

RECEIVED
LEGISLATIVE AUDITOR

OFFICIAL
FILE COPY
DO NOT SEND OUT

99 APR 26 AM 10 21
LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.
RUSTON, LOUISIANA

(Xerox necessary
copies from this
copy and PLACE
BACK in FILE)

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

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

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

FINANCIAL STATEMENTS AND
SUPPLEMENTARY DATA
Release Date MAY 05 1999 DECEMBER 31, 1998 AND 1997
AND
INDEPENDENT AUDITORS' REPORT

MINCHEW, ROBINSON, GARDNER, LANGSTON and BRYAN
CERTIFIED PUBLIC ACCOUNTANTS

2120 Forsythe Avenue
P.O. Box 4550
Monroe, Louisiana 71211-4550

GENE E. MINCHEW, CPA
A Professional Corporation
OSCAR C. ROBINSON, JR., CPA
A Professional Corporation
C. DENNIS GARDNER, CPA
A Professional Corporation
TIMMY R. LANGSTON, CPA
A Professional Corporation
RUSSELL B. BRYAN, CPA
A Professional Corporation

Telephone
(318) 323-4481

Telecopier
(318) 323-2188

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

We have audited the financial statements, as listed in the table of contents, of Louisiana United Methodist Children and Family Services, Inc., as of and for the year ended December 31, 1998 and 1997 and have issued our report thereon, dated February 11, 1999. We have conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. The attached Appendix is an integral part of this report.

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

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

Our report on Internal Controls and Compliance for the year ended December 31, 1997 identified no material weaknesses in internal control and no instances of noncompliances that were required to be reported under *Government Auditing Standards*. Comments in our prior year management letter indicated that changes and refinements were in place to adequately record non-cash contributions and to provide security for cash accounts.

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

Minchow, Robinson, Gardner, Langston and Bryan

February 11, 1999

MINCHEW, ROBINSON, GARDNER, LANGSTON AND BRYAN
CERTIFIED PUBLIC ACCOUNTANTS

2120 FORSYTHE AVENUE
P.O. BOX 4550
MONROE, LOUISIANA 71211-4550

GENE E. MINCHEW, CPA
A Professional Corporation
OSCAR C. ROBINSON, JR., CPA
A Professional Corporation
C. DENNIS GARDNER, CPA
A Professional Corporation
TIMMY R. LANGSTON, CPA
A Professional Corporation
RUSSELL B. BRYAN, CPA
A Professional Corporation

Telephone
(318) 323-4481

Telecopier
(318) 323-2188

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

Responsibility of Management

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

Definitions

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

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

Minchew, Robinson, Gardner, Langston and Bryan

February 11, 1999

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

FINANCIAL STATEMENTS AND
SUPPLEMENTARY DATA
DECEMBER 31, 1998 AND 1997
AND
INDEPENDENT AUDITORS' REPORT

LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.

C O N T E N T S

	<u>Page</u>
INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS	1
FINANCIAL STATEMENTS	
Combined statements of financial position	2
Combined statements of activities	3
Combined statements of cash flows	4
Financial Statements of Individual Funds	
General Operating Fund	
Statements of financial position	5
Statements of activities	6
Statements of cash flows	7
Endowment Fund	
Statements of financial position	8
Statements of activities	9
Statements of cash flows	10
Local Investment Fund	
Statements of financial position	11
Statements of activities	12
Statements of cash flows	13
General Fixed Assets	
Statements of financial position	14
Statements of activities	15
Statements of cash flows	16
Notes to Financial Statements	17
INDEPENDENT AUDITORS' REPORT ON THE SUPPLEMENTARY DATA	21
Supplementary Data	
General Operating Fund	
Statements of Activities - details	
Revenue detail	22
Expenses detail	23
General Fixed Assets	
Statements of changes in general fixed assets	34

MINCHEW, ROBINSON, GARDNER, LANGSTON and BRYAN
CERTIFIED PUBLIC ACCOUNTANTS

2120 Forsythe Avenue
P.O. Box 4550
Monroe, Louisiana 71211-4550

GENE E. MINCHEW, CPA
A Professional Corporation
OSCAR C. ROBINSON, JR., CPA
A Professional Corporation
C. DENNIS GARDNER, CPA
A Professional Corporation
TIMMY R. LANGSTON, CPA
A Professional Corporation
RUSSELL B. BRYAN, CPA
A Professional Corporation

Telephone
(318) 323-4481

Telecopier
(318) 323-2188

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

We have audited the accompanying statements of financial position of Louisiana United Methodist Children and Family Services, Inc., as of December 31, 1998 and 1997, and the related statements of activities and cash flows for the years then ended, as listed in the table of contents. These financial statements are the responsibility of Louisiana United Methodist Children and Family Services, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

Governmental Accounting Standards Board Technical Bulletin 98-1, *Disclosures About Year 2000 Issues*, requires disclosure of certain matters regarding the year 2000 issue in order for financial statements to be prepared in conformity with generally accepted accounting principles. Such required disclosures include:

- any significant amount of resources committed to make computer systems and other electronic equipment year 2000-compliant;
- a general description of the year 2000 issue, including a description of the stages of work in process or completed as of the end of the reporting period to make computer systems and other electronic equipment critical to conducting operations year 2000-compliant; and
- the additional stages of work necessary for making the computer systems and other electronic equipment year 2000-compliant.

Louisiana United Methodist Children and Family Services, Inc. has omitted such disclosures. We do not provide assurance that Louisiana United Methodist Children and Family Services, Inc. is or will be year 2000 ready, that Louisiana United Methodist Children and Family Services, Inc.'s year 2000 remediation efforts will be successful in whole or in part, or that parties with which Louisiana United Methodist Children and Family Services, Inc. does business will be year 2000 ready.

In our opinion, except for the omission of the information discussed in the preceding paragraph, 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, 1998 and 1997, and the changes in net assets and cash flows for the years then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated February 11, 1999 on our consideration of Louisiana United Methodist Children and Family Services, Inc.'s internal control and tests of its compliance with laws and regulations.

Minchew, Robinson, Jordan, Langston and Bryan

February 11, 1999

LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.

COMBINED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 1998 AND 1997

	General Operating Fund	Endowment Fund	Local Investment Fund	General Fixed Assets	Total 1998	Total 1997
ASSETS						
Current Assets						
Cash and cash equivalents	\$ 192,271	\$ 516,912	\$ 20,308	\$	\$ 729,491	\$ 822,649
Accounts receivable	375,591		31,844		407,435	396,112
Prepaid expenses	43,323				43,323	39,623
Promises to give - temporarily restricted			12,060		12,060	13,185
Total current assets	\$ 611,185	\$ 516,912	\$ 64,212	\$	\$ 1,192,309	\$ 1,271,569
Other Assets						
Promises to give - temporarily restricted			\$ 1,520		\$ 1,520	\$ 12,660
Long-Term Investments						
Certificates of deposit - temporarily restricted		\$	\$ 68,817		\$ 68,817	\$ 67,540
Stocks, bonds and notes		23,997,923	20,221		24,018,144	21,794,071
Investment property			522,033		522,033	522,033
Trust funds - temporarily restricted			719,904		719,904	666,900
Total long-term investments		\$ 23,997,923	\$ 1,330,975		\$ 25,328,898	\$ 23,050,544
Property and Equipment						
Land and improvements				\$ 93,220	\$ 93,220	\$ 93,220
Property, plant and equipment				7,554,793	7,554,793	7,413,748
Less: Accumulated depreciation				(3,264,766)	(3,264,766)	(3,002,084)
Total property and equipment				\$ 4,383,247	\$ 4,383,247	\$ 4,504,884
Total Assets	\$ 611,185	\$ 24,514,835	\$ 1,396,707	\$ 4,383,247	\$ 30,905,974	\$ 28,839,657
LIABILITIES						
Current Liabilities						
Accounts payable	\$ 66,866				\$ 66,866	\$ 47,136
Accrued compensation	167,591				167,591	154,251
Total current liabilities	\$ 234,457				\$ 234,457	\$ 201,387
Net Assets						
Unrestricted	\$ 376,728	\$ 24,514,835	\$ 594,406	\$ 4,383,247	\$ 29,869,216	\$ 27,877,985
Temporarily restricted			802,301		802,301	760,285
Total net assets	\$ 376,728	\$ 24,514,835	\$ 1,396,707	\$ 4,383,247	\$ 30,671,517	\$ 28,638,270
Total Liabilities and Net Assets	\$ 611,185	\$ 24,514,835	\$ 1,396,707	\$ 4,383,247	\$ 30,905,974	\$ 28,839,657

The accompanying notes are an integral part of this statement.

LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.

COMBINED STATEMENTS OF ACTIVITIES
For The Years Ending December 31, 1998 and 1997

	General Operating Fund	Endowment Fund	Local Investment Fund	General Fixed Assets	Total All Funds 1998	Total All Funds 1997
UNRESTRICTED SUPPORT AND REVENUE						
Contributions	\$ 433,943	\$	\$ 41,900	\$	\$ 475,843	\$ 632,353
Children's home offerings	49,683				49,683	73,281
Wills and bequests			17,990		17,990	3,366
Child care support	2,931,118				2,931,118	2,929,115
Independent living services	120,147				120,147	89,469
Federal subgrants for child care	50,022				50,022	
Family development services	16,985				16,985	37,949
Trust funds	61,235		7,955		69,190	64,336
Interest income	8,006	335,982	902		344,890	7,511
Dividend income	10,106	423,366	216		433,688	280,034
Miscellaneous	55,071		1,629		56,700	483,796
Net realized and unrealized gain on investments		2,348,843			2,348,843	3,066,924
Other investment income			177,859		177,859	281,564
	<u>\$ 3,736,316</u>	<u>\$ 3,108,191</u>	<u>\$ 248,451</u>	<u>\$</u>	<u>\$ 7,092,958</u>	<u>\$ 7,969,698</u>
EXPENSES						
Administrative and general	\$ 634,485	\$ 154,293	\$ 13,748	\$	\$ 802,526	\$ 783,135
Plant operator and maintenance	407,603				407,603	378,533
Emergency shelter care	638,406				638,406	611,407
Residential group care	1,557,557				1,557,557	1,554,332
Educational services	244,292				244,292	219,186
Religious education	74,033				74,033	72,230
Family development service	233,800				233,800	195,474
Outreach and independent living	114,779				114,779	79,464
Outdoor wilderness learning	38,666				38,666	20,975
Public relation and development	229,046				229,046	247,403
Arcadia group care						52,479
Changing attitudes and behavior	461,662				461,662	401,232
Provision for depreciation				299,357	299,357	272,302
	<u>\$ 4,634,329</u>	<u>\$ 154,293</u>	<u>\$ 13,748</u>	<u>\$ 299,357</u>	<u>\$ 5,101,727</u>	<u>\$ 4,888,152</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	<u>\$ (898,013)</u>	<u>\$ 2,953,898</u>	<u>\$ 234,703</u>	<u>\$ (299,357)</u>	<u>\$ 1,991,231</u>	<u>\$ 3,081,546</u>
CHANGE IN UNRESTRICTED NET ASSETS FROM OPERATIONS	<u>\$ (898,013)</u>	<u>\$ 2,953,898</u>	<u>\$ 234,203</u>	<u>\$ (299,357)</u>	<u>\$ 1,991,231</u>	<u>\$ 3,081,546</u>
OTHER CHANGES IN NET ASSETS						
Property and equipment acquisitions and transfers	(25,201)		(152,519)	177,720		
Operating transfers	995,071	(1,025,071)	30,000			
Endowment transfers		270,558	(270,558)			
CHANGE IN UNRESTRICTED NET ASSETS	<u>\$ 71,857</u>	<u>\$ 2,199,385</u>	<u>\$ (158,374)</u>	<u>\$ (121,637)</u>	<u>\$ 1,991,231</u>	<u>\$ 3,081,546</u>
CHANGE IN TEMPORARILY RESTRICTED NET ASSETS						
Net realized and unrealized gain on investments			54,281		54,281	95,173
Contributions			(12,265)		(12,265)	25,845
INCREASE IN NET ASSETS	<u>\$ 71,857</u>	<u>\$ 2,199,385</u>	<u>\$ (116,358)</u>	<u>\$ (121,637)</u>	<u>\$ 2,033,247</u>	<u>\$ 3,202,564</u>
NET ASSETS - BEGINNING OF YEAR	<u>304,871</u>	<u>22,315,450</u>	<u>1,513,065</u>	<u>4,504,884</u>	<u>28,638,270</u>	<u>25,435,706</u>
NET ASSETS - END OF YEAR	<u>\$ 376,728</u>	<u>\$ 24,514,835</u>	<u>\$ 1,396,707</u>	<u>\$ 4,383,247</u>	<u>\$30,671,517</u>	<u>\$ 28,638,270</u>

The accompanying notes are an integral part of this statement.

LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.

COMBINED STATEMENTS OF CASH FLOWS
For The Years Ended December 31, 1998 and 1997

	General Operating Fund	Endowment Fund	Local Investment Fund	General Fixed Assets	Total 1998	Total 1997
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash received from services	\$ 3,081,895	\$	\$	\$	\$ 3,081,895	\$ 3,120,021
Cash received from contributions	503,808		64,790		568,598	687,913
Income from trust funds	61,345		8,295		69,640	61,218
Interest received	8,007	361,325	902		370,234	412,973
Dividends received	10,106	423,366	216		433,688	265,939
Receipt from investment properties			220,924		220,924	255,806
Miscellaneous receipts	10,906		1,630		12,536	29,369
Cash paid to employees and suppliers	(4,604,534)	(154,293)	(13,553)		(4,772,380)	(4,616,384)
Cash received from other funds	995,071	(1,025,071)	30,000			
Net cash provided by operating activities	\$ 66,604	\$ (394,673)	\$ 313,204	\$	\$ (14,865)	\$ 216,855
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds from sale of investments	\$	\$ 47,442,002	\$	\$	\$ 47,442,002	\$ 21,361,796
Purchase of investments		(47,342,575)			(47,342,575)	(20,403,930)
Purchase of property and equipment	(25,201)		(152,519)		(177,720)	(1,073,245)
Endowment transfers		270,558	(270,558)			
Net cash used in investing activities	\$ (25,201)	\$ 369,985	\$ (423,077)	\$	\$ (78,293)	\$ (115,379)
INCREASE IN CASH AND CASH EQUIVALENTS						
	\$ 41,403	\$ (24,688)	\$ (109,873)	\$	\$ (93,158)	\$ 101,476
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR						
	150,868	541,600	130,181		822,649	721,173
CASH AND CASH EQUIVALENTS - END OF YEAR						
	\$ 192,271	\$ 516,912	\$ 20,308	\$	\$ 729,491	\$ 822,649
RECONCILIATION OF CHANGE IN NET ASSETS TO CASH PROVIDED BY OPERATING ACTIVITIES						
Change in net assets	\$ 71,857	\$ 2,199,385	\$ (116,358)	\$ (121,637)	\$ 2,033,247	\$ 3,202,564
Net assets to net cash provided						
Depreciation				299,357	299,357	272,302
Increase in receivables and promises to give	(59,824)	(6,527)	60,766		(5,585)	(72,876)
Increase in prepaid expenses	(3,700)				(3,700)	(3,353)
Increase in payables and accrued expenses	33,070				33,070	(127,628)
Realized and unrealized gain on investments		(2,348,843)	(54,281)		(2,403,124)	(3,183,439)
Purchase of property and equipment	25,201		152,519		177,720	1,073,245
Increase in discounts on investments		31,870			31,870	(1,392)
Transfer from other funds		(270,558)	270,558	(177,720)	(177,720)	(942,568)
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 66,604	\$ (394,673)	\$ 313,204	\$	\$ (14,865)	\$ 216,855

The accompanying notes are an
integral part of this statement.

LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.

GENERAL OPERATING FUND
STATEMENTS OF FINANCIAL POSITION
December 31, 1998 and 1997

ASSETS

	1998	1997
Current assets		
Cash and cash equivalents	\$ 192,271	\$ 150,868
Accounts receivable	375,591	315,767
Prepaid expenses	43,323	39,623
Total Current Assets	\$ 611,185	\$ 506,258

LIABILITIES

Current Liabilities		
Accounts payable	\$ 66,866	\$ 47,136
Accrued compensation	167,591	154,251
Total Current Liabilities	\$ 234,457	\$ 201,387

NET ASSETS

Unrestricted net assets	376,728	304,871
Total Liabilities and Net Assets	\$ 611,185	\$ 506,258

The accompanying notes are an
integral part of this statement.

LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.

GENERAL OPERATING FUND
STATEMENTS OF ACTIVITIES
For the Years Ended December 31, 1998 and 1997

	<u>1998</u>	<u>1997</u>
UNRESTRICTED REVENUES AND SUPPORT		
Contributions	\$ 433,943	\$ 401,796
Children's home offerings	49,683	73,281
Special events	32,026	19,946
Federal subgrants for child care	2,931,118	2,929,115
Independent living services	120,147	89,469
Grants for child care	50,022	
Family development services	16,985	37,949
Training fees and evaluation	16,014	19,559
Trust funds	61,235	56,497
Interest income	8,006	6,839
Outdoor wilderness learning	6,313	6,935
Miscellaneous income	10,824	18,915
	<u>\$ 3,736,316</u>	<u>\$ 3,660,301</u>
EXPENSES		
Administrative and general	\$ 634,485	\$ 633,343
Plant operation and maintenance	407,603	378,533
Emergency shelter care	638,406	611,407
Residential group care	1,557,557	1,554,332
Educational services	244,292	219,186
Religious education	74,033	72,230
Family development service	233,800	195,474
Outreach and independent living services	114,779	79,464
Outdoor wilderness learning	38,666	20,975
Public relations and development	229,046	247,403
Capital expenditures	25,201	31,797
Arcadia group care		52,479
Changing attitudes and behavior program	461,662	401,232
	<u>\$ 4,659,530</u>	<u>\$ 4,497,855</u>
REVENUE OVER EXPENSES	<u>\$ (923,214)</u>	<u>\$ (837,554)</u>
NET ASSETS TRANSFERRED FROM OTHER FUNDS	<u>\$ 995,071</u>	<u>\$ 875,463</u>
INCREASE IN UNRESTRICTED NET ASSETS	\$ 71,857	\$ 37,909
NET ASSETS AT BEGINNING OF YEAR	<u>304,871</u>	<u>266,962</u>
NET ASSETS AT END OF YEAR	<u>\$ 376,728</u>	<u>\$ 304,871</u>

The accompanying notes are an integral part of this statement.

LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.

GENERAL OPERATING FUND
STATEMENTS OF CASH FLOWS
As of December 31, 1998 and 1997

	1998	1997
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from services	\$ 3,081,895	\$ 3,120,021
Cash received from contributions	503,808	458,990
Income from trust funds	61,345	53,330
Interest received	8,007	6,839
Miscellaneous receipts	21,012	10,617
Transfer from endowment fund	995,071	893,785
Cash paid to employees and suppliers	<u>(4,604,534)</u>	<u>(4,466,395)</u>
Net cash provided by operating activities	<u>\$ 66,604</u>	<u>\$ 77,187</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	<u>\$ (25,201)</u>	<u>\$ (33,616)</u>
Net cash used in investing activities	<u>\$ (25,201)</u>	<u>\$ (33,616)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ 41,403	\$ 43,571
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>150,868</u>	<u>107,297</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 192,271</u></u>	<u><u>\$ 150,868</u></u>
RECONCILIATION OF CHANGES IN NET ASSETS TO CASH PROVIDED BY OPERATING ACTIVITIES		
Change in net assets	\$ 71,857	\$ 37,909
Adjustments to reconcile change in net assets to net cash used by operating activities:		
(Increase) decrease in accounts receivable	(59,824)	7,785
(Increase) decrease in prepaid expenses	(3,700)	(3,353)
Increase (decrease) in accounts payable	19,730	(19,057)
Increase in accrued wages	13,340	20,287
Purchase of property and equipment	<u>25,201</u>	<u>33,616</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u><u>\$ 66,604</u></u>	<u><u>\$ 77,187</u></u>

The accompanying notes are an
integral part of this statement.

LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.

ENDOWMENT FUND
STATEMENTS OF FINANCIAL POSITION
As of December 31, 1998 and 1997

	1998	1997
ASSETS		
Cash and cash equivalents - The Trust Company of Louisiana - custodian	\$ 516,912	\$ 541,600
Investments - The Trust Company of Louisiana - custodian	23,997,923	21,773,850
Total assets	\$ 24,514,835	\$ 22,315,450
 NET ASSETS		
Unrestricted net assets	\$ 24,514,835	\$ 22,315,450

The accompanying notes are an
integral part of this statement.

LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.

ENDOWMENT FUND
STATEMENTS OF ACTIVITIES
For The Years Ended December 31, 1998 and 1997

	1998	1997
REVENUE		
Dividend income	\$ 423,366	\$ 262,279
Interest income	335,982	434,262
Realized and unrealized gain on investments	2,348,843	3,086,924
	\$ 3,108,191	\$ 3,783,465
EXPENSES		
Bank custody fees	\$ 25,482	\$ 28,347
Management fees	128,811	108,398
	\$ 154,293	\$ 136,745
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ 2,953,898	\$ 3,646,720
OTHER CHANGES IN NET ASSETS		
Operating transfers	(1,025,071)	(1,733,486)
Transfer from local investment fund	270,558	247,459
CHANGE IN UNRESTRICTED NET ASSETS	\$ 2,199,385	\$ 2,160,693
UNRESTRICTED NET ASSETS AT BEGINNING OF YEAR - RESTATED	22,315,450	20,154,757
UNRESTRICTED NET ASSETS AT END OF YEAR	\$ 24,514,835	\$ 22,315,450

The accompanying notes are an
integral part of this statement.

LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.

ENDOWMENT FUND
STATEMENTS OF CASH FLOWS
For The Years Ended December 31, 1998 and 1997

	1998	1997
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest received	\$ 361,325	\$ 405,462
Dividends received	423,366	265,777
Transfers to Operating Fund	(995,071)	(875,463)
Transfers to Local Investment Fund	(30,000)	(858,023)
Cash paid to suppliers of services	(154,293)	(136,745)
	<u>\$ (394,673)</u>	<u>\$ (1,198,992)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of securities	\$ 47,442,002	\$ 21,361,796
Transfers from Local Investment Fund	270,558	247,458
Purchase of securities	(47,342,575)	(20,403,930)
	<u>\$ 369,985</u>	<u>\$ 1,205,324</u>
INCREASE IN CASH AND CASH EQUIVALENTS	\$ (24,688)	\$ 6,332
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>541,600</u>	<u>535,268</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 516,912</u>	<u>\$ 541,600</u>
RECONCILIATION OF CHANGES TO NET ASSETS TO CASH PROVIDED BY OPERATING ACTIVITIES		
Changes in net assets	\$ 2,199,385	\$ 2,160,693
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Increase in receivables	(6,527)	(23,911)
Net realized and unrealized gain on investments	(2,348,843)	(3,086,924)
Operating transfers	(270,558)	(247,458)
Amortization of bond premiums (discounts)	31,870	(1,392)
	<u>\$ (394,673)</u>	<u>\$ (1,198,992)</u>
NET CASH PROVIDED (USED) BY OPERATIONS	<u>\$ (394,673)</u>	<u>\$ (1,198,992)</u>

The accompanying notes are an
integral part of this statement.

LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.

LOCAL INVESTMENT FUND
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 1998 AND 1997

ASSETS

	1998	1997
Current Assets		
Cash and cash equivalents	\$ 20,308	\$ 130,181
Accounts receivable	31,844	80,345
Unconditional promises to give - temporarily restricted	12,060	13,185
Total current assets	\$ 64,212	\$ 223,711
Other Assets		
Unconditional promises to give - temporarily restricted	\$ 1,520	\$ 12,660
Long-Term Investments		
Certificates of deposits - temporarily restricted	\$ 68,817	\$ 67,540
Stocks and bonds	20,221	20,221
Louise Briley Leake Trust Fund - temporarily restricted	719,904	666,900
Lorraine Howard Property	462,035	462,035
R.D. Webb Property	97	97
R.D. Shelley Property	801	801
L.V. Lindingham Property	100	100
A.P. White Property	59,000	59,000
Total long-term investments	\$ 1,330,975	\$ 1,276,694
Total Assets	\$ 1,396,707	\$ 1,513,065
LIABILITIES		
NET ASSETS		
Unrestricted	\$ 594,406	\$ 752,780
Temporarily restricted	802,301	760,285
	\$ 1,396,707	\$ 1,513,065
Total Liabilities and Net Assets	\$ 1,396,707	\$ 1,513,065

The accompanying notes are an
integral part of this statement.

LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.

LOCAL INVESTMENT FUND
STATEMENTS OF ACTIVITIES
For The Years Ended December 31, 1998 and 1997

	1998	1997
UNRESTRICTED REVENUE AND SUPPORT		
Loraine Howard Property	\$ 18,522	\$ 25,352
R.D. Webb Property	143,208	232,943
Shelley Property	16,129	23,269
Trust Funds	7,955	7,839
Wills and bequests	17,990	3,366
Contributions and memorials	41,900	230,557
Interest income	902	672
Dividend income	216	162
Miscellaneous income	1,629	1,772
	<u>\$ 248,451</u>	<u>\$ 525,932</u>
Total revenue and support		
EXPENSES		
Administrative and general	\$ 13,748	\$ 13,047
Capital expenses	152,519	910,771
	<u>\$ 166,267</u>	<u>\$ 923,818</u>
Total expenses		
EXCESS OF REVENUE OVER EXPENSES	\$ 82,184	\$ (397,886)
OTHER CHANGES IN NET ASSETS		
Operating transfers	(270,558)	(247,459)
Transfer to Endowment Fund	30,000	858,023
Transfer from Endowment Fund		
	<u>\$ (158,374)</u>	<u>\$ 212,678</u>
CHANGE IN UNRESTRICTED NET ASSETS		
CHANGE IN TEMPORARILY RESTRICTED ASSETS		
Net realized and unrealized gain in investments	\$ 54,281	\$ 95,173
Contributions	(12,265)	25,845
	<u>\$ 42,016</u>	<u>\$ 121,018</u>
INCREASE IN NET ASSETS	\$ (116,358)	\$ 333,696
NET ASSETS - BEGINNING OF YEAR	<u>1,513,065</u>	<u>1,179,369</u>
NET ASSETS - END OF YEAR	<u>\$ 1,396,707</u>	<u>\$ 1,513,065</u>

The accompanying notes are an
integral part of this statement.

LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.

LOCAL INVESTMENT FUND
STATEMENTS OF CASH FLOWS
For The Years Ended December 31, 1998 and 1997

	1998	1997
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from contributions	\$ 64,790	\$ 228,923
Income from trust funds	8,295	7,888
Interest received	902	672
Miscellaneous receipts	1,630	430
Dividends received	216	162
Receipts from investment properties	220,924	255,806
Cash paid to suppliers	(13,553)	(13,244)
Operating transfers	30,000	858,023
	<u>\$ 313,204</u>	<u>\$ 1,338,660</u>
Net cash provided by operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Transfer to Endowment Fund	\$ (270,558)	\$ (247,458)
Capital purchases for Plant Fund	(152,519)	(1,039,629)
	<u>\$ (423,077)</u>	<u>\$ (1,287,087)</u>
Net cash used by investing activities		
INCREASE IN CASH AND CASH EQUIVALENTS	\$ (109,873)	\$ 51,573
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>130,181</u>	<u>78,608</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 20,308</u>	<u>\$ 130,181</u>
RECONCILIATION OF CHANGES TO NET ASSETS TO CASH PROVIDED BY OPERATING ACTIVITIES		
Change in net assets	\$ (116,358)	\$ 333,696
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Increase in receivables and promises to give	60,766	(56,750)
Realized and unrealized gains as investments	(54,281)	(96,515)
Increase in accounts payable		(128,858)
Transfer to other funds	270,558	247,458
Purchase of property and equipment	152,519	1,039,629
	<u>\$ 313,204</u>	<u>\$ 1,338,660</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		

The accompanying notes are an
integral part of this statement.

LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.

GENERAL FIXED ASSETS
STATEMENTS OF FINANCIAL POSITION
As of December 31, 1998 and 1997

ASSETS	1998	1997
Autos, trucks and buses	\$ 347,002	\$ 361,879
Tractors and ground equipment	121,794	120,785
Furniture, fixtures and equipment	1,257,933	1,158,838
Building and improvements	5,828,064	5,772,246
Land and land improvements	93,220	93,220
	\$ 7,648,013	\$ 7,506,968
Less: Accumulated depreciation	(3,264,766)	(3,002,084)
	\$ 4,383,247	\$ 4,504,884
INVESTMENT IN GENERAL FIXED ASSETS		
Fund Balance - General Fixed Assets	\$ 4,383,247	\$ 4,504,884

The accompanying notes are an
integral part of this statement.

LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.

GENERAL FIXED ASSETS
STATEMENTS OF ACTIVITIES
For The Years Ended December 31, 1998 and 1997

	<u>1998</u>	<u>1997</u>
EXPENSES		
Provision for depreciation	\$ 299,357	\$ 272,302
EXCESS OF EXPENSES OVER REVENUE	\$ (299,357)	\$ (272,302)
ACQUISITION OF PROPERTY AND EQUIPMENT WITH TRANSFERS FROM OTHER CURRENT FUNDS	<u>177,720</u>	<u>942,568</u>
CHANGE IN NET ASSETS	\$ (121,637)	\$ 670,266
NET ASSETS - BEGINNING OF YEAR	<u>4,504,884</u>	<u>3,834,618</u>
NET ASSETS - END OF YEAR	<u>\$ 4,383,247</u>	<u>\$ 4,504,884</u>

The accompanying notes are an
integral part of this statement.

LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.

GENERAL FIXED ASSETS
STATEMENTS OF CASH FLOWS
For The Years Ended December 31, 1998 and 1997

	1998	1997
CASH FLOWS FROM OPERATING ACTIVITIES	\$ 0	\$ 0
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	0	0
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 0	\$ 0
 RECONCILIATION OF CHANGES IN NET ASSETS TO CASH PROVIDED BY OPERATING ACTIVITIES		
Change in net assets	\$ (121,637)	\$ 670,266
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	299,357	272,302
Transfer from other funds	(177,720)	(942,568)
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 0	\$ 0

The accompanying notes are an
integral part of this statement.

LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Purpose

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

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

The Organization receives a significant portion of its revenue from grants/contracts from government agencies; thus, the Home is subject to possible cutbacks due to changes in funding priorities. During 1998 and 1997, the Home received approximately 81 and 75 percent of its gross public support from such grants/contracts.

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements for Not-for-Profit Organizations*. Under SFAS No. 117, the Home is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. No permanently restricted assets were held during 1998 and 1997 and accordingly, these financials do not reflect any activity related to this class of net assets for 1998 and 1997.

Cash and Cash Equivalents

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

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. This will affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS

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

Donated Property and Services

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

Plant and Equipment

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

Contributions

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

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

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

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

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

Functional Allocation of Expenses

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

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

Credit Risk

The Organization maintains cash accounts in ten institutions with locations in Ruston, Louisiana. The balances are insured by the Federal Deposit Insurance Corporation up to \$100,000. At December 31, 1998, the Organization's uninsured cash balances totaled \$-0-, with \$392,743 secured by repurchase agreements.

LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 2 - DEFINED CONTRIBUTION PLAN

The Louisiana United Methodist Children and Family Services, Inc. sponsors substantially all of its employees in the Lay Employee's Pension Fund of the United Methodist Church whereby it matches the employee's contribution two for one up to a maximum cost to the Corporation of 6% of employees gross earnings. Contribution by the Corporation totals \$104,712 for 1998 and \$84,775 for 1997.

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

	1998	1997
Local Investment Fund		
Certificates of deposits - restricted	\$ 68,817	\$ 67,540
Equity securities - cost	20,221	20,221
Dividends received - Local Investment Fund	216	162
Endowment Fund - market		
Cash equivalents	\$ 516,912	\$ 541,600
U.S. Government bonds and notes	3,368,683	3,314,471
U.S. Government agencies	1,516,560	599,721
Corporate bonds and notes	1,282,522	4,338,812
Foreign bonds, notes and equities	1,107,615	180,493
State and municipal bonds		70,066
Equity securities	16,601,463	13,155,751
Accrued interest and ex-dividends	121,063	114,536
	\$ 24,514,818	\$ 22,315,450
Net Income For Years - Endowment Fund		
Interest	\$ 335,982	\$ 434,263
Dividends	423,366	262,279
Realized and unrealized gains and losses	2,348,843	3,086,924
	\$ 3,108,191	\$ 3,783,466

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 years from the death of the donor. The bequest was recorded at fair value. Annual changes in fair value are reported as unrealized gain or loss and an increase in temporarily restricted assets.

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

LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 4 - CONCENTRATION REVENUES AND ACCOUNTS RECEIVABLE

Louisiana United Methodist Children and Family Services, Inc.'s residential treatment programs serve children primarily from Louisiana. Fees for these services are paid primarily by governmental agencies of Louisiana under contracts which the Organization executes annually. The Organization is reimbursed by the agencies for actual client days based on a per diem rate established in accordance with Louisiana law. The contracts may be terminated by either party with thirty days notice and are subject to the availability and appropriation of federal and/or state funds. Revenue from this service totaled \$2,931,118 and \$2,929,115 for 1998 and 1997, respectively.

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

NOTE 5 - SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

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

The Child Abuse Counseling Program subgrant requires a 24.74% match and the Violence Prevention Program subgrant is a nonmatching program with 100% reimbursement for personnel, related benefits and contract services.

MINCHEW, ROBINSON, GARDNER, LANGSTON and BRYAN
CERTIFIED PUBLIC ACCOUNTANTS

2120 Forsythe Avenue
P.O. Box 4550
Monroe, Louisiana 71211-4550

GENE E. MINCHEW, CPA
A Professional Corporation
OSCAR C. ROBINSON, JR., CPA
A Professional Corporation
C. DENNIS GARDNER, CPA
A Professional Corporation
TIMMY R. LANGSTON, CPA
A Professional Corporation
RUSSELL B. BRYAN, CPA
A Professional Corporation

Telephone
(318) 323-4481

Telecopier
(318) 323-2188

INDEPENDENT AUDITORS' REPORT ON
THE SUPPLEMENTARY DATA

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

Our report on our audit of the basic financial statements, as listed in the table of contents of Louisiana United Methodist Children and Family Services, Inc. for 1998 and 1997 appears on Page 1. We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards issued by the comptroller of the United States for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules of additional details are presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Minchew, Robinson, Gardner, Langston & Bryan, CPAs

Monroe, Louisiana
February 11, 1999

LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.

GENERAL OPERATING FUND DETAIL
STATEMENTS OF ACTIVITIES
For The Years Ended December 31, 1998 and 1997

	1998	1997
REVENUE AND SUPPORT		
Contributions		
Contributions - undesignated	\$ 206,676	\$ 173,575
Memorials	94,431	88,256
Direct appeals	76,192	76,404
Sponsorships	24,422	4,017
Honorarium	28,547	43,504
Wilderness project donations	800	11,945
Youth activity	2,875	4,095
	<u>\$ 433,943</u>	<u>\$ 401,796</u>
Children's Home Offerings	<u>\$ 49,683</u>	<u>\$ 73,281</u>
Special Events	<u>\$ 32,026</u>	<u>\$ 19,946</u>
Child Care Support		
Child care support (TIPS)	\$ 1,268,364	\$ 1,323,351
Child care support (DOC)	930,321	960,288
Child care support (CAB)	634,996	545,775
Child care support (Private)	82,737	82,526
Alternate care	14,700	17,175
	<u>\$ 2,931,118</u>	<u>\$ 2,929,115</u>
Independent Living Service		
Independent Living Grants	<u>\$ 120,147</u>	<u>\$ 89,469</u>
Federal Subgrants		
Violence Prevention Program	\$ 15,465	\$
Child Abuse Counseling	34,536	
	<u>\$ 50,022</u>	<u>\$</u>
Family Development Services		
Client fees	\$ 15,486	\$ 36,749
Winn Parish workshop fees	1,520	1,200
Evaluation fees	16,014	19,559
	<u>\$ 32,999</u>	<u>\$ 57,508</u>

LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.

GENERAL OPERATING FUND DETAIL
STATEMENTS OF ACTIVITIES
For The Years Ended December 31, 1998 and 1997

	1998	1997
REVENUE AND SUPPORT (Cont'd)		
Trust Funds		
Pomeroy Trust	\$ 28,399	\$ 28,095
R. J. Wilson Trust	7,067	8,775
Harry R. Kendall Trust		600
Conference Fund Trusts	4,140	3,366
Leake Trust	19,629	13,661
Ed and Gladys Hurley Trust	2,000	2,000
	<u>\$ 61,235</u>	<u>\$ 56,497</u>
INTEREST AND DIVIDENDS	<u>\$ 8,006</u>	<u>\$ 6,839</u>
OUTDOOR WILDERNESS PROJECT INCOME	<u>\$ 6,313</u>	<u>\$ 6,935</u>
MISCELLANEOUS INCOME	<u>\$ 10,824</u>	<u>\$ 18,915</u>
TOTAL INCOME	<u>\$ 3,736,316</u>	<u>\$ 3,660,301</u>
EXPENSES		
Administrative and General		
Salaries	\$ 321,252	\$ 312,012
Payroll taxes	20,336	19,772
Employee benefits	39,624	41,631
Advertising and promotion	144	195
Dues and licenses	6,152	7,381
Insurance	118,112	124,009
Office supplies	15,886	18,255
Printing	326	4,992
Postage	12,124	11,598
Professional services	25,850	25,050
Legal expenses	193	5
Subscriptions	1,450	1,723
Telephone	20,691	21,953
In-service training	8,176	15,377
Travel and seminar	18,194	9,171
Miscellaneous	3,138	3,608
Office equipment maintenance contracts	13,054	15,273
Accreditation	9,783	1,338
	<u>\$ 634,485</u>	<u>\$ 633,343</u>
Total Administrative and General	<u>\$ 634,485</u>	<u>\$ 633,343</u>

LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.

GENERAL OPERATING FUND DETAIL
STATEMENTS OF ACTIVITIES
For The Years Ended December 31, 1998 and 1997

	1998	1997
EXPENSES (Cont'd)		
Plant Operation and Maintenance		
Salaries	\$ 98,837	\$ 102,297
Payroll taxes	7,251	7,268
Employee benefits	12,919	13,727
Contract for outside services	35,894	7,374
Maintenance - buildings and grounds	8,593	6,647
Repairs - buildings and grounds	28,337	22,402
Major repairs and replacements	17,743	21,809
Supplies	6,945	6,055
Utilities	163,792	155,635
Vehicle gas, oil and repairs	26,909	34,878
Miscellaneous	383	441
	<u>\$ 407,603</u>	<u>\$ 378,533</u>
Emergency Shelter Care		
Dietary		
Salaries	\$ 65,677	\$ 22,683
Payroll taxes	4,718	1,721
Employee benefits	2,922	19
Food	57,799	32,958
Consultant	950	845
Miscellaneous	14	79
	<u>\$ 132,080</u>	<u>\$ 58,305</u>
Laundry and Linen		
Supplies	\$ 1,276	\$ 1,270
Linen and bedding	189	955
	<u>\$ 1,465</u>	<u>\$ 2,225</u>
Housekeeping		
Salaries	\$ 12,188	\$ 10,596
Payroll taxes	914	794
Employee benefits		166
Supplies	6,419	6,088
	<u>\$ 19,521</u>	<u>\$ 17,644</u>

LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.

GENERAL OPERATING FUND DETAIL
STATEMENTS OF ACTIVITIES
For The Years Ended December 31, 1998 and 1997

	1998	1997
EXPENSES (Cont'd)		
Emergency Shelter Care		
Personal Client Needs		
Allowances	\$ 3,238	\$ 3,610
Personal hygiene	2,765	2,609
Christmas and birthdays	475	294
Other	120	98
Clothing	795	2,940
Total personal client needs	\$ 7,393	\$ 9,551
Medical and Nursing		
Medical services routine	\$ 406	\$ 2,266
Medical extraordinary	475	1,678
Medical supplies	3,733	2,490
Total medical and nursing	\$ 4,614	\$ 6,434
Therapeutic and Training		
Salaries - social workers	\$ 174,489	\$ 185,467
Salaries - child care	241,052	272,345
Payroll taxes	32,503	34,119
Employee benefits	24,458	24,356
Other	570	594
Total therapeutic and training	\$ 473,072	\$ 516,881
Recreational		
Supplies	\$ 261	\$ 367
Total recreational	\$ 261	\$ 367
Total Emergency Shelter Care	\$ 638,406	\$ 611,407
Residential Group Care		
Dietary		
Salaries	\$	\$ 39,311
Payroll taxes		3,117
Employee benefits		889
Food	129,223	145,685
Supplies	608	2,929
Dietician consultant	4,100	4,000
Total dietary	\$ 133,931	\$ 195,931

LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.

GENERAL OPERATING FUND DETAIL
STATEMENTS OF ACTIVITIES
For The Years Ended December 31, 1998 and 1997

	1998	1997
EXPENSES (Cont'd)		
Residential Group Care (Cont'd)		
Laundry and Linen		
Supplies	\$ 1,629	\$ 2,855
Linen and bedding	2,657	1,820
Outside services	16	149
	\$ 4,302	\$ 4,824
Housekeeping		
Supplies	\$ 33,713	\$ 26,811
Outside services		48
	\$ 33,713	\$ 26,859
Personal Client Needs		
Allowances	\$ 15,881	\$ 17,312
Clothing	24,304	23,629
Personal hygiene	7,335	8,553
Christmas and birthdays	1,138	1,739
Visitation transportation	7,873	12,203
	\$ 56,531	\$ 63,436
Medical and Nursing		
Salaries	\$ 56,978	\$ 54,999
Payroll taxes	4,159	4,030
Employee benefits	4,404	4,090
Medical services routine	418	2,362
Medical services extraordinary	3,588	6,449
Medical supplies	8,314	7,529
Other	435	
OSHA required vaccinations	1,561	5,895
	\$ 79,857	\$ 85,354
Therapeutic and Training		
Salaries - social workers	\$ 235,552	\$ 236,672
Salaries - child care	746,475	693,030
Payroll taxes	72,572	68,839
Employee benefits	47,328	49,427
Therapeutic supplies	1,164	776
Other - wilderness/scouting	551	174
Miscellaneous	477	95
Security checks	1,110	440
	\$ 1,105,229	\$ 1,049,453

LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.

GENERAL OPERATING FUND DETAIL
STATEMENTS OF ACTIVITIES
For The Years Ended December 31, 1998 and 1997

	1998	1997
EXPENSES (Cont'd)		
Residential Group Care (Cont'd)		
Recreational		
Salaries	\$ 96,954	\$ 87,683
Payroll taxes	7,584	6,540
Employee benefits	6,692	4,522
Supplies	2,345	3,887
Activities fund	3,794	2,166
House activities fund	2,491	2,614
Summer trip fund	5,134	3,419
	<u>\$ 124,994</u>	<u>\$ 110,831</u>
Consultants		
Psychiatrist	\$ 19,000	\$ 13,704
Psychologist		2,340
Physician		1,600
	<u>\$ 19,000</u>	<u>\$ 17,644</u>
Total Residential Group Care	<u>\$ 1,557,557</u>	<u>\$ 1,554,332</u>
Educational Services		
Salaries	\$ 194,173	\$ 172,190
Payroll taxes	14,122	12,603
Employee benefits	20,282	19,786
Supplies	6,587	7,304
Training	4,430	3,422
Miscellaneous	4,698	3,881
	<u>\$ 244,292</u>	<u>\$ 219,186</u>
Religious Education		
Salaries	\$ 39,551	\$ 38,107
Payroll taxes	796	711
Employee benefits	14,023	15,890
Housing allowance	14,400	12,900
Supplies	1,312	2,089
Activities	882	788
Training	253	57
Contractual services	2,488	988
Travel	328	700
	<u>\$ 74,033</u>	<u>\$ 72,230</u>

LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.

GENERAL OPERATING FUND DETAIL
STATEMENTS OF ACTIVITIES
For The Years Ended December 31, 1998 and 1997

EXPENSES (Cont'd)	1998	1997
Family Development Service		
Salaries	\$ 190,019	\$ 151,422
Payroll taxes	13,890	10,704
Employee benefits	14,622	22,780
Supplies	1,636	1,539
Professional services	1,577	1,331
Professional training	1,700	1,673
Telephone		23
Travel	2,261	2,666
Contract services	8,000	2,000
Miscellaneous	95	1,336
	<u>\$ 233,800</u>	<u>\$ 195,474</u>
Outreach Services		
Operational		
Salaries - outreach - operational	\$ 1,348	\$ 5,067
Payroll taxes	100	368
Employee benefits	170	620
	<u>\$ 1,618</u>	<u>\$ 6,055</u>
Independent Living Program		
Salaries - independent living	\$ 64,601	\$ 50,494
Payroll taxes	4,523	3,737
Employee benefits	7,379	3,877
Contract services	1,050	1,584
Travel and seminars	6,465	4,823
Client transportation	3	23
Supplies	13,349	4,990
Equipment and furnishings	10,764	22
Telephone	872	818
Postage	33	
Youth activity	729	806
Training meals	2,385	1,488
Miscellaneous	153	502
	<u>\$ 112,306</u>	<u>\$ 73,164</u>
Supervised Living		
Education registration fees	\$ 580	\$ 245
Housing rental	275	
	<u>\$ 855</u>	<u>\$ 245</u>
Total Outreach Services	<u>\$ 114,779</u>	<u>\$ 79,464</u>

LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.

GENERAL OPERATING FUND DETAIL
STATEMENTS OF ACTIVITIES
For The Years Ended December 31, 1998 and 1997

EXPENSES (Cont'd)	1998	1997
Outdoor Wilderness Learning Project		
Salaries O.W.L.	\$ 8,958	\$ 1,533
Payroll taxes	504	
Employee benefits	507	16
Utilities	3,781	3,764
Supplies	23,959	14,385
O.W.L. contract workers	180	
Miscellaneous	777	1,277
	<u>\$ 38,666</u>	<u>\$ 20,975</u>
 Public Relations and Development		
Salaries	\$ 118,789	\$ 114,869
Payroll taxes	5,203	4,855
Employee benefits	19,285	19,500
Housing allowance	13,387	12,000
Supplies	1,503	1,706
Telephone	856	162
Printing - direct	28,156	48,371
Printing - offerings	9,670	7,836
Printing - special	4,783	4,736
Postage	11,099	14,654
Professional services	162	635
Travel and seminar	4,350	4,307
Professional training	2,232	3,661
Regional development activities	637	812
Special events	8,737	8,990
Miscellaneous	197	309
	<u>\$ 229,046</u>	<u>\$ 247,403</u>
 Capital Expenditures		
Furniture and equipment	\$ 18,100	\$ 21,822
Buildings and improvements	4,739	546
Outdoor wilderness project	2,362	9,429
	<u>\$ 25,201</u>	<u>\$ 31,797</u>

LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.

GENERAL OPERATING FUND DETAIL
STATEMENTS OF ACTIVITIES
For The Years Ended December 31, 1998 and 1997

EXPENSES (Cont'd)	1998	1997
Arcadia Group Care		
Administrative and general		
Motor vehicle - gas/oil	\$	\$ 496
Telephone		526
Travel and seminar		67
Total administrative and general	\$	\$ 1,089
Plant and operation		
Contracts - outside service	\$	\$ 40
Repairs - building and grounds		2,024
Supplies		9
Utilities		1,783
Lease of building		3,300
Total plant and operation	\$	\$ 7,156
Dietary		
Salaries - cooks	\$	\$ 724
Payroll taxes		64
Food		1,965
Total dietary	\$	\$ 2,753
Laundry and Linen		
Supplies	\$	\$ 120
Total laundry and linen	\$	\$ 120
Housekeeping		
Supplies	\$	\$ 475
Total housekeeping	\$	\$ 475
Personal client needs		
Clothing	\$	\$ 194
Allowances		280
Personal hygiene		64
Total personal client needs	\$	\$ 538

LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.

GENERAL OPERATING FUND DETAIL
STATEMENTS OF ACTIVITIES
For The Years Ended December 31, 1998 and 1997

EXPENSES (Cont'd)	1998	1997
Arcadia Group Care (Cont'd)		
Medical and nursing		
Medical supplies	\$	\$ 95
Total medical and nursing	\$	\$ 95
Therapeutic and training		
Salaries - social worker	\$	\$ 6,306
Salaries - child care staff		29,978
Employee benefits		641
Payroll taxes		2,837
Therapeutic supplies		59
Security checks		20
Total therapeutic and training	\$	\$ 39,841
Recreational		
Supplies	\$	\$ 157
Activities fund		92
Total recreational	\$	\$ 249
Educational		
Supplies and tutorial	\$	\$ 163
Total educational	\$	\$ 163
Total Arcadia Group Care	\$	\$ 52,479
Changing Attitudes and Behavior		
Dietary		
Salaries	\$ 11,999	\$ 10,452
Payroll taxes	827	863
Employee benefits	1,914	190
Food	14,820	12,780
Supplies	7	24
Dietitian consultant	350	400
Total dietary	\$ 29,917	\$ 24,709
Laundry and linen		
Supplies	\$ 487	\$ 352
Linen and bedding	92	363
Outside services	93	
Total laundry and linen	\$ 672	\$ 715

LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.

GENERAL OPERATING FUND DETAIL
STATEMENTS OF ACTIVITIES
For The Years Ended December 31, 1998 and 1997

EXPENSES (Cont'd)	<u>1998</u>	<u>1997</u>
Changing Attitudes and Behavior (Cont'd)		
Housekeeping		
Salaries	\$ 5,530	\$ 4,861
Payroll taxes	428	381
Employee benefits		182
Supplies	2,541	2,035
Miscellaneous		<u>90</u>
Total housekeeping	<u>\$ 8,499</u>	<u>\$ 7,549</u>
Personal client needs		
Allowances	\$ 1,838	\$ 1,547
Personal hygiene	591	450
Christmas and birthdays	119	73
Clothing	2,422	1,535
Other	<u>511</u>	<u>169</u>
Total personal client needs	<u>\$ 5,481</u>	<u>\$ 3,774</u>
Medical and nursing		
Medical services	\$ 215	\$ 496
Medical supplies	<u>1,246</u>	<u>832</u>
Total medical and nursing	<u>\$ 1,461</u>	<u>\$ 1,328</u>
Therapeutic and training		
Salaries - social workers	\$ 109,062	\$ 92,441
Salaries - child care	245,832	212,393
Payroll taxes	25,247	21,308
Employee benefits	19,193	23,203
Supplies	3,123	1,362
Security checks	10	10
Other	<u>424</u>	<u>621</u>
Total therapeutic and training	<u>\$ 402,891</u>	<u>\$ 351,338</u>

LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.

GENERAL OPERATING FUND DETAIL
STATEMENTS OF ACTIVITIES
For The Years Ended December 31, 1998 and 1997

EXPENSES (Cont'd)	<u>1998</u>	<u>1997</u>
Changing Attitudes and Behavior (Cont'd)		
Recreational		
Salaries	\$ 7,968	\$ 4,000
Payroll taxes	482	304
Employee benefits	405	286
Supplies	298	206
Activities	388	523
	<u>9,541</u>	<u>5,319</u>
Total recreational	\$ 9,541	\$ 5,319
Consultants		
Psychiatrist and psychologist	\$ 3,200	\$ 6,500
	<u>3,200</u>	<u>6,500</u>
Total consultants	\$ 3,200	\$ 6,500
	<u>461,662</u>	<u>401,232</u>
Total Changing Attitudes and Behavior	\$ 461,662	\$ 401,232
	<u>4,659,530</u>	<u>4,497,855</u>
TOTAL EXPENSES	\$ 4,659,530	\$ 4,497,855

LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.

STATEMENT OF CHANGES IN GENERAL FIXED ASSETS
For The Year Ended December 31, 1998

	Land	Buildings and Improvements	Autos, Furniture, and Equipment	Total
GENERAL FIXED ASSETS - BEGINNING OF YEAR	\$ 93,220	\$ 5,772,247	\$ 1,641,501	\$ 7,506,968
<u>Additions:</u>				
General Operating Fund	\$	\$ 4,739	\$ 20,462	\$ 25,201
Local Investment Fund		51,078	101,441	152,519
Total additions	\$	\$ 55,817	\$ 121,903	\$ 177,720
<u>Retirements</u>				
General Fixed Assets	\$	\$	\$ 36,675	\$ 36,675
TOTAL BALANCES AND ADDITIONS	<u>\$ 93,220</u>	<u>\$ 5,828,064</u>	<u>\$ 1,726,729</u>	<u>\$ 7,648,013</u>
GENERAL FIXED ASSETS - END OF YEAR				<u>\$ 7,648,013</u>