230,834
Tractors and ground equipment	370,609	361,739
Furniture, fixtures, and equipment	2,154,328	2,610,084
Building and improvements	22,779,004	21,884,028
Land and land improvements	2,759,341	2,646,047
	\$ 29,354,936	\$ 28,732,732
Less: Accumulated depreciation	(11,998,275)	(11,647,310)
	\$ 17,356,661	\$ 17,085,422
Construction in progress	\$ 463,006	\$ 212,327
Total Assets	\$ 17,819,667	\$ 17,297,749
 NET ASSETS		
Without donor restrictions		
Undesignated	\$ 17,819,667	\$ 17,297,749
Designated	0	0
Total net assets without donor restrictions	17,819,667	17,297,749
With donor restrictions	0	0
Total Net Assets	\$ 17,819,667	\$ 17,297,749

The accompanying notes are an integral part of these statements.

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

**GENERAL FIXED ASSETS
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
EXPENSES		
Provision for depreciation	\$ 1,031,444	\$ 986,844
(Gain) Loss on assets abandoned or sold	<u>3,850</u>	<u>(301,843)</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ (1,035,294)	\$ (685,001)
ACQUISITION OF PROPERTY AND EQUIPMENT WITH		
Transfers from other funds	<u>\$ 1,557,212</u>	<u>\$ 835,457</u>
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	\$ 521,918	\$ 150,456
NET ASSETS - BEGINNING OF YEAR	<u>17,297,749</u>	<u>17,147,293</u>
NET ASSETS - END OF YEAR	<u>\$ 17,819,667</u>	<u>\$ 17,297,749</u>

The accompanying notes are an integral part of these statements.

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

**GENERAL FIXED ASSETS
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

	2018	2017
CASH FLOWS (TO) FROM OPERATING ACTIVITIES		
Cash transfers (to) from other funds	\$ 0	\$ 0
Net cash provided (used) by operating activities	\$ 0	\$ 0
CASH FLOWS (TO) FROM INVESTING ACTIVITIES		
Proceeds from sale of assets	\$ 0	\$ 0
Net cash provided (used) by investing activities	\$ 0	\$ 0
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	\$ 0	\$ 0
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 0</u>	<u>\$ 0</u>
RECONCILIATION OF CHANGES IN NET ASSETS TO CASH PROVIDED BY OPERATING ACTIVITIES		
Change in net assets	\$ 521,918	\$ 150,456
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	1,031,444	986,844
(Gain) Loss on assets abandoned or sold	3,850	(301,843)
Transfers (from) other funds	<u>(1,557,212)</u>	<u>(835,457)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 0</u>	<u>\$ 0</u>
INTEREST PAID	<u>\$ 0</u>	<u>\$ 0</u>
INCOME TAXES PAID	<u>\$ 0</u>	<u>\$ 0</u>

Non cash transactions - During 2017, three (3) vehicles were traded in for consideration totaling \$2,800 on the purchase price of acquired vehicles. On July 10, 2017 the Organization exchanged real estate with the City of Ruston that resulted in a recognized gain of \$418,912.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Purpose

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

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

On December 1, 2015, Louisiana's Department of Health and Hospitals terminated the Louisiana Behavioral Health Partnership, a managed Medicaid - funded behavioral healthcare system controlled by Magellan of Louisiana, and transferred the management of behavioral healthcare into Bayou Health, a more complex managed care system for all Medicaid - funded services. Bayou Health is controlled by five insurance companies which were contracted by Louisiana's Department of Health and Hospitals.

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

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.

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

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

NOTES TO FINANCIAL STATEMENTS

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

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 2018 and 2017, the Organization received approximately eighty-three percent (83%) and sixty-two percent (62%), 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.

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 (6) months or less to be cash and cash equivalents.

Certificates of Deposit

The Organization had one (1) and three (3) certificates of deposit as of December 31, 2018 and 2017, respectively that were unrestricted funds:

	2018	2017
Local Investment Fund		
Cash and cash equivalents		
Bank of Ruston, Ruston Louisiana, dated February 22, 2017, maturing February 23, 2018, 0.50% annual percentage rate, interest credited monthly.	\$ 0	\$ 100,000
First National Bank Toma Lodge, Ruston, Louisiana, dated February 22, 2017, maturing February 22, 2019, 0.65% annual percentage rate, interest paid on maturity.	100,000	100,000
Cash and cash equivalents	\$ 100,000	\$ 200,000
Certificate of deposit		
Origin Bank, Ruston, Louisiana, dated June 22, 2017, maturing August 22, 2018, 0.40% annual percentage rate, interest paid on maturity.	\$ 0	\$ 100,000

During the prior year, the Organization obtained a letter, dated September 22, 2017, from Origin Bank, Ruston, Louisiana stating that the Organization has a standing approval for a \$300,000 line of credit through October 31, 2018. The loan approval is to satisfy licensing requirements of \$100,000 for each of the Organization's Ruston, Mandeville, and Sulphur, Louisiana locations.

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

NOTES TO FINANCIAL STATEMENTS

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

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

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

Louisiana United Methodist Children and Family Services, Inc. routinely grants clients and clients' families credit for their services. The Organization also receives pledges that represent receivables.

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

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

An allowance for uncollectible accounts related to services and cost reimbursement totaled \$1,012,152 and \$1,409,800 as of December 31, 2018 and 2017, respectively. Also, an allowance related to accounts for unconditional promises to give totaled none and none as of December 31, 2018 and 2017, 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, 2018 and 2017, Louisiana United Methodist Children and Family Services, Inc.'s accounts receivable contains \$94,777 and \$56,792, respectively, due from the Lincoln Parish School Board for the state and local funds for educational services provided to resident and non-resident students of Howard School. For 2018, this receivable is the net amount of federal, state, and local funding derived from the Louisiana Department of Education's October 1, 2017, and February 1, 2018, student counts at Howard School less actual services and benefits received from the Lincoln Parish School Board. For 2017, the Louisiana Department of Education's October 1, 2016, and February 1, 2017, student counts were used.

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

NOTES TO FINANCIAL STATEMENTS

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

Donated Property and Services

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

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 (3) to fifty (50) years.

Contributions

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

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

Gifts of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

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

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

Interest and Penalties

The Organization paid \$614 and \$339 in penalties for the years ended December 31, 2018 and 2017, 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.

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

NOTES TO FINANCIAL STATEMENTS

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

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, 2018 and 2017, the Organization had no uninsured cash balances, but held \$10,081,179 and \$7,669,311, respectively, in securities purchased with an obligation to sell.

NOTE 2 - DEFINED CONTRIBUTION PLAN

Louisiana United Methodist Children and Family Services, Inc. sponsors employees regularly working more than 1,040 hours per year with more than twelve (12) months of service in the Lay Employee's Pension Fund of the United Methodist Church whereby it matches the employee's three percent (3%) minimum contribution two for one for a total cost to the Corporation of six percent (6%) of participating employees' gross earnings. Contributions by the Organization totaled \$545,778 for 2018 and \$491,545 for 2017. The Organization also funds the minister's retirement with the Louisiana Annual Conference. Contributions by the Organization totaled \$9,242 and \$7,686 during 2018 and 2017, respectively.

NOTE 3 - INVESTMENTS

The Organization's investments and certain cash and cash equivalents are held primarily by a national investment banking and financial services company and 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 Organizations*, gains and losses on investments are reported in the statement of activities as increases or decreases in unrestricted net assets unless their use is temporarily or permanently restricted by explicit donor stipulations or by law. Investments in unlisted securities where market is not readily attainable are carried at cost. A recap of such debt and equity securities is shown below and on the following page.

	<u>Cost Basis</u>	<u>Fair Market Basis</u>	<u>Unrealized Gain (Loss)</u>
2018 Local Investment Fund			
Equity securities - cost or donated value	\$ 49,962	\$ 95,658	\$ 45,696
Net income - Local Investment Fund			
Interest		\$ 27,149	
Dividends		23,958	
		<u>\$ 51,107</u>	

2018 INVESTMENTS ENDOWMENT FUND

	<u>Cost Basis</u>	<u>Fair Market Basis</u>	<u>Unrealized Gain (Loss)</u>	<u>Weighted Current Yield</u>
<u>Argent Trust Company - Ruston, LA</u>				
Cash Equivalents	\$ 944,787	\$ 944,787		2.18%
Mutual Funds				
Mutual Funds - Int'l Equity	\$ 77,078	\$ 106,618	\$ 29,540	0.88%
Mutual Funds - Equity	803,426	1,093,688	290,262	2.37%
Total Mutual Funds	<u>\$ 880,504</u>	<u>\$ 1,200,306</u>	<u>\$ 319,802</u>	
Equities				
Common Stock	\$ 7,023,814	\$ 9,094,429	\$ 2,070,615	2.50%
Foreign Equities	114,981	150,646	35,665	2.85%
Total Equities	<u>\$ 7,138,795</u>	<u>\$ 9,245,075</u>	<u>\$ 2,106,280</u>	

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

NOTES TO FINANCIAL STATEMENTS

NOTE 3 - INVESTMENTS (Cont'd)

2018 INVESTMENTS ENDOWMENT FUND

Argent Trust Company - Ruston, LA (Cont'd)

	Face Amount	Cost Basis	Fair Market Basis	Unrealized Gain (Loss)	Weighted Current Yield
Corporate Bonds					
AGL Capital Corp Sr Dtd 08/10/2009 5.25% 08/15/19	\$ 55,000	\$ 56,332	\$ 55,514	\$ (818)	5.20%
AIG Global Funding Dtd 10/18/17 @ 0.00% 10/18/19	75,000	74,931	74,443	(488)	1.96%
American Honda Fin Corp Mtn Fr Finance Corporation Dtd 9/9/16 1.70% 9/9/21	150,000	149,815	144,204	(5,611)	1.77%
Bank of America Corporation Pfd Cum Ser C	3,000	74,760	76,110	1,350	6.11%
Bank of Montreal Fr Dtd 08/29/16 1.90% 08/27/21	75,000	74,912	72,438	(2,474)	1.97%
Biogen Inc Nt Dtd 09/15/15 2.9% 09/15/20	75,000	76,737	74,441	(2,296)	2.92%
Burlington Northern Santa Fe Cp Sr Nt Dtd 09/24/09 4.70% due 10/01/19	75,000	77,499	75,914	(1,585)	4.64%
California St Go Bds 2009 B Dtd 10/27/11 6.509% 04/01/2039-2021	50,000	54,847	54,294	(553)	5.99%
Cardinal Health, Inc Sr Nt Dtd 11/19/14 2.4% 11/15/19	75,000	75,367	74,470	(897)	2.42%
Caterpillar Finl Svcs 7.15 Snr Mtn 15/02/19 USD (SEC Regd) (F) 7.15% 02/15/19	50,000	51,111	50,231	(880)	7.12%
Comerica Inc Incorporated Dtd 05/23/14 2.125% 05/23/19	25,000	24,933	24,887	(46)	2.13%
Commonwealth BK Australia Dtd 05/16/16 2.85% 05/18/26	75,000	74,969	69,865	(5,104)	3.06%
CSX Corp Dtd 10/18/16 due 11/01/26	50,000	49,835	45,490	(4,345)	2.86%
Delta Air Lines Inc Sr Gbl Nt Dt 03/14/17 3.625% 03/15/22	50,000	49,995	48,929	(1,066)	3.70%
Duke Energy Florida, inc 3.1% 1 st Mtg PIDI BDS 15/08/21 USD (SEC Regd) 3.1% 08/15/21	75,000	77,735	74,893	(2,842)	3.10%
Duke Energy Indiana Inc First Mtg Bond Dtd 07/09/10 3.75% 07/15/20	65,000	66,342	65,857	(485)	3.70%
Entergy LA, LLC 1 Mtg Bd Dtd 10/04/16 2.40% 10/01/26	60,000	59,792	55,176	(4,616)	2.61%
Fifth Third Bank Cin Ohio Mtn BE Fr Dtd 04/25/14 2.375% 04/25/19	35,000	34,954	34,928	(26)	2.38%
Goldman Sachs Group Dtd Gbl Nt Dtd 10/31/17 2.876% 10/31/22	75,000	75,000	72,841	(2,159)	2.96%
Illinois Tool Works Inc Sr Nt Dtd 02/25/14 1.95% 03/01/19	35,000	34,874	34,945	71	1.95%
iShares Intm Government/Credit Bond (MKT)	2,750	305,037	297,605	(7,432)	2.16%
iShares Intermediate Credit Bond (MKT)	2,200	119,704	115,324	(4,380)	3.41%
JP Morgan Chase & Co Sub Bd Dtd 41395 3.375% due 05/01/23	75,000	72,085	73,360	1,275	3.45%
JP Morgan Chase & Co Pfd @ 6.15	3,000	74,250	77,340	3,090	5.96%
Michael Kors USA Inc Callable 09/01/24 Dtd 10/20/17 4.0% 11/01/24	75,000	75,529	70,546	(4,983)	4.25%
Microsoft Corp Nt Dtd 02/08/11 4.0% 02/08/21	250,000	251,690	256,903	5,213	3.89%
New York N Y City Transitional Dtd 07/28/16 1.3% 05/01/20	75,000	75,000	73,174	(1,826)	1.33%
New York N Y City Mun Wtr Fin Auth Dtd 11/18/10 6.282% 6/15/2040-2020	50,000	53,445	52,858	(587)	5.94%
Norfolk Southern Corp @ 5.9% due 06/15/19	50,000	51,538	50,534	(1,004)	5.84%
Oracle Corp Sr Note Dtd 2.25% 10/08/19	75,000	74,988	74,646	(342)	2.26%
Pepsico Inc Sr Nt Dtd 02/28/14 3.60% 03/01/2024-2023	65,000	64,984	65,981	997	3.55%
Simon Property Group LP Note Dtd 01/21/14 2.20% 02/01/19	50,000	49,993	49,953	(40)	2.20%
Small Business Administration GTD PTNCT 2015-10B Dtd 09/23/15 2.829% 09/10/25	55,785	54,764	55,851	1,087	2.83%
Stryker Corp 4.375% 01/15/20	65,000	66,822	66,004	(818)	4.31%
Travelers Companies Inc Sr Gbl Nt Dtd 06/02/09 5.9% 06/02/19	75,000	77,343	75,939	(1,404)	5.83%
Union Elec Co Sr Sec Nt Sr SEC Gbl Nt Dtd 04/04/14 3.50% 04/15/24	75,000	79,652	75,539	(4,113)	3.48%
Vanguard Short-term Bond Index ETF	3,750	299,448	294,638	(4,810)	1.99%
Visa Inc Dtd 12/14/15 2.80% 12/14/22	75,000	75,579	74,050	(1,520)	2.84%
Wells Fargo Co New Sr Gbl Nt Dtd 04/22/16 3.0% 04/22/26	60,000	59,840	55,919	(3,930)	3.22%
Total Corporate Bonds		\$ 3,296,431	\$ 3,236,034	\$ (60,397)	
U.S. Government Securities					
US Treasury Note Dtd 11/15/14 2.25% 11/15/24	100,000	\$ 100,341	\$ 98,277	\$ (2,064)	2.29%
US Treasury Note Dtd 02/28/17 1.125% 02/28/19	200,000	198,903	199,598	695	1.13%
Government Natl Mtg Assn Pool #728921 Dtd 12/01/09 4.5% 12/15/24	28,052	29,468	29,354	(114)	4.30%
Federal Home Loan Banks 04/28/16 1.125% 04/28/21	150,000	149,760	149,568	(192)	1.13%
Federal Home Loan Banks Call Step Dtd 10/26/17 2.25% 10/26/2022-2019	50,000	49,900	49,995	95	2.25%
Federal Home Loan Banks Cons Bd Dtd 02/06/12 1.5% 03/08/19	100,000	99,615	99,824	209	1.50%
Federal Home Loan Mtg Corp PC Gold Comb Dtd 06/01/16 Pool #134676 3.0% 07/01/31	96,230	101,523	95,908	(5,615)	3.01%
Federal Farm Credit Bank Dtd 01/25/16 1.23% 01/25/19	125,000	125,000	124,917	(83)	1.23%
Federal Farm Credit Banks 06/06/16 1.30% 06/06/19	150,000	149,954	149,200	(754)	1.31%
Federal Farm Credit Banks 07/05/16 1.625% 10/05/21	120,000	120,000	116,963	(3,037)	1.67%
Federal Farm Credit Banks 10/04/16 1.73% 01/04/23	45,000	43,637	43,354	(283)	1.80%
Federal Home Ln Mtg Corp Dtd 08/25/16 1.25% 08/25/21	150,000	150,000	149,249	(751)	1.26%
Federal Natl Mtg Assn 09/15/16 1.45% 09/15/20	150,000	150,000	147,119	(2,881)	1.48%
Federal Natl Mtg Assn Pass Thru Jumbo 15 Yr Dtd 11/01/11 Pool #A15332 3.0% 11/01/26	66,223	65,374	65,749	375	3.02%
Federal Natl Mtg Assn Pass Thru Bln Multi Pool #AN0915 Dtd 02/01/16 3.01% 02/01/26	42,899	41,746	42,940	1,194	3.01%
Federal Natl Mtg Assn Pool AB4777 Dtd 02/01/12 3% 03/01/27	59,272	58,642	58,846	204	3.02%
Total Fixed Income Securities		\$ 4,930,294	\$ 4,856,895	\$ (73,399)	
The United Methodist Foundation of LA					
Cash Equivalents		\$ 418,709	\$ 418,709		1.00%
Pooled Income Funds		\$ 18,263,094	\$ 16,370,780	\$ (1,892,314)	1.00%
Endowment Fund Total Investments Without Cash Equivalents		\$ 31,212,687	\$ 31,673,056	\$ 460,369	
TOTAL STOCKS, BONDS, AND NOTES		\$ 31,262,649	\$ 31,768,714	\$ 506,065	

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

NOTES TO FINANCIAL STATEMENTS

NOTE 3 - INVESTMENTS (Cont'd)

	<u>Cost Basis</u>	<u>Fair Market Basis</u>	<u>Unrealized Gain (Loss)</u>
2017 Local Investment Fund			
Equity securities - cost or donated value	\$ 49,962	\$ 40,340	\$ (9,622)
Net income - Local Investment Fund			
Interest		\$ 9,061	
Dividends		<u>23,955</u>	
		<u>\$ 33,016</u>	

2017 INVESTMENTS ENDOWMENT FUND

	<u>Cost Basis</u>	<u>Fair Market Basis</u>	<u>Unrealized Gain (Loss)</u>	<u>Weighted Current Yield</u>
<u>Argent Trust Company - Ruston, LA</u>				
Cash Equivalents	<u>\$ 490,963</u>	<u>\$ 490,963</u>		1.12%
Mutual Funds				
Mutual Funds - Int'l Equity	\$ 77,078	\$ 128,442	\$ 51,364	0.54%
Mutual Funds - Equity	<u>923,426</u>	<u>1,625,505</u>	<u>702,079</u>	1.75%
Total Mutual Funds	<u>\$ 1,000,504</u>	<u>\$ 1,753,947</u>	<u>\$ 753,443</u>	
Equities				
Common Stock	\$ 7,089,297	\$ 10,528,505	\$ 3,439,208	2.02%
Foreign Equities	<u>114,981</u>	<u>181,097</u>	<u>66,116</u>	2.30%
Total Equities	<u>\$ 7,204,278</u>	<u>\$ 10,709,602</u>	<u>\$ 3,505,324</u>	

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

NOTES TO FINANCIAL STATEMENTS

NOTE 3 - INVESTMENTS (Cont'd)

2017 INVESTMENTS ENDOWMENT FUND

Argent Trust Company - Ruston, LA (Cont'd)	Face Amount	Cost Basis	Fair Market Basis	Unrealized Gain (Loss)	Weighted Current Yield
Corporate Bonds					
AGL Capital Corp @ 5.25% due 08/15/19	\$ 55,000	\$ 57,627	\$ 57,197	\$ (430)	5.05%
AIG Global Funding Dtd 10/18/17 @ 0.00% 10/18/19	75,000	74,931	74,352	(579)	0.00%
American Express Centurion Bank @ 2.35% due 10/07/20	70,000	70,000	70,100	100	2.35%
American Honda Finance Corp @ 1.70% due 09/09/21	150,000	149,757	146,097	(3,660)	1.75%
AT&T Inc Sr Gbl NT @ 1.75% due 01/15/18	75,000	74,585	74,979	394	1.75%
AT&T, Inc 12/01/17 @ 4.3% due 02/15/30 Cllable 11/15/29	102,000	100,045	101,715	1,670	4.31%
Bank of Montreal @ 1.90% due 08/27/21	75,000	74,885	73,420	(1,465)	1.94%
Bank of New York Mellon @ 2.10% due 08/01/18	50,000	50,022	50,048	26	2.10%
Bank of Nova Scotia @ 2.05% due 10/30/18	50,000	50,030	50,050	20	2.05%
Biogen Inc @ 2.90% due 09/15/20	75,000	77,583	76,022	(1,561)	2.86%
Burlington Northern Santa Fe LLC @ 4.70% due 10/01/19	75,000	79,966	78,176	(1,790)	4.51%
Cardinal Health, Inc @ 2.40% due 11/15/19	75,000	75,728	74,955	(773)	2.40%
Comcast Corp @ 5.875% due 02/15/18	100,000	99,898	100,516	618	5.84%
Commonwealth BK Australia @ 2.85% due 05/18/26	75,000	74,966	73,004	(1,962)	2.93%
CSX Corp Dtd @ 2.60% due 11/01/26	50,000	49,816	47,714	(2,102)	2.72%
Delta Air Lines, Inc 03/14/17 @ 3.625% due 03/15/22	50,000	49,993	50,864	871	3.56%
Dow Chemical Co @ 8.55% due 05/15/19	75,000	81,251	81,239	(12)	7.89%
Duke Energy Indiana Inc @ 3.75% due 07/15/20	65,000	66,986	67,417	431	3.62%
Edwards Lifesciences Corp @ 2.875% due 10/15/18	50,000	50,022	50,338	316	2.86%
Entergy Louisiana, LLC @ 2.4% due 10/01/26	50,000	59,768	56,797	(2,971)	2.54%
Florida Power Corp @ 3.10% due 08/15/21	75,000	78,613	76,675	(1,938)	3.03%
Goldman Sachs Group Dtd 10/31/17 @ 2.876% 10/31/22	75,000	75,000	74,785	(215)	2.88%
iShares Intermediate Gov/Credit Bond (MKT)	2,750	305,037	301,840	(3,197)	1.91%
iShares Intermediate Credit Bond (MKT)	1,100	119,704	120,131	427	2.51%
JP Morgan Chase & Co @ 3.375% due 05/01/23	75,000	71,509	76,234	4,725	3.32%
Medco Health Solutions, Inc @ 7.125% due 03/15/18	150,000	154,125	151,516	(2,609)	7.05%
Michael Kors USA Inc Dtd 10/20/17 @ 4.0% 11/01/24	75,000	75,607	75,679	72	3.96%
Microsoft Corp @ 4.0% due 02/08/21	250,000	252,325	262,625	10,300	3.81%
Morgan Stanley @ 2.125% due 04/25/18	50,000	49,794	50,026	232	2.12%
New York NY City Transitional Dtd @ 1.30% due 05/01/20	75,000	75,000	73,532	(1,468)	1.33%
Norfolk Southern Corp @ 5.9% due 06/15/19	50,000	52,494	52,564	70	5.61%
Oracle Corp @ 2.25% due 10/08/19	75,000	74,976	75,339	363	2.24%
Pepsico Inc @ 3.60% due 03/01/24	65,000	64,980	68,162	3,182	3.43%
Qualcomm Incorporated Dtd 5/26/17 @ 2.10% 05/20/20	75,000	74,996	74,684	(312)	2.11%
Simon Property Group LP @ 2.20% due 02/01/19	50,000	49,981	50,048	67	2.20%
Stryker Corp @ 4.375% due 01/15/20	65,000	68,000	67,567	(433)	4.21%
Toyota Motor Credit Corp @ 2.0% due 10/24/18	50,000	50,005	50,062	57	2.00%
Union Electric Company @ 3.50% due 04/15/24	75,000	80,437	77,763	(2,674)	3.38%
Vanguard Short-term Bond ETF	3,750	299,448	296,624	(2,824)	1.64%
Visa Inc Dtd 12/14/15 @ 2.80% 12/14/22	75,000	75,646	76,099	453	2.76%
Wells Fargo Co New Sr Gbl Nt @ 3.00% due 04/22/26	60,000	59,821	58,866	(955)	3.06%
Total Corporate Bonds		\$ 3,675,357	\$ 3,665,821	\$ (9,536)	
U.S. Government Securities					
US Treasury Note @ 2.25% due 11/15/24	100,000	\$ 100,394	\$ 99,502	\$ (892)	2.26%
GNMA Pool #728921 @ 4.50% due 12/15/24	38,223	40,152	40,516	364	4.25%
Federal Home Loan Bank @ 1.125% due 04/28/21	150,000	149,666	149,613	(53)	1.13%
Federal Home Loan Bank @ 1.00% due 08/28/18	150,000	150,000	149,309	(691)	1.00%
Federal Home Loan Mortgage Corp @ 3.0% due 07/01/31	126,131	133,068	128,561	(4,507)	2.94%
Federal Farm Credit Bank @ 1.23% due 01/25/19	125,000	125,000	124,248	(752)	1.24%
Federal Farm Credit Bank @ 1.30% due 06/06/19	150,000	149,931	148,392	(1,539)	1.31%
Federal Farm Credit Bank @ 1.625% due 10/05/21	120,000	120,000	117,419	(2,581)	1.66%
Federal Farm Credit Bank Dtd 10/04/16 @ 1.73% 01/04/23	45,000	43,430	43,673	243	1.78%
Federal Home Loan Mortgage Corp @ 1.25% due 08/25/21	150,000	150,000	148,163	(1,837)	1.27%
Federal National Mortgage Assn @ 1.45% due 09/15/20	150,000	150,000	147,608	(2,392)	1.47%
Total Fixed Income Securities		\$ 4,986,998	\$ 4,962,825	\$ (24,173)	
<u>The United Methodist Foundation of LA</u>					
Cash Equivalents		\$ 234,117	\$ 234,117		1.00%
Pooled Income Funds		\$ 18,615,157	\$ 18,568,965	\$ (46,192)	1.00%
Endowment Fund Total Investments Without Cash Equivalents		\$ 31,806,937	\$ 35,995,339	\$ 4,188,402	
TOTAL STOCKS, BONDS, AND NOTES		\$ 31,856,899	\$ 36,035,679	\$ 4,178,780	

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

NOTES TO FINANCIAL STATEMENTS

NOTE 3 - INVESTMENTS (Cont'd)

	<u>2018</u>	<u>2017</u>
Net income (loss) for years - Endowment Fund		
Interest	\$ 98,482	\$ 94,267
Dividends and settlement income	301,196	266,003
Income from pooled funds	541,073	489,414
Realized and unrealized gains and (losses)	<u>(3,035,959)</u>	<u>4,030,744</u>
	\$ (2,095,208)	\$ 4,880,428
Less: Investment expenses	<u>(70,301)</u>	<u>(66,995)</u>
	<u>\$ (2,165,509)</u>	<u>\$ 4,813,433</u>

Gross proceeds from the sale of securities amounted to \$2,726,486 and \$1,640,296 for the years ended December 31, 2018 and 2017, respectively.

Investments with a cost basis of \$22,051,081 had unrealized losses of \$1,981,568 as of December 31, 2018.

Local Investment Fund

In 1996, the Organization received a bequest from the Estate of Louise Briley Leake in the form of an interest in a testamentary trust whereby the income will be paid annually and the trust principal distributed to the Organization twenty-five (25) years from the death of the donor. The bequest was recorded at fair value. Annual changes in fair value are reported as unrealized gain or loss and an increase or decrease in temporarily restricted assets. This trust fund was valued at \$616,266 and \$689,911 for 2018 and 2017, respectively.

During 2000, the Organization received a bequest from the Estate of Hattye Jordan. The Hattye Recoulley Jordan Charitable Remainder Unitrust has Hancock Whitney Bank as trustee and the Organization will receive the assets of the trust upon the death of a life 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 trusts were \$308,067 and \$323,028 for 2018 and 2017, respectively, and the discounted values were \$238,631 and \$251,981 for 2018 and 2017, 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 twenty percent (20%) interest in the assets of the trust. The assets are payable to the Organization at the rate of five percent (5%) of the fair market value of the assets of the trust on December 31 of each year for fifty (50) years. The fair market value of twenty percent (20%) interest of the assets of the trusts were \$808,807 and \$898,981 as of December 31, 2018 and 2017, respectively. The discounted values were \$747,628 and \$830,767 for 2018 and 2017, respectively.

During 2017, the Organization recorded a bequest from the Estate of Annie Pomeroy of an one-seventh (1/7th) 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, 2018 and 2017, respectively.

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

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.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 3 - INVESTMENTS (Cont'd)

Originally, if a new home is constructed in the Greater New Orleans area, eighty percent (80%) of the value of the fund could be distributed for construction costs. The remaining twenty percent (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 Louisiana United Methodist Children and Family Services Inc. for the purchase of property to become a permanent site of Methodist Children's Home in the Greater New Orleans area.

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

As of December 31, 2018 and 2017, the market value of the assets in the construction account was \$192,032 and \$208,184, respectively. The market value of the assets in the permanently restricted fund was \$326,771 and \$354,256, 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, 2018 and 2017, were \$19,660 and \$18,908, respectively. The cash surrender values of the policies as of December 31, 2018 and 2017, were \$443,565 and \$423,905, respectively.

NOTE 4 - CONCENTRATION REVENUES AND ACCOUNTS RECEIVABLE

Louisiana United Methodist Children and Family Services, Inc. provides psychiatric residential treatment facility services in its three children's homes. Beginning December 1, 2016, these services are reimbursed in part at a rate established in contract with two of the Healthy Louisiana managed care organizations and in Single Case Agreements with the other three 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 \$19,256,155 and \$17,118,574 for 2018 and 2017, respectively. Accounts receivable balances related to this activity were \$3,543,188 and \$5,823,347 as of December 31, 2018 and 2017, respectively.

Accounts receivable arise from the normal course of providing these services and are not secured. An allowance for uncollectible accounts of \$1,012,152 and \$1,409,800 for 2018 and 2017, respectively, has been provided for accounts receivable, and cost reimbursement receivables related to services. Accounts receivable balances over 90 days past due were \$1,280,185 and \$2,383,823 as of December 31, 2018 and 2017, respectively.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 4 - CONCENTRATION REVENUES AND ACCOUNTS RECEIVABLE (Cont'd)

Pledges Receivable

Operating Fund

The Organization received pledges during the year ended December 31, 2018 and 2017 totaling \$5,015 and \$5,300, 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 twelve (12) months are classified as current assets. All pledges are expected to be received within the next five (5) years.

Local Investment Fund

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

The Organization received pledges during the year totaling \$401,396. \$114,396 were from employees of the Organization and \$287,000 were from the Board of Directors. The pledges are to be collected over a five (5) year period. An allowance for uncollected pledges of 8.5% of the total or \$34,411 has been established based on historical collection rates. A discount rate of 1.5% of the total or \$16,823 discount has been applied to calculate the current balance of pledge receivables as of December 31, 2018 totaling \$384,573.

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

2019	\$	93,308
2020		81,672
2021		77,949
2022		70,815
2023		63,833
2024 and after		2,012

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

NOTES TO FINANCIAL STATEMENTS

NOTE 5 - INVENTORY

Inventories as of December 31, 2018 and 2017, consist of salsa products produced at the Outdoor Wilderness Learning Center at an approximate cost of \$10,504 and \$7,460, respectively, and clothing and mattresses had an approximate fair market value of \$7,316 and \$4,976, respectively. Food inventory located at the Outdoor Wilderness Learning Center totaled \$3,100 and \$2,823 as of December 31, 2018 and 2017. Food inventory located in Sulphur, Louisiana totaled \$9,528 and \$7,636, as of December 31, 2018 and 2017, respectively. Food inventory located in Ruston, Louisiana totaled \$21,268 and \$21,973 as of December 31, 2018 and 2017, respectively. Total inventory reflected in the general operating fund totaled \$51,716 and \$44,868 as of December 31, 2018 and 2017, respectively.

	<u>2018</u>	<u>2017</u>
Clothing and mattresses (donated)	\$ 7,316	\$ 4,976
OWL salsa products	10,504	7,460
Food, OWL	3,100	2,823
Food, Ruston, LA	21,268	21,973
Food, Sulphur, LA	<u>9,528</u>	<u>7,636</u>
Totals	<u>\$ 51,716</u>	<u>\$ 44,868</u>

NOTE 6 - PROPERTY AND EQUIPMENT

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

The major categories of fixed assets are as follows:

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

December 31, 2017	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Land and improvements	\$ 2,646,047	\$ (49,364)	\$ 2,596,683
Buildings and improvements	21,884,028	(8,322,501)	13,561,527
Furniture and fixtures	2,508,950	(2,034,907)	474,043
Office furniture and equipment	101,134	(100,218)	916
Automobiles, trucks, and vans	1,230,834	(868,380)	362,454
Tractors and other equipment	<u>361,739</u>	<u>(271,940)</u>	<u>89,799</u>
Totals	<u>\$ 28,732,732</u>	<u>\$ (11,647,310)</u>	<u>\$ 17,085,422</u>

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

NOTES TO FINANCIAL STATEMENTS

NOTE 6 - PROPERTY AND EQUIPMENT (Cont'd)

As of December 31, 2018, construction in progress consisted of a telephone system, website redesign cost, and building construction at Greater New Orleans, Louisiana facility that were not completed as of December 31, 2018.

The depreciation expense was \$1,031,444 and \$986,844 for the years ended December 31, 2018 and 2017, 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
Building 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

Louisiana United Methodist Children and Family Services, Inc. and the City of Ruston entered into a land exchange on July 10, 2017. The exchange consisted of the Organization giving up 53 acres on S. Farmerville St. in Ruston for 3.3 acres at 3000 N. Trenton St. (HWY 167), Ruston, Louisiana. The land exchange was required for the city to complete and build new City of Ruston Multisport Complex. The Organization recognized a gain of \$418,912 on the exchange.

NOTE 7 - SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

Independent Living Program consists of four (4) 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 (4) regional contracts reflecting the period January 1, 2018 until June 30, 2018 and July 1, 2018 until December 31, 2018 for the period ending June 30, 2019. The regions are Monroe, Covington, Lake Charles, and Lafayette, Louisiana. These costs are allocated to 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 \$497,195 and \$447,504 for 2018 and 2017, respectively.

The Child Abuse Counseling Program subgrant requires a twenty percent (20%) match for personnel, related benefits, and contract services. Revenue from this program totaled \$55,993 and \$40,628 for 2018 and 2017, respectively.

NOTE 8 - RELATED PARTY

Total contributions received from employees, officers, and board members of the Organization totaled \$440,192 and \$35,580 during 2018 and 2017, respectively.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 9 - NET ASSETS - WITHOUT DONOR RESTRICTIONS

The Louisiana United Methodist Children & Family Services, Inc.'s net assets without donor restrictions reflects undesignated net assets and designated net assets. Designated net assets consist of 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:

December 31, 2018

	<u>Totals</u>	<u>General Operating Fund</u>	<u>Endowment Fund</u>	<u>Local Investment Fund</u>	<u>Fixed Asset Fund</u>
Net Assets - without donor restrictions					
Undesignated	\$ 60,558,133	\$ 4,210,609	\$ 30,242,218	\$ 8,285,639	\$ 17,819,667
Designated					
Operating budget	\$ 1,654,722	\$	\$ 1,654,722	\$	\$
Capital improvements					
Methodist Children's Home of Southeast Louisiana and Greater New Orleans	1,683,751			1,683,751	
Other Capital Projects	36,639			36,639	
Total Designated	<u>\$ 3,375,112</u>	<u>\$ 0</u>	<u>\$ 1,654,722</u>	<u>\$ 1,720,390</u>	<u>\$ 0</u>
Total Net Assets - without donor restrictions	<u>\$ 63,933,245</u>	<u>\$ 4,210,609</u>	<u>\$ 31,896,940</u>	<u>\$ 10,006,029</u>	<u>\$ 17,819,667</u>

December 31, 2017

	<u>Totals</u>	<u>General Operating Fund</u>	<u>Endowment Fund</u>	<u>Local Investment Fund</u>	<u>Fixed Asset Fund</u>
Net Assets - without donor restrictions					
Undesignated	\$ 62,993,601	\$ 4,052,221	\$ 34,004,394	\$ 7,639,237	\$ 17,297,749
Designated					
Operating budget	\$ 1,625,197	\$	\$ 1,625,197	\$	\$
Capital improvements					
Methodist Children's Home of Southeast Louisiana and Greater New Orleans	50,000			50,000	
Scott Building - PRTF renovation	424,800			424,800	
Church Building demolition	33,229			33,229	
Other Capital Projects	19,119			19,119	
Total Designated	<u>\$ 2,152,345</u>	<u>\$ 0</u>	<u>\$ 1,625,197</u>	<u>\$ 527,148</u>	<u>\$ 0</u>
Total Net Assets - without donor restrictions	<u>\$ 65,145,946</u>	<u>\$ 4,052,221</u>	<u>\$ 35,629,591</u>	<u>\$ 8,166,385</u>	<u>\$ 17,297,749</u>

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

NOTES TO FINANCIAL STATEMENTS

NOTE 10 - NET ASSETS - WITH DONOR RESTRICTIONS

The balances of net assets - temporarily restricted consist of the following:

	<u>2018</u>	<u>2017</u>
Operating Fund		
Current assets		
Checking - Origin Bank	\$ 41,497	\$ 61,962
Endowment Fund		
Current assets		
Cash - Central Pennsylvania Conference	44,643	44,107
Cash - GNO building account	374,066	190,010
Long-term investments		
Pooled funds	292,939	439,056
Local Investment Fund		
Current assets		
Checking - Origin Bank	351,670	12,972
Accounts receivable - Promises to give (net)	350,162	0
Long-term Investments		
Leake Testamentary Trust	616,266	689,911
H.R. Jordan Charitable Remainder Trust	238,631	251,981
Barbara Williamson Charitable Lead Trust	747,628	830,767
The Pomeroy Trust, LLC	135,486	135,486
R.D. Webb Property	<u>9,291</u>	<u>9,338</u>
Balances at year end	<u>\$ 3,202,279</u>	<u>\$ 2,665,590</u>

The balances of net assets - permanently restricted consist of the following:

	<u>2018</u>	<u>2017</u>
Endowment Fund		
Long-term investments		
Pooled funds	\$ 467,490	\$ 459,340
Local Investment Fund		
Short-term investments		
Checking - Origin Bank	<u>34,480</u>	<u>280</u>
Balances at year end	<u>\$ 501,970</u>	<u>\$ 459,620</u>
Net Assets With Donor Restrictions	<u>\$ 3,704,249</u>	<u>\$ 3,125,210</u>

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

NOTES TO FINANCIAL STATEMENTS

NOTE 10 - NET ASSETS - WITH DONOR RESTRICTIONS (Cont'd)

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, 2018.

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

The following is the composition by type of fund of net assets with donor restrictions as of December 31, 2017.

	<u>Time Restricted</u>	<u>Purpose Restricted</u>	<u>Perpetual in Nature</u>	<u>Total</u>
Endowments	\$	\$ 439,056	\$ 459,340	\$ 898,396
Central Pennsylvania Conference		44,107		44,107
GNO Building account		190,010		190,010
Leake Testamentary Trust	689,911			689,911
H. R. Jordan Charitable Remainder Trust	251,981			251,981
Barbara Williamson Charitable Lead Trust	830,767			830,767
The Pomeroy Trust, LLC	135,486			135,486
R.D. Webb Property	9,338			9,338
Other		74,934	280	75,214
	<u>\$ 1,917,483</u>	<u>\$ 748,107</u>	<u>\$ 459,620</u>	<u>\$ 3,125,210</u>

The balances on net assets - permanently restricted continued

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 \$(9,055) and \$14,437 for the years ended December 31, 2018 and 2017, respectively. The market values of the assets of this account as of December 31, 2018 and 2017, were \$107,649 and \$116,704, respectively. \$100,000 of the balance is permanently restricted.

Bradley Family Music Program

Funds were contributed to establish the Bradley Family Music Program. The principal totaling \$10,000 will not be expended. The income of the endowment can be used for any music related expense that benefits the youth and the Organization. Examples include, but are not limited to, musical instruments, hymnals or sheet music, and the cost or expense of instrument lessons or choir direction. The market values of the assets of this account as of December 31, 2018 and 2017, were \$10,526 and \$11,412, respectively. \$10,000 of the balance is permanently restricted.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 10 - NET ASSETS - WITH DONOR RESTRICTIONS (Cont'd)

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

Beginning in 2011, funds were contributed to establish a Vocational Technical training scholarship for the Organization. Effective September 2014, the scholarship was renamed the "Bull Buteau Vo-Tech Scholarship." The income will fund the expenses of the Vo-tech school and the principal totaling \$172,600 will not be expended. Contributions of \$42,000 and \$30,000 were contributed for the years ending December 31, 2018 and 2017, respectively. The income (loss) included in temporarily restricted funds was \$(19,611) and \$28,311 for the years ended December 31, 2018 and 2017, respectively. The market values of the assets of this account in the endowment fund as of December 31, 2018 and 2017, were \$235,967 and \$254,793, respectively. The market value of the assets in the Local Investment Fund checking account was \$34,000 as of December 31, 2018. \$259,100 of the balance is permanently restricted.

Lester O. Bennett Scholarship Fund

During 2017 funds were contributed to establish the Lester O. Bennett Scholarship Fund totaling \$15,000. The income of the scholarship fund shall be used to fund scholarships and 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, 2018 and 2017, 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 2018 and 2017, \$350 and \$520, 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 \$(10,463) and \$16,625 for the years ended December 31, 2018 and 2017, respectively. The market values of the assets of this account as of December 31, 2018 and 2017, were \$124,411 and \$134,724, respectively. The market value of the assets in the Local Investment checking account was \$480 and \$280 as of December 31, 2018 and 2017, respectively. \$109,720 of the balance is permanently restricted.

NOTE 11 - INCOME TAXES

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

However, the Organization has paid income taxes based upon income reported by "S" Corporation earnings. Total income tax expense for the years 2018 and 2017, was \$1,000 and \$2,900, respectively, on income of none and \$15,796, respectively. The income tax of \$1,000 estimated for the current period is a reflection of an estimated \$4,700 in cost related to employee parking at the Ruston and Sulphur, Louisiana facilities.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 12 - OPERATING LEASES

Northlake Behavioral Health System

On March 22, 2018 Louisiana United Methodist Children and Family Services, Inc. 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, LA, effective April 1, 2018 through March 31, 2022. The building is a 13,764 square foot building known as S & T Wards located on the Northeast Corner of campus at 23515 Highway 190, Mandeville, LA for the purpose of providing supervised and structured twenty-four (24) hour residential care to youths in psychiatric residential care. The new lease requires a \$2,000 monthly utility payment, and a payment per meal for meals provided to residents and staff.

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

Therapeutic Foster Care Program

Louisiana United Methodist Children and Family Services, Inc. has office space leased for Therapeutic Foster Care in Alexandria (\$902 monthly), Monroe (\$2,600 monthly), and Lafayette, Louisiana (\$1,419 monthly) with terms ending November 2018 (36 months), December 2020 (60 months), and January 2019 (36 months), respectively. Rental expenses were \$59,052 and \$56,910 for the years 2018 and 2017, respectively.

Independent Living Program

The Independent Living Program has office space leased in Covington (\$1,200 monthly), Lake Charles (\$1,350 monthly), and Lafayette, Louisiana (\$875 monthly) with terms ending March 2019 (24 months), September 2018 (12 months), and September 2018 (12 months), respectively. Rental expenses were \$41,100 and \$19,173 for the years 2018 and 2017, respectively.

Family Plus Program

Family Plus has an office space in Shreveport, Louisiana with a monthly payment of \$500 and terms ending July 2018. Rental expenses were \$3,000 and \$6,000 for the years 2018 and 2017, respectively.

All rental agreements are non-capitalizable.

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

2019	\$	264,695
2020		251,844
2021		209,844
2022		49,761
2023		49,761

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

NOTES TO FINANCIAL STATEMENTS

NOTE 13 - RETIREMENT PAYABLE

During 2008, the Board of Directors approved the adoption of a salary contribution plan for two (2) key employees. The plan involves the payment of \$1,000 per month for each employee upon retirement for fifteen (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 six percent (6%) rate. As of December 31, 2018, the liabilities were \$72,331 and \$79,748 for each employee, respectively, and as of December 31, 2017, the liabilities were \$79,748 and \$86,734 for each employee, respectively. Retirement payments for the years ended December 31, 2018 and 2017, were \$12,000 and \$12,000, and \$12,000 and \$12,000, respectively.

NOTE 14 - THEFT

During the weekend of December 10, 2017, Louisiana United Methodist Children & Family Services, Inc. had an eighteen (18) foot cook trailer and an eight (8) foot cook trailer stolen from the Outdoor Wilderness Learning Center in Dubach, Louisiana. The cost of the trailers was \$8,590 and \$500, respectively.

The Lincoln Parish Sheriff's Office investigated the incident but neither trailer was located. Insurance proceeds of \$3,629 were collected. Louisiana United Methodist Children & Family Services, Inc. notified the Louisiana Legislative Auditor and the District Attorney in writing, as required by Louisiana Revised Statute 24:523.

The internal controls of Louisiana United Methodist Children & Family Services, Inc. allowed the theft to be detected in a timely manner. Management will continue to closely monitor assets located at the Outdoor Wilderness Learning Center in order to prevent a similar occurrence in the future.

NOTE 15 - SCHEDULE OF EXPENSES

The following schedules summaries expense by their natural expense and function classifications, which occurred during the year ended December 31, 2018 and 2017:

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 15 - SCHEDULE OF EXPENSES (Cont'd)

December 31, 2017	<u>Total</u>	<u>Program Services</u>	<u>Fundraising</u>	<u>Management & General</u>
Salaries, benefits and payroll taxes	\$ 20,775,911	\$ 17,295,124	\$ 524,814	\$ 2,955,973
Insurance expense	421,499	54,790		366,709
Professional services	468,656	282,757		185,899
Lease/rental expense	262,977	91,750		171,227
Food expense	588,273	588,273		
Foster parent payments	802,302	802,302		
Office and postage expense	166,343	34,542	33,433	98,368
Telephone	157,719	68,334	3,508	85,877
Travel and seminar	336,487	245,423	36,351	54,713
Training	71,389	50,908		20,481
Utilities	340,071	312,173	7,593	20,305
Repairs and Maintenance	326,648	149,895	7,976	168,777
Supplies	499,862	449,573	14,505	35,784
Bad debt expense	125,000			125,000
Miscellaneous	<u>848,982</u>	<u>414,974</u>	<u>153,710</u>	<u>280,298</u>
 Total before depreciation	 \$ 26,192,119	 \$ 20,840,818	 \$ 781,890	 \$ 4,569,411
Depreciation	<u>986,844</u>	<u>817,004</u>	<u>24,235</u>	<u>145,605</u>
 Totals	 <u>\$ 27,178,963</u>	 <u>\$ 21,657,822</u>	 <u>\$ 806,125</u>	 <u>\$ 4,715,016</u>

NOTE 16 - NEW ACCOUNTING PRONOUNCEMENT

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

Implementation of ASU 2016-14 changed the classification of net assets from three groups: permanently restricted, temporarily restricted, and unrestricted; to two groups: net assets with donor restrictions, and net assets without donor restrictions. In addition, a reporting of expenses by their natural expense classification (such as salaries) as well as their functional classification (program services and support services), was added, and is presented in Note 15 above.

NOTE 17 - SUBSEQUENT EVENTS

In accordance with ASC 855, Louisiana United Methodist Children and Family Services, Inc. evaluated subsequent events through June 24, 2019, the date these financial statements were available to be issued.

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

**SUPPLEMENTARY DATA
DECEMBER 31, 2018 AND 2017**

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

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2018**

<u>Federal Grants/Pass Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Program Or Award Amount</u>	<u>Revenue Recognized</u>	<u>Expenditures</u>
United States Administration for Children and Families, Department of Health and Human Services				
Louisiana Department of Children & Family Services, Office of Children and Family Services				
Independent Living Program - Monroe, LA (ended June 30, 2018)	93.674	\$ 70,516	\$ 68,024	\$ 87,691
Independent Living Program - Monroe, LA (ended June 30, 2019)	93.674	74,475	74,475	90,198
Independent Living Program - Covington, LA (ended June 30, 2018)	93.674	92,441	84,236	100,249
Independent Living Program - Covington, LA (ended June 30, 2019)	93.674	92,441	66,367	83,236
Independent Living Program - Lake Charles, LA (ended June 30, 2018)	93.674	61,216	37,610	56,216
Independent Living Program - Lake Charles, LA (ended June 30, 2019)	93.674	61,216	35,361	50,029
Independent Living Program - Lafayette, LA (ended June 30, 2018)	93.674	78,692	68,959	72,704
Independent Living Program - Lafayette, LA (ended June 30, 2019)	93.674	<u>78,693</u>	<u>62,163</u>	<u>65,995</u>
Subtotal		<u>\$ 609,690</u>	<u>\$ 497,195</u>	<u>\$ 606,318</u>
United States Department of Justice Office of Justice Programs, Office for Victims of Crimes				
Louisiana Commission on Law Enforcement Child Abuse Counseling Program (ended June 30, 2018)				
	16.575	<u>\$ 55,993</u>	<u>\$ 55,993</u>	<u>\$ 55,993</u>
Subtotal		<u>55,993</u>	<u>55,993</u>	<u>55,993</u>
Total Federal Awards		<u><u>\$ 665,683</u></u>	<u><u>\$ 553,188</u></u>	<u><u>\$ 662,311</u></u>

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

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2018**

General

The Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of Louisiana United Methodist Children and Family Services, Inc.

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Louisiana United Methodist Children and Family Services, Inc. under programs of the federal government for the year ended December 31, 2018. The information in this Schedule is presented in accordance with the requirements of Title 2, Part 200 of the Code of Federal Regulations (C.F.R), the *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion on the operations of Louisiana United Methodist Children and Family Services, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Louisiana United Methodist Children and Family Services, Inc.

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 Subrecipients

There were no payments to subrecipients for the year ended December 31, 2018.

Findings of Noncompliance

There were no federal awards findings or questioned costs reported during the audit for the year ended December 31, 2018.

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

**GENERAL OPERATING FUND DETAIL
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

	Location			Totals	
	Ruston	GNO	Southwest	2018	2017
UNRESTRICTED REVENUE AND SUPPORT					
Contributions					
Contributions - undesignated	\$ 503,723	\$ 78,985	\$ 47,855	\$ 630,563	\$ 524,887
Memorials	107,931	5,036	12,755	125,722	146,152
Direct appeals	118,499	6,248	4,290	129,037	129,105
Sponsorships	114,985	3,503	2,870	121,358	129,384
Honorarium	36,391	1,100	340	37,831	52,329
United Way and other grants	1,821			1,821	2,331
Contributions - non cash	17,209	5,280		22,489	8,756
Total contributions	<u>\$ 900,559</u>	<u>\$ 100,152</u>	<u>\$ 68,110</u>	<u>\$ 1,068,821</u>	<u>\$ 992,944</u>
Children's Home Offerings	<u>\$ 160,060</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 160,060</u>	<u>\$ 87,477</u>
Special Events	<u>\$ 4,800</u>	<u>\$ 50,867</u>	<u>\$ 0</u>	<u>\$ 55,667</u>	<u>\$ 94,100</u>
Child Care Support					
Child care support (TIPS)	\$ 39,442	\$ 6,132	\$ 5,926	\$ 51,500	\$ 66,318
PRTF revenue	12,777,003	2,897,078	3,530,574	19,204,655	17,052,256
Total child care support	<u>\$ 12,816,445</u>	<u>\$ 2,903,210</u>	<u>\$ 3,536,500</u>	<u>\$ 19,256,155</u>	<u>\$ 17,118,574</u>
Independent Living Services (Federal Subgrant and Other)					
Independent Living Grants	\$ 497,195	\$	\$	\$ 497,195	\$ 447,504
Total independent living	<u>\$ 497,195</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 497,195</u>	<u>\$ 447,504</u>
Federal Subgrant					
Child abuse counseling	\$ 55,993	\$ 0	\$ 0	\$ 55,993	\$ 40,628
Family Plus Program	<u>\$ 57,094</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 57,094</u>	<u>\$ 78,056</u>
Family Development Services					
Client fees	\$ 94,379	\$	\$	\$ 94,379	\$ 88,400
United Way Grants	38,822			38,822	38,822
Lincoln Health Foundation	205,010			205,010	196,927
Total family development	<u>\$ 338,211</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 338,211</u>	<u>\$ 324,149</u>
Medical and Nursing	<u>\$ 102,065</u>	<u>\$ 31,934</u>	<u>\$ 26,900</u>	<u>\$ 160,899</u>	<u>\$ 139,037</u>
Methodist Foster Care	<u>\$ 3,115,123</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,115,123</u>	<u>\$ 1,721,232</u>
Trust Funds					
Marjorie D. Vickery Trust	\$ 132,000	\$	\$	\$ 132,000	\$ 88,000
Pomeroy Trust	2,166			2,166	47,043
Conference Fund Trusts	45,971	20,466	5,074	71,511	47,722
Leake Trust	29,647			29,647	29,435
Ed and Gladys Hurley Trust	2,000			2,000	2,000
Total trust funds	<u>\$ 211,784</u>	<u>\$ 20,466</u>	<u>\$ 5,074</u>	<u>\$ 237,324</u>	<u>\$ 214,200</u>
INTEREST AND DIVIDENDS	<u>\$ 181,583</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 181,583</u>	<u>\$ 57,763</u>
OUTDOOR WILDERNESS PROJECT INCOME	<u>\$ 202,881</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 202,881</u>	<u>\$ 218,035</u>
EDUCATIONAL SERVICES	<u>\$ 370,392</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 370,392</u>	<u>\$ 355,848</u>
MISCELLANEOUS INCOME	<u>\$ 59,990</u>	<u>\$ 56</u>	<u>\$ 0</u>	<u>\$ 60,046</u>	<u>\$ 30,824</u>
TOTAL UNRESTRICTED INCOME	<u>\$ 19,074,175</u>	<u>\$ 3,106,685</u>	<u>\$ 3,636,584</u>	<u>\$ 25,817,444</u>	<u>\$ 21,920,371</u>

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

**GENERAL OPERATING FUND DETAIL
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

	Location			Totals	
	Ruston	GNO	Southwest	2018	2017
UNRESTRICTED REVENUE AND SUPPORT (Cont'd)					
TOTAL RESTRICTED INCOME					
Restrictions satisfied by payments	\$ 225,475	\$ 0	\$ 0	\$ 225,475	\$ 202,471
EXPENSES					
Administrative and General					
Salaries	\$ 987,120	\$ 181,637	\$ 212,435	\$ 1,381,192	\$ 1,416,603
Payroll taxes	68,057	13,364	15,212	96,633	99,036
Employee benefits	198,069	20,018	41,256	259,343	240,842
Advertising		777	394	1,171	645
Dues and licenses	8,256	1,071	1,076	10,403	11,986
Insurance	334,520	17,489	58,714	410,723	344,949
Office supplies	46,547	8,232	11,758	66,537	64,280
Penalties	614			614	339
Postage	9,550	2,809	4,465	16,824	16,255
Professional services	89,620	8,250	5,250	103,120	118,904
Lease expense		187,742		187,742	171,227
Motor vehicle expense	5,683			5,683	3,040
Subscriptions	290			290	582
Telephone	46,767	14,775	25,771	87,313	83,671
In-service training	798	1,396	731	2,925	1,065
Travel and seminar	35,295	5,278	8,051	48,624	26,984
Board meeting expense	8,763			8,763	4,544
Utilities	21,204	20,000		41,204	20,305
Miscellaneous	8,529	902	656	10,087	13,774
Office and equipment maintenance contracts	2,135	2,038	1,117	5,290	4,654
Accreditation	17,920			17,920	37,623
Banking and processing fees	8,174			8,174	6,119
Bad debt expense				0	125,000
Total administrative and general	\$ 1,897,911	\$ 485,778	\$ 386,886	\$ 2,770,575	\$ 2,812,427
Human Resources					
Salaries	\$ 175,898	\$	\$	\$ 175,898	\$ 167,977
Payroll taxes	12,405			12,405	12,362
Employee benefits	61,287			61,287	87,358
Advertising and promotion	17,100			17,100	34,181
Dues and licenses	685			685	0
Insurance	23,018			23,018	20,986
Office supplies	3,577			3,577	4,514
Training	4,869			4,869	3,844
Travel and seminar	8,800			8,800	7,096
Miscellaneous	26,126			26,126	23,449
Total human resources	\$ 333,765	\$ 0	\$ 0	\$ 333,765	\$ 361,767
Staff Development					
Salaries	\$ 208,044	\$	\$	\$ 208,044	\$ 253,299
Payroll taxes	14,791			14,791	18,833
Employee benefits	39,458			39,458	42,762
Advertising and promotion	4,236			4,236	2,452
Dues and licenses	50			50	233
Insurance	400			400	774
Office supplies	1,104			1,104	7,493
Training	19,993			19,993	15,572
Travel and seminar	9,723			9,723	14,587
Miscellaneous	16,603			16,603	16,960
Total staff development	\$ 314,402	\$ 0	\$ 0	\$ 314,402	\$ 372,965

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

**GENERAL OPERATING FUND DETAIL
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

	Location			Totals	
	Ruston	GNO	Southwest	2018	2017
EXPENSES (Cont'd)					
Administrative and General (Cont'd)					
Information Management					
Salaries	\$ 263,681	\$	\$	\$ 263,681	\$ 248,093
Payroll taxes	18,173			18,173	17,479
Employee benefits	42,779			42,779	35,191
Office supplies	1,377			1,377	5,826
Telephone	4,694			4,694	2,206
Travel and seminar	8,160			8,160	5,952
Office equipment and maintenance	94,147			94,147	81,189
Miscellaneous	256			256	925
Total information management	<u>\$ 433,267</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 433,267</u>	<u>\$ 396,861</u>
Health Information System					
Salaries	\$ 262,678	\$	\$	\$ 262,678	\$ 264,132
Payroll taxes	18,974			18,974	18,883
Employee benefits	34,429			34,429	33,123
Electronic health records	55,448			55,448	46,485
Supplies	5,321			5,321	3,615
Travel and seminar	4,209			4,209	94
Miscellaneous	508			508	1,631
Total health information management	<u>\$ 381,567</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 381,567</u>	<u>\$ 367,963</u>
Total Administrative and General	<u>\$ 3,360,912</u>	<u>\$ 485,778</u>	<u>\$ 386,886</u>	<u>\$ 4,233,576</u>	<u>\$ 4,311,983</u>
Plant Operation and Maintenance					
Salaries	\$ 324,982	\$ 66,356	\$ 72,628	\$ 463,966	\$ 436,450
Payroll taxes	23,280	4,677	5,316	33,273	31,948
Employee benefits	57,514	8,756	1,992	68,262	71,745
Contract for outside services	18,006	109	18,261	36,376	31,388
Repairs - buildings and grounds	113,833	10,950	26,616	151,399	128,359
Supplies	8,769	9,047	13,424	31,240	46,187
Utilities	24,923		52,884	77,807	58,623
Vehicle gas, oil, and repairs	8,274	4,482	6,386	19,142	21,918
Miscellaneous	4,391	100	1,286	5,777	2,561
Total Plant Operation and Maintenance	<u>\$ 583,972</u>	<u>\$ 104,477</u>	<u>\$ 198,793</u>	<u>\$ 887,242</u>	<u>\$ 829,179</u>
Medical and Nursing					
Salaries	\$ 1,000,288	\$ 351,781	\$ 446,827	\$ 1,798,896	\$ 1,734,345
Payroll taxes	71,915	26,415	31,243	129,573	127,192
Employee benefits	128,600	22,574	61,158	212,332	185,882
Medical service - PRTF	13,862	81,885	83,811	179,558	152,915
Office supplies	7,857	910		8,767	6,011
Medical supplies - PRTF	17,744	4,151	7,489	29,384	30,558
Employee drug screens	979	478	179	1,636	3,486
OSHA required vaccination	4,376	1,006		5,382	3,455
Psychologist - PRTF	14,400			14,400	14,850
Physician - PRTF	18,000			18,000	18,000
Training	11,003	1,193	345	12,541	4,781
Miscellaneous	10,089	100	238	10,427	8,918
Total Medical and Nursing	<u>\$ 1,299,113</u>	<u>\$ 490,493</u>	<u>\$ 631,290</u>	<u>\$ 2,420,896</u>	<u>\$ 2,290,393</u>

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

**GENERAL OPERATING FUND DETAIL
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

EXPENSES (Cont'd)	Location			Totals	
	Ruston	GNO	Southwest	2018	2017
Dietary					
Salaries	\$ 403,126	\$	\$ 156,323	\$ 559,449	\$ 532,082
Payroll taxes	29,698		11,158	40,856	39,141
Employee benefits	45,324		23,103	68,427	64,609
Food - PRTF	472,390	95,972	121,765	690,127	569,758
Food - special	4,705	2,052	386	7,143	18,515
Supplies	32,157	647	10,418	43,222	58,177
Dietitian	4,950		4,360	9,310	10,734
Miscellaneous	738		287	1,025	1,755
Total Dietary	\$ 993,088	\$ 98,671	\$ 327,800	\$ 1,419,559	\$ 1,294,771
W. A. J. Lewis Building - PRTF					
Therapeutic and Training					
Salaries	\$ 1,403,070	\$	\$	\$ 1,403,070	\$ 1,319,809
Payroll taxes	102,468			102,468	99,376
Employee benefits	129,137			129,137	116,652
Motor vehicle	3,690			3,690	6,337
Utilities	34,692			34,692	32,359
Supplies	14,441			14,441	11,332
Laundry and linen	1,772			1,772	1,821
Travel and seminar	4,089			4,089	0
Personal hygiene	4,174			4,174	4,158
Clothing	3,863			3,863	3,592
Miscellaneous	2,408			2,408	9,126
Recreational	3,913			3,913	4,191
Total W. A. J. Lewis Building	\$ 1,707,717	\$ 0	\$ 0	\$ 1,707,717	\$ 1,608,753
Scott Building - PRTF					
Therapeutic and Training					
Salaries	\$ 1,484,047	\$	\$	\$ 1,484,047	\$ 1,552,052
Payroll taxes	109,489			109,489	117,600
Employee benefits	140,676			140,676	132,771
Supplies	2,155			2,155	7,504
Travel and seminar	4,162			4,162	1,089
Activities	4,420			4,420	3,700
Housekeeping supplies	16,216			16,216	13,554
Linen and bedding	7,548			7,548	2,021
Utilities	61,841			61,841	52,857
Motor vehicles	7,710			7,710	5,541
Personal hygiene	4,862			4,862	3,367
Clothing	4,285			4,285	7,032
Miscellaneous	3,994			3,994	722
Total Scott Building	\$ 1,851,405	\$ 0	\$ 0	\$ 1,851,405	\$ 1,899,810
Residential - PRTF					
Administration					
Salaries	\$ 109,645	\$	\$	\$ 109,645	\$ 150,839
Payroll taxes	7,356			7,356	9,929
Employee benefits	37,157			37,157	27,042
Office supplies	3,294			3,294	3,292
Travel and seminar				0	280
Telephone	200			200	446
Miscellaneous	3,093			3,093	2,879
Total administration expenses	\$ 160,745	\$ 0	\$ 0	\$ 160,745	\$ 194,707

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

**GENERAL OPERATING FUND DETAIL
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

	Location			Totals	
	Ruston	GNO	Southwest	2018	2017
EXPENSES (Cont'd)					
Residential - PRTF (Cont'd)					
Therapeutic and Training					
Salaries - child care	\$ 2,343,309	\$ 884,625	\$ 1,170,833	\$ 4,398,767	\$ 4,144,125
Payroll taxes	171,315	64,263	83,334	318,912	307,997
Employee benefits	217,434	80,131	123,011	420,576	370,649
Supplies	5,570	8,103	2,567	16,240	5,698
Miscellaneous	2,396	1,850	1,301	5,547	5,723
Travel and seminar	11,005	3,239	7,582	21,826	7,361
Supplies - housekeeping	26,112	482	4,996	31,590	23,970
Linen and bedding	4,109	317	171	4,597	5,853
Motor vehicle expense	10,176			10,176	11,379
Utilities	52,107			52,107	46,158
Personal hygiene	9,095	6,038	6,507	21,640	14,752
Clothing	11,879	1,555	7,546	20,980	19,030
Activities	12,070	6,638	5,511	24,219	\$ 21,053
	<u>\$ 2,876,577</u>	<u>\$ 1,057,241</u>	<u>\$ 1,413,359</u>	<u>\$ 5,347,177</u>	<u>\$ 4,983,748</u>
Total therapeutic and training					
	<u>\$ 3,037,322</u>	<u>\$ 1,057,241</u>	<u>\$ 1,413,359</u>	<u>\$ 5,507,922</u>	<u>\$ 5,178,455</u>
Total Residential - PRTF					
Recreational - PRTF					
Salaries	\$ 145,444	\$	\$	\$ 145,444	\$ 166,678
Payroll taxes	10,118			10,118	11,677
Employee benefits	30,134			30,134	28,366
Supplies	3,776			3,776	8,473
Activities	8,128			8,128	10,666
Training	1,689			1,689	2,567
Miscellaneous	1,845			1,845	257
Utilities	28,364			28,364	20,540
	<u>\$ 229,498</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 229,498</u>	<u>\$ 249,224</u>
Total Recreational - PRTF					
Educational Services					
Howard school					
Salaries	\$ 553,405	\$	\$	\$ 553,405	\$ 571,117
Payroll taxes	40,970			40,970	42,310
Employee benefits	70,372			70,372	66,455
Supplies	26,641	80	4,182	30,903	29,041
Miscellaneous	12,729			12,729	10,626
Utilities	18,420			18,420	16,085
Intranet	5,208			5,208	5,295
	<u>\$ 727,745</u>	<u>\$ 80</u>	<u>\$ 4,182</u>	<u>\$ 732,007</u>	<u>\$ 740,929</u>
Total school services					
Vocational Tech Program					
Salaries	\$ 194,708	\$	\$	\$ 194,708	\$ 202,038
Payroll taxes	13,822			13,822	13,593
Employee benefits	29,602			29,602	40,754
Supplies	8,564			8,564	11,945
Repairs/maintenance				0	1,155
Travel				0	3,555
Telephone	4,328			4,328	3,293
Vehicle	54			54	493
Utilities	10,201			10,201	13,382
Miscellaneous	3,477			3,477	2,223
	<u>\$ 264,756</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 264,756</u>	<u>\$ 292,431</u>
Total vocational tech program					
Total Educational Services	<u>\$ 992,501</u>	<u>\$ 80</u>	<u>\$ 4,182</u>	<u>\$ 996,763</u>	<u>\$ 1,033,360</u>

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

**GENERAL OPERATING FUND DETAIL
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

	Location			Totals	
	Ruston	GNO	Southwest	2018	2017
EXPENSES (Cont'd)					
Pastoral Care					
Salaries	\$ 53,748	\$	\$ 3,878	\$ 57,626	\$ 61,611
Payroll taxes	1,088		297	1,385	1,499
Employee benefits	32,802		82	32,884	31,564
Allowance	16,479	831	3,001	20,311	20,286
Housing allowance	14,400			14,400	14,400
Supplies	6,194	1,156	385	7,735	5,394
Activities	2,044			2,044	1,185
Training	216			216	1,124
Miscellaneous	2,074			2,074	1,879
Travel	7,392			7,392	5,207
Utilities	22,607			22,607	21,479
Church gifts to residents	34,931		2,126	44,302	32,302
	<u>193,975</u>	<u>7,245</u>	<u>9,769</u>	<u>212,976</u>	<u>197,930</u>
Total Pastoral Care	<u>\$ 193,975</u>	<u>\$ 9,232</u>	<u>\$ 9,769</u>	<u>\$ 212,976</u>	<u>\$ 197,930</u>
Family Counseling Center					
Family counseling services					
Salaries	\$ 314,926	\$	\$	\$ 314,926	\$ 270,354
Payroll taxes	21,856			21,856	19,247
Employee benefits	63,293			63,293	50,850
Supplies	8,026			8,026	5,895
Banking and processing fees	2,745			2,745	1,666
Travel	8,391			8,391	7,340
Professional training	4,847			4,847	6,485
Reboot camp	27,048			27,048	23,513
Electronic health records	724			724	7,763
Miscellaneous	7,035			7,035	3,799
Utilities	4,729			4,729	5,802
	<u>463,620</u>	<u>0</u>	<u>0</u>	<u>463,620</u>	<u>402,714</u>
Total family counseling services	<u>\$ 463,620</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 463,620</u>	<u>\$ 402,714</u>
CVA Grant					
Salaries	\$ 48,832	\$	\$	\$ 48,832	\$ 52,619
Payroll taxes	3,554			3,554	3,834
Employee benefits	3,869			3,869	2,794
Supplies	3,209			3,209	4,333
Training	6,700			6,700	0
Travel	3,278			3,278	0
	<u>69,442</u>	<u>0</u>	<u>0</u>	<u>69,442</u>	<u>63,580</u>
Total CVA grant	<u>\$ 69,442</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 69,442</u>	<u>\$ 63,580</u>
Lincoln Health Foundation					
Salaries	\$ 123,318	\$	\$	\$ 123,318	\$ 120,432
Payroll taxes	8,288			8,288	8,616
Employee benefits	25,027			25,027	20,338
Supplies	4,284			4,284	5,273
Professional services	68,396			68,396	54,870
Miscellaneous	8,381			8,381	6,784
Community event	7,508			7,508	0
	<u>245,202</u>	<u>0</u>	<u>0</u>	<u>245,202</u>	<u>216,313</u>
Total Lincoln Health Foundation	<u>\$ 245,202</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 245,202</u>	<u>\$ 216,313</u>
Total Family Counseling Center	<u>\$ 778,264</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 778,264</u>	<u>\$ 682,607</u>

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

**GENERAL OPERATING FUND DETAIL
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

	Location			Totals	
	Ruston	GNO	Southwest	2018	2017
EXPENSES (Cont'd)					
Clinical Services					
Salaries	\$ 1,097,856	\$ 142,799	\$ 119,709	\$ 1,360,364	\$ 1,307,659
Payroll taxes	77,698	9,749	8,546	95,993	92,840
Employee benefits	178,829	24,989	12,752	216,570	208,020
Therapeutic supplies	9,301	565	3,035	12,901	4,046
Travel and seminars	28,488	1,680	4,406	34,574	32,049
Travel - court	9,023			9,023	11,018
Office supplies	5,903			5,903	9,043
Utilities	5,016			5,016	4,275
Miscellaneous	9,200			22,644	16,869
	<u>1,421,314</u>	<u>182,870</u>	<u>158,804</u>	<u>1,762,988</u>	<u>1,685,819</u>
Total Clinical Services	<u>\$ 1,421,314</u>	<u>\$ 182,870</u>	<u>\$ 158,804</u>	<u>\$ 1,762,988</u>	<u>\$ 1,685,819</u>
Independent Life Skills Services					
Monroe Region					
Salaries	\$ 113,907	\$	\$	\$ 113,907	\$ 106,753
Payroll taxes	8,076			8,076	7,847
Employee benefits	15,497			15,497	14,982
Travel and seminar	16,808			16,808	12,279
Supplies	6,374			6,374	9,375
Postage	435			435	421
Miscellaneous	11,919			11,919	12,011
Telephone	1,837			1,837	991
Utilities	3,036			3,036	2,847
	<u>177,889</u>	<u>0</u>	<u>0</u>	<u>177,889</u>	<u>167,506</u>
Total Monroe Region	<u>\$ 177,889</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 177,889</u>	<u>\$ 167,506</u>
Covington Region					
Salaries	\$ 117,113	\$	\$	\$ 117,113	\$ 135,991
Payroll taxes	8,964			8,964	10,211
Employee benefits	8,988			8,988	6,781
Travel and seminar	9,098			9,098	5,029
Supplies	8,577			8,577	19,724
Rent	14,400			14,400	10,800
Miscellaneous	7,803			7,803	6,132
Telephone	4,574			4,574	1,571
Utilities	3,968			3,968	3,519
	<u>183,485</u>	<u>0</u>	<u>0</u>	<u>183,485</u>	<u>199,758</u>
Total Covington Region	<u>\$ 183,485</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 183,485</u>	<u>\$ 199,758</u>
Lake Charles Region					
Salaries	\$ 54,072	\$	\$	\$ 54,072	\$ 66,371
Payroll taxes	3,731			3,731	4,450
Employee benefits	10,958			10,958	9,985
Travel and seminar	5,763			5,763	7,193
Supplies	5,310			5,310	12,496
Rent	16,200			16,200	5,748
Miscellaneous	4,362			4,362	1,336
Telephone	4,146			4,146	1,705
Utilities	1,703			1,703	413
	<u>106,245</u>	<u>0</u>	<u>0</u>	<u>106,245</u>	<u>109,697</u>
Total Lake Charles Region	<u>\$ 106,245</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 106,245</u>	<u>\$ 109,697</u>

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

**GENERAL OPERATING FUND DETAIL
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

	Location			Totals	
	Ruston	GNO	Southwest	2018	2017
EXPENSES (Cont'd)					
Independent Life Skills Services					
(Cont'd)					
Lafayette Region					
Salaries	\$ 86,201	\$	\$	\$ 86,201	\$ 49,586
Payroll taxes	6,239			6,239	3,530
Employee benefits	9,336			9,336	5,516
Travel and seminar	8,563			8,563	5,461
Supplies	983			983	5,965
Rent	10,500			10,500	2,625
Miscellaneous	14,040			14,040	4,441
Telephone	1,722			1,722	0
Utilities	1,115			1,115	686
	<u>138,699</u>	<u>0</u>	<u>0</u>	<u>138,699</u>	<u>77,810</u>
Total Lafayette Region	\$ 138,699	\$ 0	\$ 0	\$ 138,699	\$ 77,810
Total Independent Life Skills Services	<u>606,318</u>	<u>0</u>	<u>0</u>	<u>606,318</u>	<u>554,771</u>
Methodist Foster Care					
Salary	\$ 1,013,477	\$	\$	\$ 1,013,477	\$ 861,741
Payroll taxes	70,282			70,282	60,538
Employee benefits	148,543			148,543	126,357
Advertising / recruiting	23,585			23,585	38,969
Office Supplies	23,883			23,883	15,775
Insurance	58,128			58,128	44,914
Rent / Utilities	78,783			78,783	63,341
Telephone	36,108			36,108	37,065
Transportation / travel	137,256			137,256	132,001
Training	17,405			17,405	17,254
Foster parent daily rate	1,405,792			1,405,792	762,484
Reimbursements	39,070			39,070	39,818
Miscellaneous	13,356			13,356	5,773
	<u>3,065,668</u>	<u>0</u>	<u>0</u>	<u>3,065,668</u>	<u>2,206,030</u>
Total Methodist Foster Care	\$ 3,065,668	\$ 0	\$ 0	\$ 3,065,668	\$ 2,206,030
Outdoor Wilderness Learning Center					
Salaries	\$ 354,141	\$	\$	\$ 354,141	\$ 403,239
Payroll taxes	26,360			26,360	28,351
Employee benefits	63,268			63,268	53,470
Advertising	4,114			4,114	3,271
Community events	2,044			2,044	0
Training and challenge course	8,664			8,664	7,841
Telephone	10,770			10,770	8,152
Utilities	35,526			35,526	33,148
Supplies - O.W.L.	37,311			37,311	8,357
Supplies - farm	26,289			26,289	42,505
Equipment and building repairs	15,248			15,248	20,381
Salsa and jelly supplies	27,699			27,699	30,376
Miscellaneous	15,234			15,234	16,717
Veterinarian fees	6,042			6,042	9,876
Vehicle cost	7,495			7,495	17,091
	<u>640,205</u>	<u>0</u>	<u>0</u>	<u>640,205</u>	<u>682,775</u>
Total Outdoor Wilderness Learning Center	\$ 640,205	\$ 0	\$ 0	\$ 640,205	\$ 682,775

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

**GENERAL OPERATING FUND DETAIL
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

	Location			Totals	
	Ruston	GNO	Southwest	2018	2017
EXPENSES (Cont'd)					
Development and Public Relations					
Salaries	\$ 368,534	\$	\$	\$ 368,534	\$ 429,392
Payroll taxes	27,408			27,408	30,087
Employee benefits	62,556			62,556	65,335
Advertising	591			591	637
Supplies	8,970			8,970	14,505
Telephone	4,578			4,578	3,508
Web page	437			437	351
Printing	67,187			67,187	116,176
Postage	22,205			22,205	33,433
Travel and seminar	33,639			33,639	36,351
Regional development activities	225			225	1,098
Special events	2,983	14,349		17,332	15,699
Software maintenance	18,430			18,430	7,976
Miscellaneous	11,400			11,400	9,557
Grant proposals	3,150			3,150	3,300
Utilities	7,391			7,391	7,593
Vehicle cost	10,898			10,898	6,892
	<u>650,582</u>	<u>14,349</u>	<u>0</u>	<u>664,931</u>	<u>781,890</u>
Total Public Relations and Development	<u>\$ 650,582</u>	<u>\$ 14,349</u>	<u>\$ 0</u>	<u>\$ 664,931</u>	<u>\$ 781,890</u>
Family Plus					
Ruston Region					
Salaries	\$	\$	\$	\$ 0	\$ 5,751
Payroll taxes				0	1,049
Employee benefits				0	2,629
Electronic health record				0	7,645
Advertising				0	0
Supplies				0	115
Telephone				0	205
Travel and seminar				0	1,910
Miscellaneous				0	1,051
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>20,355</u>
Total Ruston region	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 20,355</u>
Monroe Region					
Salaries	\$	\$	\$	\$ 0	\$ 41,357
Payroll taxes				0	1,953
Employee benefits				0	5,382
Dues and licenses				0	650
Miscellaneous				0	0
Supplies				0	644
Telephone				0	1,342
Travel				0	510
Rent/Utilities				0	1,436
Training				0	2,805
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>56,079</u>
Total Monroe region	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 56,079</u>
Shreveport Region					
Salaries	\$ 56,150	\$	\$	\$ 56,150	\$ 99,542
Payroll taxes	4,437			4,437	7,650
Employee benefits	4,023			4,023	7,238
Dues and licenses	660			660	2,385
Rent	6,000			6,000	6,000
Supplies	216			216	4,424
Telephone	8,452			8,452	7,162
Travel	255			255	3,318
Training	2,509			2,509	3,267
	<u>82,702</u>	<u>0</u>	<u>0</u>	<u>82,702</u>	<u>140,986</u>
Total Shreveport region	<u>\$ 82,702</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 82,702</u>	<u>\$ 140,986</u>

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

**GENERAL OPERATING FUND DETAIL
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

	Location			Totals	
	Ruston	GNO	Southwest	2018	2017
EXPENSES (Cont'd)					
Family Plus (Cont'd)					
GNO					
Salaries	\$	\$	\$	\$ 0	\$ 25,197
Payroll taxes				0	2,262
Employee benefits				0	2,907
Office equipment / supplies				0	827
Telephone				0	258
Travel				0	2,059
	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 33,510</u>
Total GNO					
Lake Charles Region					
Salary	\$ 109,885	\$	\$	\$ 109,885	\$ 140,711
Payroll taxes	7,934			7,934	9,811
Employee benefits	19,370			19,370	18,486
Dues and licenses	2,036			2,036	2,440
Supplies	1,942			1,942	4,036
Miscellaneous	132			132	35
Telephone	8,498			8,498	6,144
Travel	3,968			3,968	7,764
Training	2,559			2,559	4,784
Rent	3,600			3,600	1,800
	<u>\$ 159,924</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 159,924</u>	<u>\$ 196,011</u>
Total Lake Charles region					
Total Family Plus	<u>\$ 242,626</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 242,626</u>	<u>\$ 446,941</u>
Advocacy & Community Development					
Advertising	\$ 300	\$	\$	\$ 300	\$ 0
Community Events	5,054			5,054	0
	<u>\$ 5,354</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 5,354</u>	<u>\$ 0</u>
Total Advocacy & Community					
Capital Expenditures					
Equipment and trailers	\$ 24,704	\$	\$	\$ 24,704	\$ 3,170
Furniture and fixtures	17,955		4,802	22,757	18,740
Building and improvements	17,370		13,193	30,563	25,191
	<u>\$ 60,029</u>	<u>\$ 0</u>	<u>\$ 17,995</u>	<u>\$ 78,024</u>	<u>\$ 47,101</u>
Total Capital Expenditures					
Total Expenses	<u>\$ 21,719,863</u>	<u>\$ 2,443,191</u>	<u>\$ 3,148,878</u>	<u>\$ 27,311,932</u>	<u>\$ 25,981,792</u>

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

**STATEMENTS OF CHANGES IN GENERAL FIXED ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

DECEMBER 31, 2018

	Land and Improvements	Buildings and Improvements	Construction in Progress	Autos Furniture and Equipment	Total
GENERAL FIXED ASSETS - BEGINNING OF YEAR	\$ 2,646,047	\$ 21,884,028	\$ 212,327	\$ 4,202,657	\$ 28,945,059
Transfers	\$ 0	\$ 73,800	\$ (73,800)	\$ 0	\$ 0
Additions					
General operating fund	\$ 0	\$ 48,520	\$ 0	\$ 29,504	\$ 78,024
Local investment fund	113,294	887,015	324,479	166,352	1,491,140
General fixed asset	0	0	0	0	0
Total additions	\$ 113,294	\$ 935,535	\$ 324,479	\$ 195,856	\$ 1,569,164
Retirements					
General fixed assets	\$ 0	\$ (114,359)	\$ 0	\$ (581,922)	\$ (696,281)
GENERAL FIXED ASSETS - END OF YEAR	<u>\$ 2,759,341</u>	<u>\$ 22,779,004</u>	<u>\$ 463,006</u>	<u>\$ 3,816,591</u>	<u>\$ 29,817,942</u>

DECEMBER 31, 2017

	Land and Improvements	Buildings and Improvements	Construction in Progress	Autos Furniture and Equipment	Total
GENERAL FIXED ASSETS - BEGINNING OF YEAR	\$ 2,192,758	\$ 21,800,833	\$ 4,021	\$ 4,257,273	\$ 28,254,885
Transfers	\$ 1,632	\$ 2,389	\$ (4,021)	\$ 0	\$ 0
Additions					
General operating fund	\$ 0	\$ 25,191	\$ 3,170	\$ 18,740	\$ 47,101
Local investment fund	32,745	311,253	209,157	242,480	795,635
General fixed asset	445,000	0	0	0	445,000
Total additions	\$ 477,745	\$ 336,444	\$ 212,327	\$ 261,220	\$ 1,287,736
Retirements					
General fixed assets	\$ (26,088)	\$ (255,638)	\$ 0	\$ (315,836)	\$ (597,562)
GENERAL FIXED ASSETS - END OF YEAR	<u>\$ 2,646,047</u>	<u>\$ 21,884,028</u>	<u>\$ 212,327</u>	<u>\$ 4,202,657</u>	<u>\$ 28,945,059</u>

GARDNER, LANGSTON AND BRYAN

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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 FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited, 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, 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, 2018 and 2017, and the related statements of activities and cash flows for the years ended December 31, 2018 and 2017, as listed in the table of contents, and the related notes to the financial statements, and have issued our report thereon dated June 24, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements of Louisiana United Methodist Children and Family Services, Inc.'s as of and for the years ended December 31, 2018 and 2017, in accordance with auditing standards generally accepted in the United States of America, we considered Louisiana United Methodist Children and Family Services, Inc.'s 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 opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Organization's Internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

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

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We did not identify any deficiencies in internal control that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Louisiana United Methodist Children and Family Services, Inc.'s financial statements are free of 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 entity'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 entity'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 Legislative Auditor as a public document.

Gardner, Langston, and Bryan, CPAs



Monroe, Louisiana
June 24, 2019

LOUISIANA UNITED METHODIST CHILDREN AND FAMILY SERVICES, INC.

SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2018

Section I: Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified
Internal control over financial reporting:
• Material weakness(es) identified? Yes X No
• Significant deficiency(ies) identified that are not considered to be material weaknesses Yes X No
• Noncompliance material to financial statements noted? Yes X No

Federal Awards

Internal control over major federal programs:
• Material weakness(es) identified? Yes X No
• Significant deficiency(ies) identified? Yes X None reported
Type of Auditor's report issued on compliance for major programs: Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)? Yes X No
Identification of Major Programs:

Table with 2 columns: CFDA Number(s) and Name of Federal Program or Cluster. Rows include 93.674 (U. S. Department of Health and Human Services: Independent Living Program) and 16.575 (U. S. Department of Justice Office: Child Abuse Counseling Program).

Dollar threshold used to distinguish between type A and B Programs: \$750,000
Auditee qualified as low-risk auditee? Yes X No

State Awards

Internal control over major State programs:
• Material weakness(es) identified? Yes X No
• Significant deficiency(ies) identified? Yes X No
Type of auditor's report issued on compliance for major State programs: Unmodified
Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act: Yes X No

Section II: Financial Statement Findings

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

Section III: Federal Award Findings and Questioned Costs

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

Section IV: State Award Findings and Questioned Costs

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

LOUISIANA UNITED METHODIST CHILDREN AND FAMILY SERVICES, INC.

SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2017

Section I: Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified
Internal control over financial reporting:
Material weakness(es) identified? Yes X No
Significant deficiency(ies) identified that are not considered to be material weaknesses Yes X No
Noncompliance material to financial statements noted? Yes X No

Federal Awards

Internal control over major federal programs:
Material weakness(es) identified? Yes X No
Significant deficiency(ies) identified? Yes X None reported
Type of Auditor's report issued on compliance for major programs: Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)? Yes X No
Identification of Major Programs:

Table with 2 columns: CFDA Number(s) and Name of Federal Program or Cluster. Rows include 93.674 (U. S. Department of Health and Human Services: Independent Living Program) and 16.575 (U. S. Department of Justice Office: Child Abuse Counseling Program).

Dollar threshold used to distinguish between type A and B Programs: \$750,000
Auditee qualified as low-risk auditee? Yes X No

State Awards

Internal control over major State programs:
Material weakness(es) identified? Yes X No
Significant deficiency(ies) identified? Yes X No
Type of auditor's report issued on compliance for major State programs: Unmodified
Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act: Yes X No

Section II: Financial Statement Findings

There were no findings related to the financial statements for the year ended December 31, 2017

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, 2018**

Agency Head Name: Rick Wheat, President and CEO

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 175,112
Benefits-insurance	22,242
Benefits-retirement	10,507
Benefits-FICA	10,490
Car allowance	N/A
Vehicle provided by Organization	N/A
Per diem	N/A
Reimbursements	N/A
Travel	1,047
Registration fees	87
Conference travel	175
Continuing professional education fees	N/A
Housing	N/A
Unvouchered expenses	N/A
Special Meals	N/A

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INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures enumerated below, which were agreed by the Louisiana United Methodist Children and Family Services, Inc. (Organization) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the period January 1, 2018 through December 31, 2018. The Organization's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of Government Auditing Standards. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The exceptions obtained are described in the attachment to this report.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C 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.

The purpose of this report is solely to describe the scope of testing performed on those C/C 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.

Gardner, Langston, and Bryan, CPAs

Gardner, Langston & Bryan, CPAs

Monroe, Louisiana
June 17, 2019

SUPPLEMENT TO INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget
 - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to vendor list (3) the preparation and approval process of purchase requisitions and purchase order; (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.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
 - e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
 - f) **Contracting**, including (1) types of services requiring contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
 - g) **Credit Cards (and debit cards, fuel cards, P-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)
 - h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
 - i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation take place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's policy.
 - j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements

Exceptions

Except as otherwise stated, no exceptions were identified in the performance of the procedures listed above.

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 non-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 collection 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.

Exceptions

Except as otherwise stated, no exceptions were identified in the performance of the procedures listed above.

Bank Reconciliation

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 4 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 account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated electronically logged); and
 - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Exceptions

Except as otherwise stated, no exceptions were identified in the performance of the procedures listed above.

Collections

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 5 deposit sites (or all deposit sites if less than 5).
5. For each deposit 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 (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees that are 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 (e.g. pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger of subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - 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 are not responsible for collecting cash, unless another employee verifies the reconciliation.
6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 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 10 miles from the collection location or the deposit is less than \$100).
 - e) Trace the actual deposit per the bank statement to the general ledger.

Exceptions

All collection is done at one location, the Organization's office in Ruston, LA. All receipts come in the form of direct deposit. No exceptions were identified in the performance of the procedures listed above.

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

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures relating to employees about their 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/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 changed 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.
10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
 - a) Observe that the disbursement matched the related original invoice/billing statement.
 - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Exceptions

Except as otherwise stated, no exceptions were identified in the performance of the procedures listed above.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (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.
12. Using the listing prepared by management, randomly select 5 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 (for debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
 - a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of Lawrason Act municipality); these instances should not be reported.]
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). 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 (for meal charges only).

Exceptions

Except as otherwise stated, no exceptions were identified in the performance of the procedures listed above.

Travel and Travel-Related Reimbursements (excluding card transactions)

14. 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 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
 - a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (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 (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure#1h).
 - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Exceptions

Except as otherwise stated, no exceptions were identified in the performance of the procedures listed above.

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 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 (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
 - c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.
 - d) Randomly select one payment from the fiscal period for each of the 5 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.

Exceptions

Except as otherwise stated, no exceptions were identified in the performance of the procedures listed above.

Payroll and Personnel

16. Obtain a listing of employee/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period and:
- a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates in the employee/officials' personnel files.
19. 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 associated forms have been filed, by required deadlines.

Exceptions

Except as otherwise stated, no exceptions were identified in the performance of the procedures listed above.

Ethics

- 20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:
 - a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b) Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

Exceptions

This is not applicable for this not for profit entity.

Debt Service

- 21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.
- 22. 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 balances and payments to those required by debt covenants.

Exceptions

This is not applicable for this not for profit entity.

Other

- 23. 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.
- 24. Observe that the entity has posted on its premises and website, the notice required by RS 24:523.1 concerning the reporting misappropriation, fraud, waste, or abuse of public funds.

Exceptions

Inquired of management whether the Entity had any misappropriations of public funds or assets and there was none.