

LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.

FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2021 AND 2020
AND FOR THE YEAR THEN ENDED

WITH
INDEPENDENT AUDITOR'S REPORT



SILAS SIMMONS LLP

CERTIFIED PUBLIC ACCOUNTANTS *and* ADVISORS

Established in 1932.

LOUISIANA UNITED METHODIST CHILDREN AND FAMILY SERVICES, INC.

Annual Financial Statements
As of and for the Years Ended December 31, 2021 and 2020
With Supplementary Information Schedules

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LOUISIANA UNITED METHODIST CHILDREN AND FAMILY SERVICES, INC.

Annual Financial Statements
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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of Louisiana United Methodist Children and Family Services, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2021 and 2020, the related statements of activities and cash flows for the years then ended as listed in the table of contents, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Louisiana United Methodist Children and Family Services, Inc. as of December 31, 2021 and 2020, and the respective changes in net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2022, on our consideration of Louisiana United Methodist Children and Family Services, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion 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.



Monroe, Louisiana
June 27, 2022

FINANCIAL STATEMENTS

LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.

COMBINED STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2021 AND 2020

	General Operating Fund	Endowment Fund	Local Investment Fund	General Fixed Assets	Total All Funds 2021	Total All Funds 2020
Assets						
Current Assets						
Cash and cash equivalents	\$ 1,349,945	\$ 636,750	\$ 10,179,808	\$ -	\$ 12,166,503	\$ 11,567,393
Certificate of deposit	-	-	-	-	-	-
Accounts and cost reimbursement receivable (net)	3,997,826	-	984,084	-	4,981,910	3,820,988
Prepaid expenses and other	239,862	48,698	770	-	288,560	387,962
Promises to give - restricted (net)	-	-	234,103	-	234,103	237,926
Promises to give - unrestricted (net)	5,000	-	-	-	5,000	1,267
Inventory	89,135	-	197,112	-	286,247	56,679
Total current assets	<u>\$ 5,681,768</u>	<u>\$ 685,448</u>	<u>\$ 11,595,877</u>	<u>\$ -</u>	<u>\$ 17,962,323</u>	<u>\$ 16,072,215</u>
Long-Term Investments						
Stocks, bonds, and notes	\$ -	\$ 43,776,986	\$ 331,879	\$ -	\$ 44,108,865	\$ 40,005,399
Investment property	-	-	521,936	-	521,936	521,936
Trust funds - temporarily restricted	-	-	1,326,437	-	1,326,437	1,264,057
Cash surrender value life insurance	498,896	-	-	-	498,896	482,919
Total long-term investments	<u>\$ 498,896</u>	<u>\$ 43,776,986</u>	<u>\$ 2,180,252</u>	<u>\$ -</u>	<u>\$ 46,456,134</u>	<u>\$ 42,274,311</u>
Property and Equipment						
Land and improvements	\$ -	\$ -	\$ -	\$ 2,788,450	\$ 2,788,450	\$ 2,759,316
Property, plant, and equipment	-	-	-	28,038,750	28,038,750	28,143,883
Less: accumulated depreciation	-	-	-	(14,152,531)	(14,152,531)	(13,355,611)
Construction in progress	-	-	-	8,272,594	8,272,594	3,356,386
Total property and equipment	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,947,263</u>	<u>\$ 24,947,263</u>	<u>\$ 20,903,974</u>
Other Assets						
Utility deposits	\$ -	\$ -	\$ 15,494	\$ -	\$ 15,494	\$ 15,494
Promises to give - restricted (net)	-	-	184,931	-	184,931	397,743
Total other assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 200,425</u>	<u>\$ -</u>	<u>\$ 200,425</u>	<u>\$ 413,237</u>
Total assets	<u>\$ 6,180,664</u>	<u>\$ 44,462,434</u>	<u>\$ 13,976,554</u>	<u>\$ 24,947,263</u>	<u>\$ 89,566,145</u>	<u>\$ 79,663,737</u>

† After interfund payable/receivables have been eliminated.

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LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.

COMBINED STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2021 AND 2020

	General Operating Fund	Endowment Fund	Local Investment Fund	General Fixed Assets	Total All Funds 2021	Total All Funds 2020
Liabilities						
Current Liabilities						
Accounts payable	\$ 741,206	\$ -	\$ 102,211	\$ -	\$ 843,417	\$ 693,450
Accrued compensation	1,241,426	-	-	-	1,241,426	1,169,238
Line of Credit	-	-	4,000,000	-	4,000,000	-
Other payables	770	-	-	-	-	- [†]
Total current liabilities	<u>\$ 1,983,402</u>	<u>\$ -</u>	<u>\$ 4,102,211</u>	<u>\$ -</u>	<u>\$ 6,084,843</u>	<u>\$ 1,862,688</u>
Other Liabilities						
Retirement payable	\$ 103,273	\$ -	\$ -	\$ -	\$ 103,273	\$ 120,509
Total other liabilities	<u>\$ 103,273</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 103,273</u>	<u>\$ 120,509</u>
Total liabilities	<u>\$ 2,086,675</u>	<u>\$ -</u>	<u>\$ 4,102,211</u>	<u>\$ -</u>	<u>\$ 6,188,116</u>	<u>\$ 1,983,197</u>
Net Assets						
Without donor restrictions	\$ 4,057,292	\$ 43,543,303	\$ 7,217,329	\$ 24,947,263	\$ 79,765,187	\$ 73,845,604
With donor restrictions	36,697	919,131	2,657,014	-	3,612,842	3,834,936
Total net assets	<u>\$ 4,093,989</u>	<u>\$ 44,462,434</u>	<u>\$ 9,874,343</u>	<u>\$ 24,947,263</u>	<u>\$ 83,378,029</u>	<u>\$ 77,680,540</u>
Total Liabilities and Net Assets	<u>\$ 6,180,664</u>	<u>\$ 44,462,434</u>	<u>\$ 13,976,554</u>	<u>\$ 24,947,263</u>	<u>\$ 89,566,145</u>	<u>\$ 79,663,737</u>

[†] After interfund payables/receivables have been eliminated.

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

LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.

COMBINED STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	General Operating Fund	Endowment Fund	Local Investment Fund	General Fixed Assets	Total All Funds 2021	Total All Funds 2020
Revenue and Support Without Donor Restrictions						
Contributions	\$ 1,084,692	\$ -	\$ 748,640	\$ -	\$ 1,833,332	\$ 1,612,480
Educational services	508,011	-	-	-	508,011	524,700
Children's home offerings	3,389	-	-	-	3,389	10,133
Wills and bequests	-	-	276,768	-	276,768	62,290
Child care support	19,737,753	-	-	-	19,737,753	17,265,565
Independent living services	713,972	-	-	-	713,972	522,621
Grants for child care	9,319	-	-	-	9,319	42,702
HRSA Cares Act Provider Relief	1,243,061	-	-	-	1,243,061	1,476,410
Family development services	101,557	-	-	-	101,557	128,208
Methodist foster care	4,967,119	-	-	-	4,967,119	4,797,236
Foster care support grant	236,723	-	-	-	236,723	220,420
Trust funds	173,652	-	56,379	-	230,031	303,767
Interest income	56,154	137,124	10,055	-	203,333	216,611
Dividend and pooled funds income	231	862,427	34,887	-	897,545	499,181
Miscellaneous	412,042	824	-	-	412,866	181,163
Net realized and unrealized gain (loss) on investments	-	4,693,016	13,575	(11,714)	4,694,877	4,194,240
Other investment income	-	-	1,871,671	-	1,871,671	938,424
Total unrestricted revenue and support	\$ 29,247,675	\$ 5,693,391	\$ 3,011,975	\$ (11,714)	\$ 37,941,327	\$ 32,996,151
Net Assets Released from Restrictions						
Restrictions satisfied by payments & time	\$ -	\$ 11,149	\$ 1,345,864	\$ -	\$ 1,357,013	\$ 2,915,233
Expenses						
Administrative and general	\$ 5,766,255	\$ 139,946	\$ 66,213	\$ -	\$ 5,972,414	\$ 5,607,809
Plant operation and maintenance	1,007,624	-	-	-	1,007,624	1,011,922
Medical and nursing	2,479,333	-	-	-	2,479,333	2,467,953
Dietary	1,702,031	-	-	-	1,702,031	1,528,906
W. A. J. Lewis building	1,990,813	-	-	-	1,990,813	1,889,838
Scott building	1,975,857	-	-	-	1,975,857	1,947,151
Residential group care	5,645,679	-	-	-	5,645,679	5,498,843
Recreational - PRTF	315,550	-	-	-	315,550	333,892
Educational services	1,037,867	-	-	-	1,037,867	1,014,629
Pastoral care	246,795	-	-	-	246,795	198,710
Family counseling center	425,514	-	-	-	425,514	632,464
Clinical services	2,024,998	-	-	-	2,024,998	1,984,337
Life skills services	831,454	-	-	-	831,454	646,161
Methodist foster care	5,009,821	-	-	-	5,009,821	4,690,538
Foster care support	220,579	-	-	-	220,579	222,223
Outdoor wilderness learning center	640,567	-	-	-	640,567	629,500
Development and public relations	643,906	-	-	-	643,906	652,387
Family plus	-	-	-	-	-	30,223
Advocacy and community development	19,533	-	-	-	19,533	18,002
Provision for depreciation	-	-	-	1,188,426	1,188,426	1,175,746
Total expenses	\$ 31,984,176	\$ 139,946	\$ 66,213	\$ 1,188,426	\$ 33,378,761	\$ 32,181,234

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

LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.

COMBINED STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	General Operating Fund	Endowment Fund	Local Investment Fund	General Fixed Assets	Total All Funds 2021	Total All Funds 2020
Excess (Deficiency) of Revenue Over Expenses	\$ (2,736,501)	\$ 5,564,594	\$ 4,291,626	\$ (1,200,140)	\$ 5,919,579	\$ 3,730,150
Change in Net Assets from Operations	\$ (2,736,501)	\$ 5,564,594	\$ 4,291,626	\$ (1,200,140)	\$ 5,919,579	\$ 3,730,150
Other Changes in Net Assets Without Donor Restrictions						
Property and equipment acquisitions and transfers	(28,232)	-	(5,215,196)	5,243,429	1	-
Operating transfers	3,235,817	(1,735,816)	(1,500,000)	-	1	-
Change in Net Assets Without Donor Restrictions	\$ 471,084	\$ 3,828,778	\$ (2,423,570)	\$ 4,043,289	\$ 5,919,581	\$ 3,730,150
Changes in Net Assets With Donor Restrictions						
Net realized and unrealized gain (loss) on investments	\$ -	\$ 117,951	\$ 65,513	\$ -	\$ 183,464	\$ 135,149
Pooled funds income	-	19,630	-	-	19,630	28,533
Contributions, wills and bequests, and grants (net of uncollectible)	-	-	931,827	-	931,827	569,673
Net assets released from restrictions	-	(11,149)	(1,345,864)	-	(1,357,013)	(2,915,233)
Transfers (to) from unrestricted net assets	-	(354,626)	354,626	-	-	-
Change in Net Assets with Donor Restrictions	\$ -	\$ (228,194)	\$ 6,102	\$ -	\$ (222,092)	\$ (2,181,878)
Increase (Decrease) in Net Assets	\$ 471,084	\$ 3,600,584	\$ (2,417,468)	\$ 4,043,289	\$ 5,697,489	\$ 1,548,272
Net Assets - Beginning of Year	3,622,905	40,861,850	12,291,811	20,903,974	77,680,540	76,132,268
Net Assets - End of Year	\$ 4,093,989	\$ 44,462,434	\$ 9,874,343	\$ 24,947,263	\$ 83,378,029	\$ 77,680,540

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

LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.

COMBINED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	General Operating Fund	Endowment Fund	Local Investment Fund	General Fixed Assets	Total All Funds 2021	Total All Funds 2020
Cash Flows (to) from Operating Activities						
Cash received from services	\$ 27,141,424	\$ -	\$ -	\$ -	\$ 27,141,424	\$ 25,466,840
Cash received from contributions and grants	1,224,142	-	1,990,201	-	3,214,343	1,962,100
Cash received from trust funds	158,735	-	59,512	-	218,247	1,013,735
Interest received	55,501	125,298	10,062	-	190,861	221,716
Dividends and pooled income	231	882,881	34,599	-	917,711	527,921
Receipts from investment properties	-	-	1,622,285	-	1,622,285	1,286,079
Miscellaneous receipts	11,642	-	-	-	11,642	260,142
Cash paid to employees, suppliers, and deposits	(31,735,912)	(139,946)	(394,614)	-	(32,270,472)	(31,144,751)
Cash received from (to) other funds	3,235,816	(2,121,037)	(1,114,779)	-	-	-
Net cash provided by (used for) operating activities	\$ 91,579	\$ (1,252,804)	\$ 2,207,266	\$ -	\$ 1,046,041	\$ (406,218)
Cash Flows (to) from Investing Activities						
Proceeds from sale of investments	\$ -	\$ 4,556,968	\$ 79,408	\$ -	\$ 4,636,376	\$ 4,704,316
Purchase of investments and CDs	-	(3,839,878)	-	-	(3,839,878)	(3,085,245)
Purchase of property and equipment	(28,232)	-	(5,219,598)	-	(5,247,830)	(3,297,687)
Endowment transfers	-	30,595	(30,595)	-	-	-
Proceeds from asset dispositions	-	-	4,401	-	4,401	1,000
Net cash provided by (used for) investing activities	\$ (28,232)	\$ 747,685	\$ (5,166,384)	\$ -	\$ (4,446,931)	\$ (1,677,616)
Cash Flows (to) from Financing Activities						
Proceeds from UMF Line of Credit	-	-	4,000,000	-	4,000,000	-
Net cash provided by (used for) Financing activities	\$ -	\$ -	\$ 4,000,000	\$ -	\$ 4,000,000	\$ -
Increase (Decrease) in Cash and Cash Equivalents	\$ 63,347	\$ (505,119)	\$ 1,040,882	\$ -	\$ 599,110	\$ (2,083,834)
Cash and Cash Equivalents - Beginning of Year	1,286,598	1,141,869	9,138,926	-	11,567,393	13,651,227
Cash and Cash Equivalents - End of Year	<u>\$ 1,349,945</u>	<u>\$ 636,750</u>	<u>\$ 10,179,808</u>	<u>\$ -</u>	<u>\$ 12,166,503</u>	<u>\$ 11,567,393</u>

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

LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.

COMBINED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	General Operating Fund	Endowment Fund	Local Investment Fund	General Fixed Assets	Total All Funds 2021	Total All Funds 2020
Reconciliation of Changes in Net Assets to Cash Provided by Operating Activities						
Change in net assets	\$ 471,084	\$ 3,600,584	\$ (2,417,468)	\$ 4,043,289	\$ 5,697,489	\$ 1,548,272
Adjustments to reconcile changes in net assets to net cash provided by:						
Depreciation and amortization	-	-	-	1,188,426	1,188,426	1,175,746
Uncollectible pledges/receivables	-	-	-	-	-	38,742
(Gain) loss on abandoned or sold assets	-	-	(4,401)	11,714	7,313	6,375
Decrease (increase) in receivables and promises to give	(605,566)	(11,826)	(311,746)	-	(929,138)	494,863
Decrease (increase) in prepaid expenses, deposits, and other	95,251	-	-	-	95,251	(151,618)
Decrease (increase) in inventory	(32,456)	-	(197,112)	-	(229,568)	(9,073)
Increase (decrease) in payables and accrued expenses	135,034	-	39,178	-	174,212	213,043
Realized and unrealized loss (gain) on investments	-	(4,810,967)	(71,970)	-	(4,882,937)	(3,685,112)
Purchase of property and equipment	28,232	-	5,219,598	(5,243,429)	4,401	1,000
Transfers to (from) other funds	-	(30,595)	30,595	-	-	-
Noncash bequest to assets for sale or real estate	-	-	(79,408)	-	(79,408)	(38,456)
Net Cash Provided by (Used for) Operating Activities	<u>\$ 91,579</u>	<u>\$ (1,252,804)</u>	<u>\$ 2,207,266</u>	<u>\$ -</u>	<u>\$ 1,046,041</u>	<u>\$ (406,218)</u>
Interest Paid	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,986</u>	<u>\$ -</u>	<u>\$ 26,986</u>	<u>\$ -</u>
Income Taxes Paid	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,755</u>	<u>\$ -</u>	<u>\$ 3,755</u>	<u>\$ 4,500</u>

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

FINANCIAL STATEMENTS OF INDIVIDUAL FUNDS

LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.

GENERAL OPERATING FUND
STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2021 AND 2020

	2021	2020
Assets		
Current Assets		
Cash and cash equivalents	\$ 1,349,945	\$ 1,286,598
Accounts and cost reimbursement receivables (net of \$987,218 and \$1,071,132 allowance for 2021 and 2020, respectively)	3,997,826	3,388,849
Unconditional promises to give (net of \$0 and \$0 allowance for 2021 and 2020, respectively)	5,000	1,267
Due from Local Investment Fund	-	7,144
Inventory	89,135	56,679
Prepaid expenses and other	239,862	351,090
Total current assets	<u>\$ 5,681,768</u>	<u>\$ 5,091,627</u>
Long-Term Investments		
Cash surrender value life insurance	\$ 498,896	\$ 482,919
Total long-term investments	<u>\$ 498,896</u>	<u>\$ 482,919</u>
Total assets	<u>\$ 6,180,664</u>	<u>\$ 5,574,546</u>
Liabilities		
Current Liabilities		
Accounts payable	\$ 741,206	\$ 637,561
Accrued compensation	1,241,426	1,169,238
Due to Local Investment Fund	770	24,333
Total current liabilities	<u>\$ 1,983,402</u>	<u>\$ 1,831,132</u>
Other Liabilities		
Retirement payable	\$ 103,273	\$ 120,509
Total other liabilities	<u>\$ 103,273</u>	<u>\$ 120,509</u>
Total liabilities	<u>\$ 2,086,675</u>	<u>\$ 1,951,641</u>
Net Assets		
Without Donor Restrictions		
Undesignated	\$ 4,057,292	\$ 3,586,208
Designated	-	-
Total net assets without donor restrictions	<u>\$ 4,057,292</u>	<u>\$ 3,586,208</u>
With donor restrictions	36,697	36,697
Total net assets	<u>\$ 4,093,989</u>	<u>\$ 3,622,905</u>
Total liabilities and net assets	<u>\$ 6,180,664</u>	<u>\$ 5,574,546</u>

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

LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.

GENERAL OPERATING FUND
STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
Revenue and Support Without Donor Restrictions		
Contributions	\$ 1,084,692	\$ 1,047,198
Children's home offerings	3,389	10,133
Special events	105,486	60,378
Child care support	19,542,849	17,083,764
Independent living services	713,972	522,621
Federal subgrant for child care	9,319	42,702
Federal HRSA Cares Act Provider Relief	1,243,061	1,476,410
Family plus program	25,563	21,395
Family development services	101,557	128,208
Medical and nursing	169,341	160,406
Methodist foster care	4,967,119	4,797,236
Foster care support grant	236,723	220,420
Trust funds	173,652	247,599
Interest income	56,154	50,466
Dividend income	231	218
Outdoor wilderness learning center	267,844	67,623
Educational services	508,011	524,700
Miscellaneous income	38,712	52,955
Total revenue and support without donor restrictions	\$ 29,247,675	\$ 26,514,432
Net Assets Released from Restrictions		
Restrictions satisfied by payments	\$ -	\$ 145,538
Expenses		
Administrative and general	\$ 5,766,255	\$ 5,397,774
Plant operation and maintenance	1,007,624	1,011,922
Medical and nursing	2,479,333	2,467,953
Dietary	1,702,031	1,528,906
W. A. J. Lewis building	1,990,813	1,889,838
Scott building	1,975,857	1,947,151
Residential group care	5,645,679	5,498,843
Recreational - PRTE	315,550	333,892
Educational services	1,037,867	1,014,629
Pastoral care	246,795	198,710
Family counseling center	425,514	632,464
Clinical services	2,024,998	1,984,337
Life skills services	831,454	646,161
Methodist foster care	5,009,821	4,690,538
Foster Care Support	220,579	222,223
Outdoor wilderness learning center & Equine Program	640,567	629,500
Development and public relations	643,906	652,387
Capital expenditures	28,232	15,210
Family plus	-	30,223
Advocacy and community development	19,533	18,002
Total expenses	\$ 32,012,408	\$ 30,810,663

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

LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.

GENERAL OPERATING FUND
STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
Excess (Deficiency) of Revenue Over Expenses	\$ (2,764,733)	\$ (4,150,693)
Net Assets Transferred From Other Funds	\$ 3,235,817	\$ 3,654,906
Change in Net Assets Without Donor Restrictions	\$ 471,084	\$ (495,787)
Changes in Net Assets With Donor Restrictions		
Income from Lincoln Health Foundation - grant	\$ -	\$ 138,551
Net assets released from restrictions	-	(145,538)
Change in Net Assets with Donor Restrictions	\$ -	\$ (6,987)
Increase (Decrease) in Net Assets	\$ 471,084	\$ (502,774)
Net Assets - Beginning of Year	3,622,905	4,125,679
Net Assets - End of Year	\$ 4,093,989	\$ 3,622,905

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

LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.

GENERAL OPERATING FUND
STATEMENTS OF CASH FLOWS

AS OF DECEMBER 31, 2021 AND 2020

	2021	2020
Cash Flows (To) From Operating Activities		
Cash received from services	\$ 27,141,424	\$ 25,466,840
Cash received from contributions	1,224,142	1,058,974
Income from trust funds	158,735	247,599
Interest received	55,501	50,466
Dividends received	231	218
Miscellaneous receipts	11,642	260,142
Transfer from other funds	3,235,816	3,654,906
Cash paid to employees and suppliers	<u>(31,735,912)</u>	<u>(30,714,858)</u>
Net cash provided by (used for) operating activities	<u>\$ 91,579</u>	<u>\$ 24,287</u>
Cash Flows (To) From Investing Activities		
Purchase of property and equipment	<u>\$ (28,232)</u>	<u>\$ (15,210)</u>
Net cash provided by (used for) investing activities	<u>\$ (28,232)</u>	<u>\$ (15,210)</u>
Increase (Decrease) in Cash and Cash Equivalents	<u>\$ 63,347</u>	<u>\$ 9,077</u>
Cash and Cash Equivalents - Beginning of Year	<u>1,286,598</u>	<u>1,277,521</u>
Cash and Cash Equivalents - End of Year	<u><u>\$ 1,349,945</u></u>	<u><u>\$ 1,286,598</u></u>
Reconciliation of Changes in Net Assets to Cash Provided by Operating Activities		
Change in net assets	\$ 471,084	\$ (502,774)
Adjustments to reconcile changes in net assets to net cash used by operating activities:		
Noncash donations - net of expenditures	-	(1,956)
(Increase) decrease in accounts receivable and pledges	(605,566)	425,054
(Increase) decrease in prepaid expenses	111,228	(119,854)
(Increase) decrease in inventory	(32,456)	(9,073)
(Increase) decrease in cash surrender value of life insurance	(15,977)	(28,064)
Increase (decrease) in accounts payable	80,082	172,016
Increase (decrease) in accrued wages	72,188	89,962
Increase (decrease) in deferred revenue	-	-
Increase (decrease) in retirement payable	(17,236)	(16,234)
Purchase of property and equipment	<u>28,232</u>	<u>15,210</u>
Net Cash Provided by (Used for) Operating Activities	<u><u>\$ 91,579</u></u>	<u><u>\$ 24,287</u></u>
Interest Paid	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Income Taxes Paid	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

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

LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.

ENDOWMENT FUND
STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2021 AND 2020

	2021	2020
Assets		
Current Assets		
Cash and cash equivalents	\$ 636,750	\$ 1,141,869
Accrued interest and dividends	48,698	36,872
Total current assets	<u>\$ 685,448</u>	<u>\$ 1,178,741</u>
Long-Term Investments		
Investments - Depository Trust Company - custodian	\$ 21,914,261	\$ 19,366,474
Investments - Merrill Lynch - custodian	21,862,725	20,316,635
Total long-term investments	<u>\$ 43,776,986</u>	<u>\$ 39,683,109</u>
Total assets	<u><u>\$ 44,462,434</u></u>	<u><u>\$ 40,861,850</u></u>
Net Assets		
Without Donor Restrictions		
Undesignated	\$ 41,750,953	\$ 38,059,617
Designated	1,792,350	1,654,906
Total net assets without donor restrictions	<u>\$ 43,543,303</u>	<u>\$ 39,714,523</u>
With donor restrictions	919,131	1,147,327
Total net assets	<u><u>\$ 44,462,434</u></u>	<u><u>\$ 40,861,850</u></u>

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

LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.

ENDOWMENT FUND
STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
Revenue and Support Without Donor Restrictions		
Dividend income	\$ 251,172	\$ 239,437
Interest income	137,124	128,072
Settlement income and other	824	207
Income from pooled funds	611,255	211,214
Realized and unrealized gain (loss) on investments	4,693,016	4,216,621
	<u>\$ 5,693,391</u>	<u>\$ 4,795,551</u>
Net Assets Released from Restrictions		
Restrictions satisfied by payments	\$ 11,149	\$ 1,646,063
Expenses		
Management and custody fees	\$ 139,946	\$ 106,788
	<u>\$ 139,946</u>	<u>\$ 106,788</u>
Excess (Deficiency) of Revenue Over Expenses	\$ 5,564,594	\$ 6,334,826
Other Changes in Net Assets Without Donor Restrictions		
Transfer (to) from Operating Fund	\$ (1,724,667)	\$ (1,654,906)
Transfer (to) from Local Investment Fund	(11,149)	(1,646,063)
	<u>\$ 3,828,778</u>	<u>\$ 3,033,857</u>
Change in Net Assets Without Donor Restrictions		
Changes in Net Assets With Donor Restrictions		
Net realized and unrealized gain (loss) on investments	\$ 117,951	\$ 113,098
Income from pooled funds	19,630	28,533
Net assets released from restrictions	(11,149)	(1,646,063)
Transfer (to) from Local Investment Fund	(354,626)	60,500
	<u>\$ (228,194)</u>	<u>\$ (1,443,932)</u>
Change in Net Assets With Donor Restrictions		
Change in Net Assets	\$ 3,600,584	\$ 1,589,925
Net Assets - Beginning of Year	40,861,850	39,271,925
Net Assets - End of Year	<u>\$ 44,462,434</u>	<u>\$ 40,861,850</u>

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

LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.

ENDOWMENT FUND
STATEMENTS OF CASH FLOWS

AS OF DECEMBER 31, 2021 AND 2020

	2021	2020
Cash Flows (To) From Operating Activities		
Interest received	\$ 125,298	\$ 131,671
Dividends and settlements received	251,996	239,644
Income from pooled funds	630,885	239,747
Transfers to operating fund	(1,724,667)	(1,654,906)
Transfers to local investment fund	(396,370)	(1,646,063)
Cash paid to suppliers of services and taxes	(139,946)	(106,788)
Net cash provided by (used for) operating activities	<u>\$ (1,252,804)</u>	<u>\$ (2,796,695)</u>
Cash Flows (To) From Investing Activities		
Proceeds from sale of securities	\$ 4,556,968	\$ 4,668,972
Transfer from local investment fund	30,595	60,500
Purchase of securities	(3,839,878)	(3,085,245)
Net cash provided by (used for) investing activities	<u>\$ 747,685</u>	<u>\$ 1,644,227</u>
Increase (Decrease) in Cash and Cash Equivalents	<u>\$ (505,119)</u>	<u>\$ (1,152,468)</u>
Cash and Cash Equivalents - Beginning of Year	<u>1,141,869</u>	<u>2,294,337</u>
Cash and Cash Equivalents - End of Year	<u><u>\$ 636,750</u></u>	<u><u>\$ 1,141,869</u></u>
Reconciliation of Changes in Net Assets to Cash Provided by Operating Activities		
Change in net assets	\$ 3,600,584	\$ 1,589,925
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
(Increase) decrease in receivables	(11,826)	3,599
Net realized and unrealized (gain) loss on investments	(4,810,967)	(4,329,719)
Transfers to (from) other funds	(30,595)	(60,500)
Net Cash Provided by (Used for) Operating Activities	<u><u>\$ (1,252,804)</u></u>	<u><u>\$ (2,796,695)</u></u>
Interest Paid	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Income Taxes Paid	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

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

LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.

LOCAL INVESTMENT FUND
STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2021 AND 2020

	2021	2020
Assets		
Current Assets		
Cash and cash equivalents	\$ 10,179,808	\$ 9,138,926
Accounts receivable	984,084	432,139
Accounts receivable - promises to give (current portion)	234,103	237,926
Due from Operations Fund	770	24,333
Inventory - furniture	197,112	-
Total current assets	<u>\$ 11,595,877</u>	<u>\$ 9,833,324</u>
Long-Term Investments		
Stocks and bonds	\$ 331,879	\$ 322,290
Louise Briley Leake Trust Fund - temporarily restricted	-	3,696
Hattye Jordan Trust Fund - temporarily restricted	305,169	277,490
Barbara Williamson Trust Fund - temporarily restricted	877,682	839,236
The Pomeroy Trust, LLC - temporarily restricted	135,486	135,486
R. D. Webb Property - temporarily restricted	8,100	8,149
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	<u>\$ 2,180,252</u>	<u>\$ 2,108,283</u>
Other Assets		
Utility and rent deposits	\$ 15,494	\$ 15,494
Accounts receivable - promises to give (net of \$90,539 and \$90,539 allowance for 2021 and 2020, respectively)	184,931	397,743
Total other assets	<u>\$ 200,425</u>	<u>\$ 413,237</u>
Total assets	<u><u>\$ 13,976,554</u></u>	<u><u>\$ 12,354,844</u></u>
Liabilities		
Current Liabilities		
Accounts payable	\$ 102,211	\$ 55,889
Line of Credit - United Methodist Foundation	4,000,000	-
Due to Operations Fund	-	7,144
Total current liabilities	<u>\$ 4,102,211</u>	<u>\$ 63,033</u>
Net Assets		
Without Donor Restrictions		
Undesignated	\$ 7,119,826	\$ 9,521,641
Designated:		
Capital improvements	\$ 97,503	\$ 119,258
Total designated	<u>\$ 97,503</u>	<u>\$ 119,258</u>
Total net assets without donor restrictions	<u>\$ 7,217,329</u>	<u>\$ 9,640,899</u>
With Donor Restrictions	<u>2,657,014</u>	<u>2,650,912</u>
Total net assets	<u><u>\$ 9,874,343</u></u>	<u><u>\$ 12,291,811</u></u>
Total liabilities and net assets	<u><u>\$ 13,976,554</u></u>	<u><u>\$ 12,354,844</u></u>

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

LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.

LOCAL INVESTMENT FUND
STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
Revenue and Support Without Donor Restrictions		
Loraine Howard Property (oil and gas, timber, rents)	\$ 1,821,140	\$ 993,509
R. D. Webb Property (oil and gas)	89,135	67,669
Shelley Property (oil and gas)	64,621	34,510
Thurman Property (oil and gas)	51,524	29,248
Other investment property	718	646
Louisiana reforestation grant	15,000	-
Trust funds	56,379	56,168
Wills and bequests	276,768	62,290
Contributions and memorials	748,640	565,282
Dividend income	22,132	19,832
Interest income	10,055	38,073
Income from pooled funds	12,755	28,480
Net realized and unrealized gain (loss) in investments	13,575	(15,006)
Total revenue and support without donor restrictions	\$ 3,182,442	\$ 1,880,701
Net Assets Released from Restrictions		
Restrictions satisfied by payments	\$ 1,342,168	\$ 413,664
Restrictions satisfied by time	3,696	709,968
Total net assets released from restrictions	\$ 1,345,864	\$ 1,123,632
Expenses		
Administrative and general	\$ 62,491	\$ 99,747
Oil and gas expenditures	170,467	187,158
Capital expenditures	5,219,597	3,282,477
Income tax	3,722	3,500
Total expenses	\$ 5,456,277	\$ 3,572,882
Excess (Deficiency) of Revenue Over Expenses	\$ (927,971)	\$ (568,549)
Other Changes in Net Assets Without Donor Restrictions		
Transfer (to) from General Fund (net)	\$ (1,500,000)	\$ (2,000,000)
Transfer (to) from Endowment Fund (net)	-	1,646,063
Transfer (to) from Fixed Assets Fund (net)	4,401	1,000
Total other changes in net assets without donor restrictions	\$ (1,495,599)	\$ (352,937)
Change in Net Assets Without Donor Restrictions	\$ (2,423,570)	\$ (921,486)
Changes in Net Assets With Donor Restrictions		
Net realized and unrealized gain (loss) in investments	\$ 65,513	\$ 22,051
Contributions and grants	931,827	455,705
Wills and bequests	-	14,159
Bad debt expense	-	(38,742)
Net assets released from restrictions	(1,345,864)	(1,123,632)
Transfer (to) from Endowment Fund	354,626	(60,500)
Changes in Net Assets With Donor Restrictions	\$ 6,102	\$ (730,959)
Increase (Decrease) in Net Assets	\$ (2,417,468)	\$ (1,652,445)
Net Assets - Beginning of Year	12,291,811	13,944,256
Net Assets - End of Year	\$ 9,874,343	\$ 12,291,811

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

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

**LOCAL INVESTMENT FUND
STATEMENTS OF CASH FLOWS**

AS OF DECEMBER 31, 2021 AND 2020

	2021	2020
Cash Flows (To) From Operating Activities		
Cash received from contributions, wills, and bequests	\$ 1,990,201	\$ 903,126
Cash received from trust funds	59,512	766,136
Interest received	10,062	39,579
Dividends and pooled funds	34,599	48,312
Receipts from investment properties	1,622,285	1,286,079
Transfers to operating fund	(1,500,000)	(2,000,000)
Transfers from endowment fund	385,221	1,646,063
Cash paid to suppliers and utility deposits	(394,614)	(323,105)
Net cash provided by (used for) operating activities	<u>\$ 2,207,266</u>	<u>\$ 2,366,190</u>
Cash Flows (To) From Investing Activities		
Transfer (to) from Endowment Fund (net)	\$ (30,595)	\$ (60,500)
Capital purchases for Plant Fund (net)	(5,219,598)	(3,282,477)
Proceeds from disposition of assets (net)	4,401	1,000
Proceeds from sale of stock	79,408	35,344
Net cash provided by (used for) investing activities	<u>\$ (5,166,384)</u>	<u>\$ (3,306,633)</u>
Cash Flows (To) From Financing Activities		
Proceeds from UMF Line of Credit	\$ 4,000,000	\$ -
Net cash provided by (used for) financing activities	<u>\$ 4,000,000</u>	<u>\$ -</u>
Increase (Decrease) in Cash and Cash Equivalents	\$ 1,040,882	\$ (940,443)
Cash and Cash Equivalents - Beginning of Year	<u>9,138,926</u>	<u>10,079,369</u>
Cash and Cash Equivalents - End of Year	<u><u>\$ 10,179,808</u></u>	<u><u>\$ 9,138,926</u></u>
Reconciliation of Changes in Net Assets to Cash Provided by Operating Activities		
Change in net assets	\$ (2,417,468)	\$ (1,652,445)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
(Gain) loss on sale of assets	(4,401)	(1,000)
Allowance for uncollected promises	-	38,742
Noncash donation of stock, building, and equipment	(79,408)	(36,500)
(Increase) decrease in receivables and promises to give	(311,746)	66,210
(Increase) decrease in prepaid expense and other	(197,112)	(3,700)
Realized and unrealized (gain) loss on investments	(71,970)	644,607
Transfers to (from) other funds	30,595	60,500
Purchase of property and equipment (net)	5,219,598	3,282,477
Increase (decrease) in accounts payable	39,178	(32,701)
Net Cash Provided by (Used for) Operating Activities	<u><u>\$ 2,207,266</u></u>	<u><u>\$ 2,366,190</u></u>
Interest Paid	<u>\$ 26,986</u>	<u>\$ -</u>
Income Taxes Paid	<u><u>\$ 3,755</u></u>	<u><u>\$ 4,500</u></u>

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

LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.

GENERAL FIXED ASSETS
STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2021 AND 2020

	2021	2020
Assets		
Property and Equipment		
Autos, trucks, and buses	\$ 1,354,820	\$ 1,378,977
Tractors and ground equipment	572,431	591,687
Furniture, fixtures, and equipment	1,512,962	1,719,605
Building and improvements	24,598,537	24,453,614
Land and land improvements	2,788,450	2,759,316
	<u>\$ 30,827,200</u>	<u>\$ 30,903,199</u>
Less: accumulated depreciation	(14,152,531)	(13,355,611)
	<u>\$ 16,674,669</u>	<u>\$ 17,547,588</u>
Construction in progress	8,272,594	3,356,386
	<u>\$ 24,947,263</u>	<u>\$ 20,903,974</u>
Total assets		
	<u>\$ 24,947,263</u>	<u>\$ 20,903,974</u>
Net Assets		
Without Donor Restrictions		
Undesignated	\$ 24,947,263	\$ 20,903,974
Designated	-	-
Total net assets without donor restrictions	<u>\$ 24,947,263</u>	<u>\$ 20,903,974</u>
With donor restrictions	<u>-</u>	<u>-</u>
Total net assets	<u>\$ 24,947,263</u>	<u>\$ 20,903,974</u>

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

LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.

GENERAL FIXED ASSETS
STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
Expenses		
Provision for depreciation	\$ (1,188,426)	\$ (1,175,746)
Gain (loss) on assets abandoned or sold	(11,714)	(7,375)
Excess (Deficiency) of Revenue Over Expenses	\$ (1,200,140)	\$ (1,183,121)
Acquisition of Property and Equipment Without Donor Restrictions		
Transfers from other funds	5,243,429	3,296,687
Change in Net Assets Without Donor Restrictions	\$ 4,043,289	\$ 2,113,566
Net Assets - Beginning of Year	20,903,974	18,790,408
Net Assets - End of Year	\$ 24,947,263	\$ 20,903,974

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

LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.

GENERAL FIXED ASSETS
STATEMENTS OF CASH FLOWS

AS OF DECEMBER 31, 2021 AND 2020

	2021	2020
Cash Flows (To) From Operating Activities		
Cash transfers (to) from other funds	\$ -	\$ -
Net cash provided by (used for) operating activities	\$ -	\$ -
Cash Flows (To) From Investing Activities		
Proceeds from sale of assets	\$ -	\$ -
Net cash provided by (used for) investing activities	\$ -	\$ -
Cash and Cash Equivalents - Beginning of Year	\$ -	\$ -
Cash and Cash Equivalents - End of Year	\$ -	\$ -
Reconciliation of Changes in Net Assets to Cash Provided by Operating Activities		
Change in net assets	\$ 4,043,289	\$ 2,113,566
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	1,188,426	1,175,746
(Gain) loss on assets abandoned or sold	11,714	7,375
Transfers (from) to other funds	(5,243,429)	(3,296,687)
Net Cash Provided by (Used for) Operating Activities	\$ -	\$ -
Interest Paid	\$ -	\$ -
Income Taxes Paid	\$ -	\$ -

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

NOTES TO THE FINANCIAL STATEMENTS

LOUISIANA UNITED METHODIST CHILDREN AND FAMILY SERVICES, INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Purpose

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

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

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

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

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

Donated Nonfinancial Assets

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

During the year ended December 31, 2020 nonfinancial assets totaled \$1,956 which consisted of sugar. Valuation was recorded at retail cost. Sugar was utilized for the production of jams and jelly which are associated with the OWL program.

LOUISIANA UNITED METHODIST CHILDREN AND FAMILY SERVICES, INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Organization receives a significant portion of its revenue from grants/contracts from government agencies, thus the Organization is subject to possible cutbacks due to changes in funding priorities. During 2021 and 2020, the Organization received approximately 69% and 72%, respectively, of its gross public support from such grants/contracts.

Basis of Accounting

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

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

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

Liquidity

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

Cash and Cash Equivalents

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

Certificates of Deposit

The Organization had one and one certificates of deposit as of December 31, 2021 and 2020, respectively, that were unrestricted funds:

	<u>2021</u>	<u>2020</u>
Local Investment Fund		
Cash and cash equivalents:		
Louisiana National Bank Toma Lodge, Ruston, Louisiana, dated February 23, 2021, maturing February 24, 2022, 0.50% annual percentage rate, interest credited monthly.	\$ 100,000	\$ -
First National Bank Toma Lodge, Ruston, Louisiana, dated February 23, 2020, maturing February 24, 2021, 0.50% annual percentage rate, interest paid on maturity.	<u>-</u>	<u>100,000</u>
Cash and cash equivalents	<u>\$ 100,000</u>	<u>\$ 100,000</u>

LOUISIANA UNITED METHODIST CHILDREN AND FAMILY SERVICES, INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Letters of Credit

During the prior year, the Organization obtained a letter, dated September 1, 2020, from Origin Bank, Ruston, Louisiana, stating that the Organization has a standing approval for a \$300,000 line of credit through December 31, 2021. The loan approval is to satisfy licensing requirements of \$100,000 for each of the Organization's Ruston, Mandeville, and Sulphur, Louisiana locations.

During the current year, the Organization obtained a letter, dated September 1, 2021, from Origin Bank, Ruston, Louisiana, stating that the Organization has a standing approval for a \$300,000 line of credit through December 31, 2022. The loan approval is to satisfy licensing requirements of \$100,000 for each of the Organization's Ruston, Mandeville, and Sulphur, Louisiana locations.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. This will affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant estimates include those assumed in valuing promises to give, the market values of investments, expected return on investments, estimated life expectancies, and the useful lives of depreciable assets. It is at least possible that the significant estimates will change within the next year.

Accounts Receivable

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

The policy for charging off uncollectible client service receivables is as follows: Debts for client care will be written off only when all reasonable attempts at recovery have been taken and it is not cost effective to continue the process. If the account has been discharged in bankruptcy, it is charged off in that period. If all attempts at recovery have been taken, debts will be written off for the client care in three years unless a prior determination has been made. The CFO will recommend debts for client care to be written off to the President/CEO or his/her designee.

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

An allowance for uncollectible accounts related to services and cost reimbursement totaled \$987,218 and \$1,071,132 as of December 31, 2021 and 2020, respectively. Also, an allowance related to accounts for unconditional promises to give totaled \$0 and \$0 as of December 31, 2021 and 2020, respectively.

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

LOUISIANA UNITED METHODIST CHILDREN AND FAMILY SERVICES, INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounts Receivable (continued)

As of December 31, 2021 and 2020, the Organization's accounts receivable contains \$104,020 and \$97,516, respectively, due from the Lincoln Parish School Board for the state and local funds for educational services provided to resident and nonresident students of Howard School. For 2021, this receivable is the net amount of federal, state, and local funding derived from the Louisiana Department of Education's October 1, 2020 and February 1, 2021 student counts at Howard School, less actual services and benefits received from the Lincoln Parish School Board. For 2020, the Louisiana Department of Education's October 1, 2019 and February 1, 2020 student counts were used.

Donated Property and Services

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

Inventory

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

Property and Equipment

Fixed assets are recorded at cost if purchased or market value at time of donation. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets ranging from three to 50 years.

Contributions

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

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

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

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

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

LOUISIANA UNITED METHODIST CHILDREN AND FAMILY SERVICES, INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Penalties

The Organization paid \$0 and \$0 in penalties for the years ended December 31, 2021 and 2020, respectively.

Functional Allocation of Expenses

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

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

Credit Risk

The Organization maintains cash accounts in various institutions with locations in Ruston, Louisiana. The balances are insured by the Federal Deposit Insurance Corporation, up to \$250,000. At December 31, 2021 and 2020, the Organization had no uninsured cash balances, but held \$10,130,910 and \$8,115,787, respectively, in securities purchases with an obligation to sell.

NOTE 2 - DEFINED CONTRIBUTION PLAN

The Organization sponsors employees regularly working more than 1,040 hours per year with more than 12 months of service in the Lay Employees' Pension Fund of the United Methodist Church whereby it matches the employees' 3% minimum contribution two-for-one for a total cost to the Organization of 6% of participating employees' gross earnings. Contributions by the Organization totaled \$647,887 for 2021 and \$605,379 for 2020. The Organization also funds the minister's retirement with the Louisiana Annual Conference of the United Methodist Church. Contributions by the Organization totaled \$14,672 and \$11,669 during 2021 and 2020, respectively.

NOTE 3 - INVESTMENTS

The Organization's investments and certain cash and cash equivalents are held primarily by a national investment banking and financial services company and are managed by an investment advisor in accordance with the terms of an investment advisory agreement.

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

LOUISIANA UNITED METHODIST CHILDREN AND FAMILY SERVICES, INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 3 - INVESTMENTS (continued)

	2021	2020
Net income (loss) for years – Endowment Fund		
Interest	\$ 137,124	\$ 128,072
Dividends and settlement income	251,996	239,644
Income from pooled fund	630,885	239,747
Realized and unrealized gains and (losses)	<u>4,810,967</u>	<u>4,329,718</u>
	\$ 5,830,972	\$ 4,937,181
Less: investment expenses	<u>(139,946)</u>	<u>(106,788)</u>
	<u>\$ 5,691,026</u>	<u>\$ 4,830,393</u>

Gross proceeds from the sale of securities amounted to \$4,556,968 and \$4,668,972 for the years ended December 31, 2021 and 2020, respectively.

Investments with a cost basis of \$ 40,189,708 had unrealized gains of \$ 3,587,278 as of December 31, 2021.

Investments with a cost basis of \$ 36,024,582 had unrealized gains of \$ 3,658,527 as of December 31, 2020.

Local Investment Fund

In 1996, the Organization received a bequest from the Estate of Louise Briley Leake in the form of an interest in a testamentary trust whereby the income will be paid annually and the trust principal distributed to the Organization 25 years from the death of the donor. The bequest was recorded at fair value. Annual changes in fair value are reported as unrealized gain or loss and an increase or decrease in temporarily restricted assets. This trust fund was valued at \$0 and \$3,696 for 2021 and 2020, respectively.

During 2000, the Organization received a bequest from the Estate of Hattye Jordan. The Hattye Recoulley Jordan Charitable Remainder Unitrust has Hancock Whitney Bank as trustee and the Organization will receive the assets of the trust upon the death of the recipient. The assets of the trust were valued based upon available market rates discounted for the life expectancy of the recipient. The market values of the trust were \$371,324 and \$344,333 for 2021 and 2020, respectively. The discounted values were \$305,169 and \$277,489 for 2021 and 2020, respectively.

During 2015, the Organization received a bequest from the Estate of Barbara Williamson. The Barbara Williamson Charitable Lead Trust has an individual as the trustee and the Organization received a 20% interest in the assets of the trust. The assets are payable to the Organization at the rate of 5% of the fair market value of the assets of the trust on December 31 of each year for 50 years. The fair market value of 20% interest of the assets of the trust was \$920,155 and \$887,586 as of December 31, 2021 and 2020, respectively. The discounted values were \$877,682 and \$839,236 for 2021 and 2020, respectively.

During 2017, the Organization recorded a bequest from the Estate of Annie Pomeroy of an 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, 2021 and 2020, respectively.

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

LOUISIANA UNITED METHODIST CHILDREN AND FAMILY SERVICES, INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 3 - INVESTMENTS (continued)

Other Information

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

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

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

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

The market value of the assets in the permanently restricted fund was \$508,520 and \$442,802 as of December 31, 2021 and 2020, 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, 2021 and 2020, were \$15,977 and \$28,064, respectively. The cash surrender values of the policies as of December 31, 2021 and 2020, were \$498,896 and \$482,919, respectively.

NOTE 4 - FAIR VALUE MEASUREMENTS

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

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

LOUISIANA UNITED METHODIST CHILDREN AND FAMILY SERVICES, INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 4 – FAIR VALUE MEASUREMENTS (continued)

Level 2: Inputs to the valuation methodology include:

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

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

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

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

Fair Value of Assets Measured on a Recurring Basis

The Organization's investments in securities with readily determinable fair values are recorded at fair value based on quoted market prices. For those investments, where quoted prices are unavailable, management estimates fair value based on quoted prices for similar instruments with consideration of actively quoted interest rates, credit ratings and spreads, prepayment models, and collateral data. The Organization utilizes several externally managed funds of funds for private equity, venture capital, and hedge funds, and with these types of investments, quoted prices are often unavailable, and pricing inputs are generally unobservable. The Organization relies on the valuation procedures and methodologies of the external managers hired specifically to invest in such securities or in strategies which employ such securities. The application of those valuation procedures and methodologies are borne out in each manager's FASB ASC 820 compliant annual audited financial statements and were monitored through the Organization's reporting periods ended December 31, 2021 and 2020.

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

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

The following table sets forth by level, within the hierarchy, the Organization's assets measured at fair value on recurring basis as of December 31, 2021 and 2020.

LOUISIANA UNITED METHODIST CHILDREN AND FAMILY SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

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

LOUISIANA UNITED METHODIST CHILDREN AND FAMILY SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 4 - FAIR VALUE MEASUREMENTS (continued)						
	Cost Basis	Fair Market Basis	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Unrealized Gain (Loss)
2020 LOCAL INVESTMENT FUND						
Equity securities - cost or donated value						
Publicly Traded	\$ 45,470	\$ 72,309	\$ 72,309	\$ -	\$ -	\$ 26,839
Closely Held	16,984	249,981	-	-	249,981	232,997
Total Equity securities	<u>\$ 62,454</u>	<u>\$ 322,290</u>	<u>\$ 72,309</u>	<u>\$ -</u>	<u>\$ 249,981</u>	<u>\$ 259,836</u>
Net income - Local Investment Fund						
Interest		\$ 38,073				
Dividends		48,312				
		<u>\$ 86,385</u>				
2020 INVESTMENTS ENDOWMENT FUND						
<u>Argent Trust Company - Ruston, LA</u>						
Cash equivalents	<u>\$ 1,141,869</u>	<u>\$ 1,141,869</u>				
Equities						
Mutual funds						
Mutual funds - foreign	\$ 1,566,922	\$ 1,969,603	\$ 1,969,603	\$ -	\$ -	\$ 402,681
Mutual funds - domestic	1,513,152	2,719,242	2,719,242	-	-	1,206,090
Total mutual funds	<u>\$ 3,080,074</u>	<u>\$ 4,688,845</u>	<u>\$ 4,688,845</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,608,771</u>
Common stock	\$ 4,503,358	\$ 9,530,309	\$ 9,530,309	\$ -	\$ -	\$ 5,026,951
Total equities	<u>\$ 7,583,432</u>	<u>\$ 14,219,154</u>	<u>\$ 14,219,154</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,635,722</u>
Corporate bonds	\$ 2,092,141	\$ 2,201,751	\$ -	\$ 2,201,751	\$ -	\$ 109,610
Foreign bonds nts and debentures	182,060	185,119	-	185,119	-	3,059
Intermediate term fixed income fund	195,004	216,265	-	216,265	-	21,261
Mortgage bond	1,111,890	1,166,179	-	1,166,179	-	54,289
Municipal obligations	355,212	362,017	-	362,017	-	6,805
Preferred Stock	74,250	77,760	-	77,760	-	3,510
Short term fixed income fund	239,529	248,700	-	248,700	-	9,171
Taxable municipal obligations	223,854	228,684	-	228,684	-	4,830
U.S. government agency bonds	349,760	353,118	353,118	-	-	3,358
U.S. treasuries	100,234	107,727	107,727	-	-	7,493
Total fixed income securities	<u>\$ 4,923,934</u>	<u>\$ 5,147,320</u>	<u>\$ 460,845</u>	<u>\$ 4,686,475</u>	<u>\$ -</u>	<u>\$ 223,386</u>
Total Argent Investments without cash	<u>\$ 12,507,366</u>	<u>\$ 19,366,474</u>	<u>\$ 14,679,999</u>	<u>\$ 4,686,475</u>	<u>\$ -</u>	<u>\$ 6,859,108</u>
<u>The United Methodist Foundation of LA</u>						
Cash equivalents	<u>\$ -</u>	<u>\$ -</u>				
Mutual Funds - Equity	\$ 1,324,763	\$ 1,324,763	\$ 875,000	\$ 449,763	\$ -	\$ -
Money Accounts	9,892,251	12,245,935	12,245,935	-	-	2,353,684
Stocks and Related	845,271	922,200	-	922,200	-	76,929
Corporate Bonds	1,347,891	1,442,049	1,396,371	45,678	-	94,158
U. S. Government Bonds	732,768	740,064	-	740,064	-	7,296
Mortgage Asset Backed	2,147,693	2,249,870	2,249,870	-	-	102,177
Pooled income funds	<u>1,140,982</u>	<u>1,391,754</u>	<u>-</u>	<u>1,391,754</u>	<u>-</u>	<u>250,772</u>
Total United Methodist Foundation Investments without cash	<u>\$ 17,431,619</u>	<u>\$ 20,316,635</u>	<u>\$ 16,767,176</u>	<u>\$ 3,549,459</u>	<u>\$ -</u>	<u>\$ 2,885,016</u>
Endowment fund total investments without cash equivalents	<u>\$ 29,938,985</u>	<u>\$ 39,683,109</u>	<u>\$ 31,447,175</u>	<u>\$ 8,235,934</u>	<u>\$ -</u>	<u>\$ 9,744,124</u>
Total stocks, bonds, and notes	<u>\$ 30,001,439</u>	<u>\$ 40,005,399</u>	<u>\$ 31,519,484</u>	<u>\$ 8,235,934</u>	<u>\$ 249,981</u>	<u>\$ 10,003,960</u>

LOUISIANA UNITED METHODIST CHILDREN AND FAMILY SERVICES, INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 4 – FAIR VALUE MEASUREMENTS (continued)

The following table sets forth a summary of changes in the fair value of the Organization's Level 3 assets in the Local Investment Fund for the years ended December 31, 2021 and 2020.

	2021	2020
Closely-held company stock:		
Balance, beginning of year	\$ 249,981	\$ 239,784
Unrealized gains related to instruments still held at the reporting date	(18,437)	10,197
Balance, end of year	<u>\$ 231,544</u>	<u>\$ 249,981</u>

The Organization's Level 3 closely-held company stock has been valued using a base price provided by the closely-held company as determined by a third-party consultant. The base price was applicable throughout the year 2021. Purchases as a result of the closely-held company exercising its purchase option during the year were at that price. No unobservable inputs internally developed by the Organization have been applied to these investments.

The following table sets forth a summary of changes in the fair value of the Organization's Level 3 assets in the Operating Fund for the years ended December 31, 2021 and 2020.

	2021	2020
Cash surrender value of insurance:		
Balance, beginning of year	\$ 482,919	\$ 454,855
Increase in value, net	15,977	28,064
Balance, end of year	<u>\$ 498,896</u>	<u>\$ 482,919</u>

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

NOTE 5 – CONCENTRATION OF REVENUES AND ACCOUNTS RECEIVABLE

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

Revenue from this service totaled \$20,785,910 and \$18,560,174 for 2021 and 2020, respectively. Accounts receivable balances related to this activity were \$3,997,826 and \$3,584,618 as of December 31, 2021 and 2020, respectively. The 2021 and 2020 revenue includes \$1,243,061 and \$1,476,410, respectively, from the federal HRSA Cares Act provider relief program.

LOUISIANA UNITED METHODIST CHILDREN AND FAMILY SERVICES, INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 5 - CONCENTRATION OF REVENUES AND ACCOUNTS RECEIVABLE (continued)

Accounts receivable arise from the normal course of providing these services and are not secured. An allowance for uncollectible accounts of \$987,218 and \$1,071,132 for 2021 and 2020, respectively, has been provided for accounts receivable, and cost reimbursement receivables related to services. Accounts receivable balances over 90 days past due were \$1,567,568 and \$1,227,483 as of December 31, 2021 and 2020, respectively.

Pledges Receivable**Operating Fund**

The Organization received pledges during the years ended December 31, 2021 and 2020, totaling \$5,000 and \$1,267, respectively. These pledges were not restricted by the donors. The pledges were collected during the subsequent period and there was no allowance for uncollectible pledges for the current year or the prior year. There was no discount rate applied to these pledges.

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

Local Investment Fund

During 2019, the Organization launched a capital campaign to facilitate the construction of a new facility in Loranger, Louisiana. In December 2015 the Organization purchased 125 acres of undeveloped land north of I-12 east of Hammond, Louisiana, in Tangipahoa Parish. The Organization intends to create a premier treatment facility in Southeast Louisiana located in the middle of 50% of the state's entire population. The Organization has named the facility "Methodist Children's Home of Southeast Louisiana and Greater New Orleans." This facility will provide regional services in Southeast Louisiana that will include a state-of-the-art psychiatric residential treatment facility with an adjacent clinic and administrative building with future expansion for Therapeutic Foster Care (TFC), Life Skills, and experimental therapy.

The Organization received pledges during the years ending December 31, 2021 and 2020 totaling \$878,500 and \$420,800, respectively. \$0 and \$10,800 were from employees of the Organization for the years ending December 31, 2021 and 2020, respectively. The pledges are to be collected over a 5-year period. An allowance for uncollected pledges of 12% and 12% of the totals, or \$90,539 and \$90,539 for the years ending December 31, 2021 and 2020, respectively, has been established based on historical collection rates. A discount rate of 1% of the total, or \$9,198 and \$8,915 discounts, have been applied to calculate the current balance of pledge receivables as of December 31, 2021 and 2020, respectively totaling \$509,573 and \$726,208.

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

2022	\$	234,103
2023		120,956
2024		92,715
2025		52,070
2026 and after		9,729

LOUISIANA UNITED METHODIST CHILDREN AND FAMILY SERVICES, INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 6 – INVENTORY

Inventories as of December 31, 2021 and 2020, consist of salsa products produced at the Outdoor Wilderness Learning Center at an approximate cost of \$3,496 and \$3,652, respectively. Supplies related to COVID-19 prevention located in Ruston, Louisiana, totaled \$27,185 and \$34,659 as of December 31, 2021 and 2020, respectively. Food inventory located at the Outdoor Wilderness Learning Center totaled \$1,397 and \$1,078 as of December 31, 2021 and 2020, respectively. Food inventory located in Sulphur, Louisiana, totaled \$10,127 and \$4,271 as of December 31, 2021 and 2020, respectively. Food inventory located in Ruston, Louisiana, totaled \$33,663 and \$13,019 as of December 31, 2021 and 2020, respectively. Supplies inventory located in Robert, Louisiana totaled \$13,267 as of December 31, 2021. Total inventory reflected in the general operating fund totaled \$89,135 and \$56,679 as of December 31, 2021 and 2020, respectively.

	2021	2020
OWL salsa products	\$ 3,496	\$ 3,652
Supplies, Ruston, LA	27,185	34,659
Food, OWL	1,397	1,078
Food, Ruston, LA	33,663	13,019
Food, Sulphur, LA	10,127	4,271
Supplies, Robert, LA	13,267	-
Totals	<u>\$ 89,135</u>	<u>\$ 56,679</u>

NOTE 7 – PROPERTY AND EQUIPMENT

Fixed assets are recorded at cost if purchased, and at fair market value at time of donation. The major categories of fixed assets are as follows:

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

December 31, 2020	Cost	Accumulated Depreciation	Net Book Value
Land and improvements	\$ 2,759,316	\$ (55,024)	\$ 2,704,292
Buildings and improvements	24,453,614	(10,368,887)	14,084,727
Furniture and fixtures	1,697,419	(1,429,995)	267,424
Office furniture and equipment	22,186	(22,186)	-
Automobiles, trucks, and vans	1,378,977	(1,111,922)	267,055
Tractors and other equipment	591,687	(367,597)	224,090
Totals	<u>\$ 30,903,199</u>	<u>\$ (13,355,611)</u>	<u>\$ 17,547,588</u>

LOUISIANA UNITED METHODIST CHILDREN AND FAMILY SERVICES, INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 7 - PROPERTY AND EQUIPMENT (continued)

As of December 31, 2021 and 2020, construction in progress consisted of a telephone system and building construction of the new Methodist Children's Home in Tangipahoa Parish that were not completed as of December 31, 2021 and 2020 totaling \$8,272,594 and \$3,356,386, respectively. The construction in progress includes \$26,986 of construction period interest paid during 2021 on the line of credit with the United Methodist Foundation of Louisiana.

The depreciation expense was \$1,188,426 and \$1,175,746 for the years ended December 31, 2021 and 2020, respectively.

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

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

NOTE 8 - SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

The Independent Living Program consists of four contracts. The contracts are an 80/20 matching program in which the Organization is reimbursed for expenditures equal to its in-kind or cash contribution. There are four regional contracts reflecting the period January 1, 2020 until June 30, 2020, and July 1, 2020 until December 31, 2020, for the period ending June 30, 2021. The regions are Monroe, Covington, Lake Charles, and Lafayette, Louisiana. These costs are allocated to the independent living program based on detailed ledgers maintained by the Organization. These costs consist of allocated portions of administrative overhead, salaries and related benefits, travel, operating services supplies, professional services, capital outlay, and miscellaneous expenses. The Organization does not reclassify these allocated portions as independent living services expenditures for financial statement purposes. Total revenue from this service totaled \$713,972 and \$522,621 for 2021 and 2020, respectively.

The Child Victims' Assistance Program subgrant requires a 20% match for personnel, related benefits, and contract services. Revenue from this program totaled \$9,319 and \$42,702 for 2021 and 2020, respectively.

The Foster Parent Support Organization Program subgrant includes regional support group, peer mentoring, state communication system and conflict resolution. Revenue from this program totaled \$236,723 and \$220,420 during 2021 and 2020, respectively.

NOTE 9 - RELATED PARTY

Total contributions received from employees, officers, and Organization board members of the Organization totaled \$381,471 and \$53,520 during 2021 and 2020, respectively.

LOUISIANA UNITED METHODIST CHILDREN AND FAMILY SERVICES, INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 10 – NET ASSETS WITHOUT DONOR RESTRICTIONS

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

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

	Totals	General Operating Fund	Endowment Fund	Local Investment Fund	Fixed Asset Fund
December 31, 2021					
Net assets without donor restrictions	\$ 77,875,334	\$ 4,057,292	\$ 41,750,953	\$ 7,119,826	\$ 24,947,263
Designated:					
Operating budget	\$ 1,792,350	\$ -	\$ 1,792,350	\$ -	\$ -
Capital improvements:					
Furniture and equipment	97,503	-	-	97,503	-
Total designated	\$ 1,889,853	\$ -	\$ 1,792,350	\$ 97,503	\$ -
Total net assets without donor restrictions	\$ 79,765,187	\$ 4,057,292	\$ 43,543,303	\$ 7,217,329	\$ 24,947,263
December 31, 2020					
Net assets without donor restrictions	\$ 72,071,440	\$ 3,586,208	\$ 38,059,617	\$ 9,521,641	\$ 20,903,971
Designated:					
Operating budget	\$ 1,654,906	\$ -	\$ 1,654,906	\$ -	\$ -
Capital improvements:					
Methodist Children's Home of Southeast Louisiana and Greater New Orleans	82,052	-	-	82,052	-
Other capital projects	37,206	-	-	37,206	-
Total designated	\$ 1,774,164	\$ -	\$ 1,654,906	\$ 119,258	\$ -
Total net assets without donor restrictions	\$ 73,845,604	\$ 3,586,208	\$ 39,714,523	\$ 9,640,899	\$ 20,903,974

LOUISIANA UNITED METHODIST CHILDREN AND FAMILY SERVICES, INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 11 - NET ASSETS WITH DONOR RESTRICTIONS

	<u>2021</u>	<u>2020</u>
Operating Fund		
Current assets:		
Checking - Origin Bank	\$ 36,697	\$ 36,697
Endowment Fund		
Long-term investments:		
Pooled funds	306,066	564,856
Local Investment Fund		
Current assets:		
Checking - Origin Bank	911,544	750,642
Accounts receivable - promises to give (net)	419,033	635,669
Long-term investments:		
Leake Testamentary Trust	-	3,696
H.R. Jordan Charitable Remainder Trust	305,169	277,489
Barbara Williamson Charitable Lead Trust	877,682	839,236
The Pomeroy Trust, LLC	135,486	135,486
R.D. Webb property	<u>8,100</u>	<u>8,149</u>
Balances at year end	<u>\$ 2,999,777</u>	<u>\$ 3,251,920</u>
Endowment Fund		
Long-term investments:		
Pooled funds	\$ 613,065	\$ 582,471
Local Investment Fund		
Short-term investments:		
Checking - Origin Bank	<u>-</u>	<u>545</u>
Balances at year end	<u>\$ 613,065</u>	<u>\$ 583,016</u>
Net assets with donor restrictions	<u>\$ 3,612,842</u>	<u>\$ 3,834,936</u>

LOUISIANA UNITED METHODIST CHILDREN AND FAMILY SERVICES, INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 11 – NET ASSETS WITH DONOR RESTRICTIONS (continued)

Composition of net assets with donor restrictions:

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

	Time Restricted	Purpose Restricted	Perpetual in Nature	Total
Endowments	\$ -	\$ 306,066	\$ 613,065	\$ 919,131
Leake Testamentary Trust	-	-	-	-
H.R. Jordan Charitable Remainder Trust	305,169	-	-	305,169
Barbara Williamson Charitable Lead Trust	877,682	-	-	877,682
The Pomeroy Trust, LLC	135,486	-	-	135,486
R.D. Webb Property	8,100	-	-	8,100
Other	-	1,367,274	-	1,367,274
Totals	<u>\$ 1,326,437</u>	<u>\$ 1,673,340</u>	<u>\$ 613,065</u>	<u>\$ 3,612,842</u>

The following is the composition by type of fund of net assets with donor restrictions as of December 31, 2020:

	Time Restricted	Purpose Restricted	Perpetual in Nature	Total
Endowments	\$ -	\$ 564,856	\$ 582,471	\$ 1,147,327
Leake Testamentary Trust	3,696	-	-	3,696
H.R. Jordan Charitable Remainder Trust	277,489	-	-	277,489
Barbara Williamson Charitable Lead Trust	839,236	-	-	839,236
The Pomeroy Trust, LLC	135,486	-	-	135,486
R.D. Webb Property	8,149	-	-	8,149
Other	-	1,423,008	595	1,423,553
Totals	<u>\$ 1,264,056</u>	<u>\$ 1,987,864</u>	<u>\$ 583,066</u>	<u>\$ 3,834,936</u>

Helen and Allen Barksdale Lecture Series

Funds were contributed to establish a lecture series for the Organization. The income will fund the expenses of the lectures and the principal totaling \$100,000 will not be expended. The income (loss) included in the temporarily restricted fund was \$21,650 and \$17,453 for the years ended December 31, 2021 and 2020, respectively. The market values of the assets of this account as of December 31, 2021 and 2020, were \$167,524 and \$145,874, respectively. \$100,000 of the balance is permanently restricted.

LOUISIANA UNITED METHODIST CHILDREN AND FAMILY SERVICES, INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 11 – NET ASSETS WITH DONOR RESTRICTIONS (continued)

Bradley Family Music Program

Funds were contributed to establish the Bradley Family Music Program. The principal totaling \$10,000 will not be expended. The income of the endowment can be used for any music-related expense that benefits the youth and the Organization. Examples include, but are not limited to, musical instruments, hymnals or sheet music, and the cost or expense of instrument lessons or choir direction. The income (loss) included in the temporarily restricted fund was \$2,117 and \$1,707 for the years ended December 31, 2021 and 2020, respectively. The market values of the assets of this account as of December 31, 2021 and 2020, were \$16,381 and \$14,264, respectively. \$10,000 of the balance is permanently restricted.

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

Beginning in 2011, funds were contributed to establish a Vocational Technical training scholarship for the Organization. Effective September 2014, the scholarship was renamed the "Bull Buteau Vo-Tech Scholarship." The income will fund the expenses of the Vo-tech school and the principal totaling \$377,600 will not be expended. Contributions of \$30,000 and \$40,500 were contributed for the years ending December 31, 2021 and 2020, respectively. The income (loss) included in temporarily restricted funds was \$54,682 and \$52,467 for the years ended December 31, 2021 and 2020, respectively. The market values of the assets of this account in the endowment fund as of December 31, 2021 and 2020, were \$531,102 and \$446,420, respectively. \$377,600 of the balance is permanently restricted.

Lester O. Bennett Scholarship Fund

During 2017, funds were contributed to establish the Lester O. Bennett Scholarship Fund totaling \$15,000. The income of the scholarship fund shall be used to fund scholarships and educational expenses. The funds can be used for any youth to continue their education at a high school, college, or vocational school. The market values of this account as of December 31, 2021 and 2020, 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 2021 and 2020, \$595 and \$50, 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 \$24,402 and \$19,637 for the years ended December 31, 2021 and 2020, respectively. The market values of the assets of this account as of December 31, 2021 and 2020, were \$189,125 and \$164,128, respectively. The market value of the assets in the Local Investment checking account was \$0 and \$545 as of December 31, 2021 and 2020, respectively. \$110,465 of the balance is permanently restricted.

LOUISIANA UNITED METHODIST CHILDREN AND FAMILY SERVICES, INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 12 - INCOME TAXES

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

However, the Organization has paid income taxes based upon income reported by "S" Corporation earnings. Total income tax expense for the years 2021 and 2020 was \$3,722 and \$3,500, respectively, on income of \$20,444 and \$8,482, respectively.

NOTE 13 - OPERATING LEASES

Northlake Behavioral Health System

On March 22, 2018, the Organization entered into a new lease with MBH of Louisiana, LLC d/b/a Northlake Behavioral Health System to keep Methodist Children's Home of Greater New Orleans in the same location in Mandeville, Louisiana, that terminated by notice on April 26, 2021 effective October 31, 2021. At that time it became a month to month lease until February 28, 2022. The building is a 13,764 square foot building known as S & T Wards located on the northeast corner of campus at 23515 Highway 190, Mandeville, Louisiana, for the purpose of providing supervised and structured 24-hour residential care to youths in psychiatric residential care. The lease required a \$2,000 monthly utility payment, and a payment per meal for meals provided to residents and staff.

The terms of the lease have monthly payments of \$16,587 for the period of April 1, 2019 through March 31, 2022, due and payable on the first day of the month. Total rental expenses were \$199,044 and \$199,044 for the years 2021 and 2020, respectively.

Therapeutic Foster Care Program

The Organization has office space leased for Therapeutic Foster Care in Covington, Louisiana (\$1,800 monthly); Alexandria, Louisiana (\$2,400 monthly); Monroe, Louisiana (\$4,500 monthly)/(\$4,500 monthly); Shreveport, Louisiana (\$600 monthly) and Lafayette, Louisiana (\$1,507 monthly) with terms ending July 2021 (36 months), July 2022 (36 months), October 2022 (60 months), January 2022 (12 months), and July 2022 (12 months), respectively. Rental expenses were \$130,807 and \$109,886 for the years 2021 and 2020, respectively.

Independent Living Program

The Independent Living Program has office space leased in Covington, Louisiana (\$1,350 monthly); and Lafayette, Louisiana (\$1,100 monthly), with terms ending February 2022 (24 months) and June 2022 (24 months), respectively. Rental expenses were \$45,600 and \$46,250 for the years 2021 and 2020, respectively.

LOUISIANA UNITED METHODIST CHILDREN AND FAMILY SERVICES, INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 13 - OPERATING LEASES (continued)

All rental agreements are noncapitalizable.

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

2022	\$	110,627
2023		60,600
2024		54,000
2025		45,000
2026		0

NOTE 14 - RETIREMENT PAYABLE

During 2008, the Organization of Directors approved the adoption of a salary contribution plan for two key employees. The plan involves the payment of \$1,000 per month for each employee upon retirement for 15 years. The employee's retirement dates of July 1, 2011 and July 1, 2012, were used to record the present value of the liability based on a 6% rate. As of December 31, 2021, the liabilities were \$47,221 and \$56,052 for each employee and as of December 31, 2020, the liabilities were \$56,097 and \$64,412 for each employee. Retirement payments for the years ended December 31, 2021 and 2020, were \$12,000 and \$12,000, and \$12,000 and \$12,000, respectively.

NOTE 15 - SCHEDULE OF EXPENSES

The following schedules summaries expense by their natural expense and function classifications, which occurred during the years ended December 31, 2021 and 2020:

December 31, 2021	Total	Program Services	Fundraising	Management and General
Salaries, benefits, and payroll taxes	\$ 23,640,640	\$ 19,954,113	\$ 404,830	\$ 3,281,697
Insurance expense	682,128	131,688	-	550,440
Professional services	637,525	200,885	66,487	370,153
Lease/rental expense	397,051	198,007	-	199,044
Food expense	829,285	829,285	-	-
Foster parent payments	2,201,978	2,301,204	-	-
Office and postage expense	174,595	72,823	17,720	84,052
Telephone	238,779	118,711	4,185	115,883
Travel and seminar	238,947	172,885	26,793	39,269
Training	70,737	41,483	-	29,254
Utilities	445,502	363,220	7,394	74,888
Repairs and maintenance	642,846	209,699	10,311	422,836
Supplies	494,253	468,763	7,137	18,353
Disaster Expenses-Louisiana	180,581	180,581	-	-
Bad debt expense	550,000	-	-	550,000
Miscellaneous	666,262	330,668	99,049	236,545
Total before depreciation	\$ 32,190,335	\$ 25,574,015	\$ 643,906	\$ 5,972,414
Depreciation	1,188,426	904,467	16,757	267,202
Totals	\$ 33,378,761	\$ 26,478,482	\$ 660,663	\$ 6,239,616

LOUISIANA UNITED METHODIST CHILDREN AND FAMILY SERVICES, INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 15 – SCHEDULE OF EXPENSES (continued)

December 31, 2020	Total	Program Services	Fundraising	Management and General
Salaries, benefits, and payroll taxes	\$ 23,225,339	\$ 19,479,286	\$ 459,782	\$ 3,286,271
Insurance expense	684,129	95,686	-	588,443
Professional services	480,742	222,136	26,793	231,813
Lease/rental expense	358,180	159,136	-	199,044
Food expense	739,889	739,889	-	-
Foster parent payments	2,203,818	2,203,818	-	-
Office and postage expense	218,359	94,570	16,013	107,776
Telephone	221,136	113,222	3,355	104,559
Travel and seminar	236,995	171,471	18,144	47,380
Training	51,108	21,807	-	29,301
Utilities	402,441	346,361	6,209	49,871
Repairs and maintenance	468,106	245,868	29,972	192,266
Supplies	620,586	534,638	8,446	77,502
Bad debt expense	500,000	-	-	500,000
Miscellaneous	594,660	317,404	83,673	193,583
Total before depreciation	\$ 31,005,488	\$ 24,745,292	\$ 652,387	\$ 5,607,809
Depreciation	1,175,746	920,754	20,623	234,369
Totals	<u>\$ 32,181,234</u>	<u>\$ 25,666,046</u>	<u>\$ 673,010</u>	<u>\$ 5,842,178</u>

NOTE 16 – SUBSEQUENT EVENTS

In accordance with ASC 855, the Organization evaluated subsequent events through June 27, 2022, the date these financial statements were available to be issued.

COVID-19

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

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

LOUISIANA UNITED METHODIST CHILDREN AND FAMILY SERVICES, INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 16 - SUBSEQUENT EVENTS (continued)

Methodist Children's Home of Southeast Louisiana

The Methodist Children's Home of Southeast Louisiana received licensure by the Louisiana Department of Health/Health Standards Section on February 21, 2022 for 32 psychiatric residential treatment beds. The facility admitted children on February 24, 2022. The total cost of completion prior to occupancy was \$9,140,551 in buildings, fence, furniture, fixtures, and equipment.

Stocks, Bonds & Notes - Market Volatility and Impact on Investments

The Organization has experienced a significant decline in the value of investments held by the United Methodist Foundation and the Argent Trust Company subsequent to the December 31, 2021 valuation date in the financial statements.

NOTE 17 - HURRICANE LAURA

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

NOTE 18 - LINE OF CREDIT

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

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

LOUISIANA UNITED METHODIST CHILDREN AND FAMILY SERVICES, INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 19 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

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

	<u>2021</u>	<u>2020</u>
Financial assets at year-end		
Cash and cash equivalents	\$ 12,166,503	\$ 11,567,393
Stocks, bonds and notes	44,108,865	40,005,399
Cash surrender value life insurance	498,896	482,919
Less those unavailable for general expenditures within one year, due to donor restrictions (Note 11)	(3,612,842)	(3,834,936)
Line of Credit collateral investments (Note 17)	<u>(4,000,000)</u>	<u>-</u>
Financial asset available to meet cash needs for general expenditure within one year	<u>\$ 49,161,422</u>	<u>\$ 48,220,775</u>

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

SUPPLEMENTARY INFORMATION

LOUISIANA UNITED METHODIST CHILDREN AND FAMILY SERVICES, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED DECEMBER 31, 2021

	Federal CFDA Number	Expenditures
<u>Federal Grants/Pass-Through Grantor/Program Title</u>		
United States Administration for Children and Families, Department of Health and Human Services Louisiana Department of Children and Family Services, Office of Children and Family Services		
Independent Living Program - Monroe, LA (ended June 30, 2021)	93.674	\$ 109,821
Independent Living Program - Monroe, LA (ended June 30, 2022)	93.674	135,887
Independent Living Program - Covington, LA (ended June 30, 2021)	93.674	\$ 131,982
Independent Living Program - Covington, LA (ended June 30, 2022)	93.674	140,598
Independent Living Program - Lake Charles, LA (ended June 30, 2021)	93.674	\$ 71,090
Independent Living Program - Lake Charles, LA (ended June 30, 2022)	93.674	83,423
Independent Living Program - Lafayette, LA (ended June 30, 2021)	93.674	\$ 82,221
Independent Living Program - Lafayette, LA (ended June 30, 2022)	93.674	78,584
Subtotal		<u>\$ 833,606</u>
Provider Relief Fund 2021	93.498	\$ -
United States Department of Justice Office of Justice Programs, Office for Victims of Crimes Louisiana Commission on Law Enforcement Child Victims' Assistance Program (ended June 30, 2021)		
Subtotal	16.575	<u>\$ 13,068</u> <u>\$ 13,068</u>
United States Administration for Children and Families, Department of Health and Human Services Social Services Block Grant - Foster Care Parent Support Organization Program (ended September 30, 2021)		
Support Organization Program (ended September 30, 2022)	93.667	\$ 164,414
Subtotal	93.667	<u>\$ 56,135</u> <u>\$ 220,549</u>
Total Federal Awards		<u>\$ 1,067,223</u>

LOUISIANA UNITED METHODIST CHILDREN AND FAMILY SERVICES, INC.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED DECEMBER 31, 2021

General

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

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Organization under programs of the federal government for the years ended December 31, 2021 and 2020. The information in this Schedule is presented in accordance with the requirements of Title 2, Part 200 of the Code of Federal Regulations (CFR), the *Uniform Administrative Requirements, Cost Principle, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to, and does not, present the financial position, changes in net assets, or cash flows of the Organization.

Basis of Accounting

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

Payments to Sub-Recipients

There were no payments to sub-recipients for the year ended December 31, 2021.

Findings of Noncompliance

There were no federal awards findings or questioned costs reported during the audit for the year ended December 31, 2021.

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

During the prior fiscal year, the U.S. Department of Health and Human Services (HHS) began providing COVID-19 related funding under Assistance Listing Number 93.498. The funds are to be utilized to offset eligible COVID-19 expenditures and lost revenues related to COVID-19 as defined in the program regulations. The agency recognized amounts received as the program's requirements were met as shown in the table below. The amounts received and expended are reported in the Schedule according to HHS periods of availability (also known as the "period of performance"). Accordingly, the \$1,243,061 and \$1,476,410 expended and recognized in the years ended December 31, 2021 and 2020, respectively.

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

LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.

GENERAL OPERATING FUND REVENUE DETAIL
STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	Location			Totals	
	Ruston	GNO	Southwest	2021	2020
Unrestricted Revenue and Support					
Contributions					
Contributions	\$ 775,067	\$ 72,739	\$ 54,616	\$ 902,422	\$ 903,621
Memorials	-	-	-	-	40,286
Direct appeals	-	-	-	-	18,570
Sponsorships	146,670	-	1,840	148,510	77,338
Honorarium	-	-	-	-	3,120
United Way and other grants	169	-	-	169	2,307
Contributions - noncash	33,591	-	-	33,591	1,956
Total contributions	<u>\$ 955,497</u>	<u>\$ 72,739</u>	<u>\$ 56,456</u>	<u>\$ 1,084,692</u>	<u>\$ 1,047,198</u>
Children's Home offerings	<u>\$ 3,389</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,389</u>	<u>\$ 10,133</u>
Special events	<u>\$ 11,701</u>	<u>\$ 93,785</u>	<u>\$ -</u>	<u>\$ 105,486</u>	<u>\$ 60,378</u>
Child Care Support					
Child care support (TIPS)	\$ 40,826	\$ 7,910	\$ 8,459	\$ 57,195	\$ 47,600
PRTF revenue	13,806,302	2,562,522	3,116,830	19,485,654	17,036,164
Total child care support	<u>\$ 13,847,128</u>	<u>\$ 2,570,432</u>	<u>\$ 3,125,289</u>	<u>\$ 19,542,849</u>	<u>\$ 17,083,764</u>
Federal Funds					
HRSA CARES Act Provider Relief	<u>\$ 1,243,061</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,243,061</u>	<u>\$ 1,476,410</u>
Independent Living Services (Federal Subgrant and Other)					
Independent living services	<u>\$ 713,972</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 713,972</u>	<u>\$ 522,621</u>
Total independent living services	<u>\$ 713,972</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 713,972</u>	<u>\$ 522,621</u>
Federal Subgrant					
Child abuse counseling	<u>\$ 9,319</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,319</u>	<u>\$ 42,702</u>
Family Plus Program	<u>\$ 25,563</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,563</u>	<u>\$ 21,395</u>
Family Development Services					
Client fees	\$ 57,026	\$ -	\$ -	\$ 57,026	\$ 86,208
United Way grants	44,531	-	-	44,531	42,000
Lincoln Health Foundation	-	-	-	-	138,551
Total family development services	<u>\$ 101,557</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 101,557</u>	<u>\$ 266,759</u>
Medical and Nursing	<u>\$ 122,025</u>	<u>\$ 21,577</u>	<u>\$ 25,739</u>	<u>\$ 169,341</u>	<u>\$ 160,406</u>
Methodist Foster Care	<u>\$ 4,967,119</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,967,119</u>	<u>\$ 4,797,236</u>
Foster Care Grant	<u>\$ 236,723</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 236,723</u>	<u>\$ 220,420</u>
Trust Funds					
Marjorie D. Vickery Trust	\$ 99,600	\$ -	\$ -	\$ 99,600	\$ 150,000
Pomeroy Trust	2,326	-	-	2,326	24,842
Conference Fund Trusts	44,279	20,399	5,048	69,726	70,757
Ed and Gladys Hurley Trust	2,000	-	-	2,000	2,000
Total trust funds	<u>\$ 148,205</u>	<u>\$ 20,399</u>	<u>\$ 5,048</u>	<u>\$ 173,652</u>	<u>\$ 247,599</u>
Interest and dividends	<u>\$ 56,385</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 56,385</u>	<u>\$ 50,684</u>
Outdoor Wilderness Project income	<u>\$ 267,844</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 267,844</u>	<u>\$ 67,623</u>
Educational services	<u>\$ 508,011</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 508,011</u>	<u>\$ 524,700</u>
Miscellaneous income	<u>\$ 38,712</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,712</u>	<u>\$ 52,954</u>
Total unrestricted income	<u>\$ 23,256,211</u>	<u>\$ 2,778,932</u>	<u>\$ 3,212,532</u>	<u>\$ 29,247,675</u>	<u>\$ 26,652,982</u>

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

LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.

GENERAL OPERATING FUND EXPENSE DETAIL
STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	Location			Totals	
	Ruston	GNO	Southwest	2021	2020
Total Restricted Income					
Restrictions satisfied by payments	\$ -	\$ -	\$ -	\$ -	\$ 145,538
Expenses					
Administrative and General					
Salaries	\$ 1,167,489	\$ 195,871	\$ 234,613	\$ 1,597,973	\$ 1,563,695
Payroll taxes	80,908	14,259	17,092	112,259	110,548
Employee benefits	248,768	30,064	39,958	318,790	315,205
Advertising	-	857	1,575	2,432	120
Dues and licenses	9,193	1,370	740	11,303	9,945
Insurance	420,764	21,831	71,274	513,869	536,020
Office supplies	30,573	6,501	23,664	60,738	69,607
Postage	9,087	1,997	3,294	14,378	20,785
Professional services	91,428	5,250	5,250	101,928	94,015
Payroll -HR Solutions	128,279	-	-	128,279	31,010
Lease expense	-	199,044	-	199,044	199,044
Motor vehicle expense	4,096	-	-	4,096	4,396
Subscriptions	385	-	-	385	75
Telephone	36,610	24,549	33,412	94,571	76,739
In-service training	1,427	2,417	-	3,844	2,177
Travel and seminar	14,301	2,108	1,574	17,983	31,122
Board meeting expense	4,909	-	-	4,909	5,682
Utilities	27,475	47,413	-	74,888	49,871
Miscellaneous	6,194	1,447	2,164	9,805	11,731
Office and equipment maintenance contracts	2,179	1,532	3,657	7,368	6,701
Accreditation	42,599	-	-	42,599	11,008
Banking and processing fees	8,945	-	-	8,945	9,339
Bad debt expense	550,000	-	-	550,000	500,000
Total administrative and general	\$ 2,885,609	\$ 556,510	\$ 438,267	\$ 3,880,386	\$ 3,658,835
Human Resources					
Salaries	\$ 197,249	\$ -	\$ -	\$ 197,249	\$ 201,646
Payroll taxes	14,050	-	-	14,050	13,998
Employee benefits	48,104	-	-	48,104	47,507
Unemployment benefits	23,347	-	-	23,347	43,676
Advertising and promotion	18,523	-	-	18,523	18,855
Dues and licenses	-	-	-	-	219
Insurance	13,224	-	-	13,224	8,375
Office supplies	4,637	-	-	4,637	6,686
Training	7,324	-	-	7,324	6,862
Travel and seminar	1,724	-	-	1,724	28
Miscellaneous	27,948	-	-	27,948	21,945
Total human resources	\$ 356,130	\$ -	\$ -	\$ 356,130	\$ 369,797
Staff Development					
Salaries	\$ 189,355	\$ -	\$ -	\$ 189,355	\$ 213,877
Payroll taxes	13,885	-	-	13,885	14,999
Employee benefits	42,927	-	-	42,927	47,947
Advertising and promotion	1,788	-	-	1,788	660
Dues and licenses	57	-	-	57	-
Insurance	-	-	-	-	372
Office supplies	3,385	-	-	3,385	1,368
Training	18,086	-	-	18,086	20,262
Travel and seminar	4,711	-	-	4,711	1,642
Miscellaneous	15,482	-	-	15,482	21,727
Total staff development	\$ 289,676	\$ -	\$ -	\$ 289,676	\$ 322,854

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LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.

GENERAL OPERATING FUND EXPENSE DETAIL
STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

Expenses	Location			Totals	
	Ruston	GNO	Southwest	2021	2020
Information Management					
Salaries	\$ 298,682	\$ -	\$ -	\$ 298,682	\$ 318,561
Payroll taxes	21,177	-	-	21,177	22,167
Employee benefits	59,564	-	-	59,564	56,609
Office supplies	914	-	-	914	9,330
Telephone	21,312	-	-	21,312	27,820
Travel and seminar	9,283	-	-	9,283	10,192
Technology, equipment, and maintenance	379,590	-	-	379,590	170,364
Miscellaneous	9,870	-	-	9,870	1,650
Total information management	<u>\$ 800,392</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 800,392</u>	<u>\$ 616,693</u>
Health Information System					
Salaries	\$ 297,831	\$ -	\$ -	\$ 297,831	\$ 294,806
Payroll taxes	21,596	-	-	21,596	21,422
Employee benefits	48,255	-	-	48,255	43,284
Electronic health records	63,131	-	-	63,131	63,158
Supplies	1,586	-	-	1,586	3,422
Travel and seminar	1,472	-	-	1,472	-
Miscellaneous	5,800	-	-	5,800	3,503
Total health information system	<u>\$ 439,671</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 439,671</u>	<u>\$ 429,595</u>
Total administrative and general	<u>\$ 4,771,478</u>	<u>\$ 556,510</u>	<u>\$ 438,267</u>	<u>\$ 5,766,255</u>	<u>\$ 5,397,774</u>
Plant Operation and Maintenance					
Salaries	\$ 392,259	\$ 74,166	\$ 82,950	\$ 549,375	\$ 520,908
Payroll taxes	28,881	5,347	6,166	40,394	37,578
Employee benefits	58,204	12,963	3,650	74,817	82,759
Contract for outside services	9,498	-	5,041	14,539	16,254
Repairs - buildings and grounds	100,353	2,489	46,833	149,675	189,722
Supplies	17,185	15,223	16,283	48,691	52,889
Utilities	18,290	-	77,626	95,916	85,600
Vehicle gas, oil, and repairs	17,251	5,811	7,285	30,347	23,164
Miscellaneous	2,487	1	1,382	3,870	3,048
Total plant operation and maintenance	<u>\$ 644,408</u>	<u>\$ 116,000</u>	<u>\$ 247,216</u>	<u>\$ 1,007,624</u>	<u>\$ 1,011,922</u>
Medical and Nursing					
Salaries	\$ 1,052,784	\$ 352,041	\$ 433,937	\$ 1,838,762	\$ 1,803,529
Payroll taxes	73,900	26,271	31,589	131,760	129,053
Employee benefits	180,616	14,878	42,937	238,431	230,394
Medical service - PRTF	8,795	61,006	61,781	131,582	141,510
Office supplies	5,899	127	-	6,026	13,650
Medical supplies - PRTF	36,314	5,700	16,513	58,527	89,964
Employee drug screens	2,602	781	-	3,383	5,941
OSHA required vaccination	-	1,087	-	1,087	-
Psychologist - PRTF	14,400	-	-	14,400	14,400
Physician - PRTF	18,000	-	-	18,000	18,000
Training	16,192	38	389	16,619	7,694
Miscellaneous	18,000	100	2,656	20,756	13,818
Total medical and nursing	<u>\$ 1,427,502</u>	<u>\$ 462,029</u>	<u>\$ 589,802</u>	<u>\$ 2,479,333</u>	<u>\$ 2,467,953</u>

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LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.

GENERAL OPERATING FUND EXPENSE DETAIL
STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

Expenses	Location			Totals	
	Ruston	GNO	Southwest	2021	2020
Dietary					
Salaries	\$ 487,449	\$ 11,665	\$ 136,777	\$ 635,891	\$ 573,158
Payroll taxes	34,257	809	9,052	44,118	40,635
Employee benefits	68,709	1,563	25,892	96,164	90,321
Food - PRTF	576,179	114,631	137,816	828,626	737,678
Food - special	659	-	-	659	2,211
Supplies	66,532	1,151	17,783	85,466	77,217
Dietitian	-	-	-	-	5,900
Miscellaneous	5,976	-	5,131	11,107	1,786
Total dietary	<u>\$ 1,239,761</u>	<u>\$ 129,819</u>	<u>\$ 332,451</u>	<u>\$ 1,702,031</u>	<u>\$ 1,528,906</u>
W. A. J. Lewis Building - PRTF					
Therapeutic and training:					
Salaries	\$ 1,643,332	\$ -	\$ -	\$ 1,643,332	\$ 1,517,908
Payroll taxes	121,339	-	-	121,339	110,654
Employee benefits	152,186	-	-	152,186	157,049
Motor vehicle	3,020	-	-	3,020	2,535
Utilities	31,738	-	-	31,738	31,556
Office supplies	2,199	-	-	2,199	10,848
Supplies	13,371	-	-	13,371	25,035
Laundry and linen	4,330	-	-	4,330	3,449
Telephone	4,414	-	-	4,414	7,222
Travel and seminar	1,989	-	-	1,989	7,030
Personal hygiene	3,306	-	-	3,306	4,933
Clothing	4,808	-	-	4,808	5,428
Miscellaneous	250	-	-	250	892
Recreational	4,531	-	-	4,531	5,299
Total W. A. J. Lewis Building	<u>\$ 1,990,813</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,990,813</u>	<u>\$ 1,889,838</u>
Scott Building - PRTF					
Therapeutic and training:					
Salaries	\$ 1,592,234	\$ -	\$ -	\$ 1,592,234	\$ 1,563,589
Payroll taxes	118,068	-	-	118,068	115,512
Employee benefits	135,637	-	-	135,637	148,310
Office supplies	8,377	-	-	8,377	11,472
Supplies	2,258	-	-	2,258	4,628
Travel and seminar	350	-	-	350	5,635
Activities	4,086	-	-	4,086	7,133
Housekeeping supplies	41,340	-	-	41,340	16,473
Linen and bedding	3,603	-	-	3,603	2,225
Utilities	57,971	-	-	57,971	54,869
Motor vehicles	1,745	-	-	1,745	4,954
Personal hygiene	4,901	-	-	4,901	5,540
Clothing	4,587	-	-	4,587	5,457
Miscellaneous	700	-	-	700	1,354
Total Scott Building	<u>\$ 1,975,857</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,975,857</u>	<u>\$ 1,947,151</u>
Residential - PRTF					
Administration:					
Salaries	\$ 178,113	\$ -	\$ -	\$ 178,113	\$ 174,730
Payroll taxes	11,605	-	-	11,605	10,655
Employee benefits	52,803	-	-	52,803	57,147
Office supplies	4,643	-	-	4,643	4,585
Travel and seminar	512	-	-	512	371
Telephone	117	-	-	117	-
Miscellaneous	8,009	-	-	8,009	3,439
Total administration expenses	<u>\$ 255,802</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 255,802</u>	<u>\$ 250,927</u>

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LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.

GENERAL OPERATING FUND EXPENSE DETAIL
STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	Location			Totals	
	Ruston	GNO	Southwest	2021	2020
Expenses					
Residential - PRTF (continued)					
Therapeutic and training:					
Salaries - child care	\$ 2,310,171	\$ 866,406	\$ 1,263,471	\$ 4,440,048	\$ 4,251,976
Payroll taxes	170,599	63,071	90,104	323,774	309,839
Employee benefits	207,405	91,453	145,863	444,721	445,430
Supplies	9,895	676	2,587	13,158	27,767
Miscellaneous	949	304	3,155	4,408	4,052
Travel and seminar	1,703	2,301	1,875	5,879	15,099
Supplies - housekeeping	25,068	-	-	25,068	46,007
Linen and bedding	5,659	1,240	3,460	10,359	13,510
Motor vehicle expense	6,391	-	-	6,391	11,455
Utilities	42,441	-	-	42,441	41,076
Personal hygiene	9,019	4,421	5,766	19,206	22,902
Clothing	10,381	1,264	5,289	16,934	12,629
Activities	14,163	12,842	10,485	37,490	46,174
Total therapeutic and training	\$ 2,813,844	\$ 1,043,978	\$ 1,532,055	\$ 5,389,877	\$ 5,247,916
Total residential - PRTF	\$ 3,069,646	\$ 1,043,978	\$ 1,532,055	\$ 5,645,679	\$ 5,498,843
Recreational - PRTF					
Salaries	\$ 217,103	\$ -	\$ -	\$ 217,103	\$ 227,103
Payroll taxes	15,655	-	-	15,655	16,217
Employee benefits	44,676	-	-	44,676	40,123
Supplies	2,669	-	-	2,669	1,636
Activities	8,021	-	-	8,021	17,950
Training	1,183	-	-	1,183	957
Miscellaneous	501	-	-	501	538
Utilities	25,742	-	-	25,742	29,368
Total recreational - PRTF	\$ 315,550	\$ -	\$ -	\$ 315,550	\$ 333,892
Educational Services					
Howard School:					
Salaries	\$ 665,223	\$ -	\$ -	\$ 665,223	\$ 616,201
Payroll taxes	48,474	-	-	48,474	44,728
Employee benefits	104,623	-	-	104,623	94,172
Supplies	19,692	57	1,029	20,778	47,706
Miscellaneous	8,880	-	-	8,880	9,185
Utilities	15,762	-	-	15,762	17,857
Intranet	3,720	-	-	3,720	3,720
Total school services	\$ 866,374	\$ 57	\$ 1,029	\$ 867,460	\$ 833,569
Vocational Tech Program					
Salaries	\$ 121,438	\$ -	\$ -	\$ 121,438	\$ 131,065
Payroll taxes	8,968	-	-	8,968	9,731
Employee benefits	18,210	-	-	18,210	17,965
Supplies	9,208	-	-	9,208	9,402
Telephone	2,601	-	-	2,601	3,623
Utilities	8,570	-	-	8,570	8,595
Miscellaneous	1,412	-	-	1,412	679
Total vocational tech program	\$ 170,407	\$ -	\$ -	\$ 170,407	\$ 181,060
Total educational services	\$ 1,036,781	\$ 57	\$ 1,029	\$ 1,037,867	\$ 1,014,629

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LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.

GENERAL OPERATING FUND EXPENSE DETAIL
STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

Expenses	Location			Totals	
	Ruston	GNO	Southwest	2021	2020
Pastoral Care					
Salaries	\$ 83,490	\$ -	\$ -	\$ 83,490	\$ 74,458
Payroll taxes	2,260	-	-	2,260	1,946
Employee benefits	40,018	-	-	40,018	33,576
Allowance	15,492	1,176	2,394	19,062	16,613
Housing allowance	1,750	-	-	1,750	7,200
Supplies	3,597	356	185	4,138	10,489
Activities	757	-	-	757	936
Miscellaneous	2,772	-	-	2,772	2,455
Travel	2,078	-	-	2,078	400
Utilities	29,902	-	-	29,902	30,063
Church gifts to residents	57,883	1,702	983	60,568	20,574
Total pastoral care	<u>\$ 239,999</u>	<u>\$ 3,234</u>	<u>\$ 3,562</u>	<u>\$ 246,795</u>	<u>\$ 198,710</u>
Family Counseling Center					
Family counseling services:					
Salaries	\$ 281,531	\$ -	\$ -	\$ 281,531	\$ 283,903
Payroll taxes	19,542	-	-	19,542	20,603
Employee benefits	59,886	-	-	59,886	61,652
Advertising and promotion	2,754	-	-	2,754	959
Supplies	5,442	-	-	5,442	3,710
Banking and processing fees	1,112	-	-	1,112	1,947
Telephone	14,075	-	-	14,075	8,585
Travel & seminars	5,292	-	-	5,292	-
Professional training	-	-	-	-	3,223
Reboot camp	-	-	-	-	86
Rent	21,600	-	-	21,600	-
Miscellaneous	1,212	-	-	1,212	8,090
Utilities	-	-	-	-	3,560
Total family counseling services	<u>\$ 412,446</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 412,446</u>	<u>\$ 396,318</u>
CVA Grant					
Salaries	\$ 9,319	\$ -	\$ -	\$ 9,319	\$ 39,858
Payroll taxes	624	-	-	624	3,037
Employee benefits	1,607	-	-	1,607	4,513
Supplies	1,518	-	-	1,518	641
Total CVA grant	<u>\$ 13,068</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,068</u>	<u>\$ 48,049</u>
Lincoln Health Foundation					
Salaries	\$ -	\$ -	\$ -	\$ -	\$ 139,276
Payroll taxes	-	-	-	-	10,309
Employee benefits	-	-	-	-	30,656
Advertising and promotion	-	-	-	-	700
Supplies	-	-	-	-	567
Professional services	-	-	-	-	5,087
Miscellaneous	-	-	-	-	283
Community event	-	-	-	-	1,219
Total Lincoln Health Foundation	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 188,097</u>
Total family counseling center	<u>\$ 425,514</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 425,514</u>	<u>\$ 632,464</u>

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LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.

GENERAL OPERATING FUND EXPENSE DETAIL
STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

Expenses	Location			Totals	
	Ruston	GNO	Southwest	2021	2020
Clinical Services					
Salaries	\$ 1,208,974	\$ 147,622	\$ 203,966	\$ 1,560,562	\$ 1,520,913
Payroll taxes	86,021	10,219	14,576	110,816	104,221
Employee benefits	233,619	34,188	29,662	297,469	297,072
Therapeutic supplies	1,565	70	3,506	5,141	5,419
Travel and seminars	13,926	280	4,282	18,488	18,161
Travel - court	-	-	-	-	42
Office supplies	5,952	-	-	5,952	9,693
Professional services	5,250	-	-	5,250	5,250
Utilities	5,261	-	-	5,261	4,721
Miscellaneous	10,066	1,710	4,283	16,059	18,845
Total clinical services	\$ 1,570,634	\$ 194,089	\$ 260,275	\$ 2,024,998	\$ 1,984,337
Independent Life Skills Services					
Monroe Region:					
Salaries	\$ 111,638	\$ -	\$ -	\$ 111,638	\$ 109,140
Payroll taxes	8,122	-	-	8,122	7,603
Employee benefits	22,888	-	-	22,888	17,565
Disaster expense-Louisiana	83,354	-	-	83,354	-
Travel and seminars	1,898	-	-	1,898	1,644
Supplies	3,781	-	-	3,781	4,981
Postage	477	-	-	477	110
Miscellaneous	1,787	-	-	1,787	3,058
Vehicle	1,900	-	-	1,900	1,505
Telephone	4,822	-	-	4,822	4,111
Utilities	2,890	-	-	2,890	2,478
Total Monroe region	\$ 243,557	\$ -	\$ -	\$ 243,557	\$ 152,195
Covington Region:					
Salaries	\$ 152,249	\$ -	\$ -	\$ 152,249	\$ 159,206
Payroll taxes	11,060	-	-	11,060	11,783
Employee benefits	16,622	-	-	16,622	12,319
Disaster expense-Louisiana	57,411	-	-	57,411	-
Travel and seminars	785	-	-	785	3,934
Supplies	4,619	-	-	4,619	6,009
Rent	16,200	-	-	16,200	16,200
Miscellaneous	1,518	-	-	1,518	1,665
Telephone	9,022	-	-	9,022	5,443
Utilities	3,093	-	-	3,093	2,940
Total Covington region	\$ 272,579	\$ -	\$ -	\$ 272,579	\$ 219,499
Lake Charles Region:					
Salaries	\$ 86,670	\$ -	\$ -	\$ 86,670	\$ 85,012
Payroll taxes	5,839	-	-	5,839	5,677
Employee benefits	16,850	-	-	16,850	15,027
Disaster expense-Louisiana	19,572	-	-	19,572	-
Travel and seminars	802	-	-	802	439
Supplies	2,091	-	-	2,091	1,376
Rent	16,200	-	-	16,200	15,975
Miscellaneous	188	-	-	188	106
Vehicle	638	-	-	638	1,484
Telephone	4,197	-	-	4,197	2,649
Utilities	1,466	-	-	1,466	1,157
Total Lake Charles region	\$ 154,513	\$ -	\$ -	\$ 154,513	\$ 128,902

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LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.

GENERAL OPERATING FUND EXPENSE DETAIL
STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

Expenses	Location			Totals	
	Ruston	GNO	Southwest	2021	2020
Independent Life Skills Services (continued)					
Lafayette Region:					
Salaries	\$ 98,955	\$ -	\$ -	\$ 98,955	\$ 97,936
Payroll taxes	7,307	-	-	7,307	6,813
Employee benefits	12,248	-	-	12,248	17,752
Disaster expenses-Louisiana	20,244	-	-	20,244	-
Travel and seminars	382	-	-	382	580
Supplies	1,745	-	-	1,745	2,159
Rent	13,200	-	-	13,200	14,075
Miscellaneous	220	-	-	220	509
Vehicle	1,904	-	-	1,904	1,285
Telephone	4,600	-	-	4,600	4,456
Total Lafayette region	\$ 160,805	\$ -	\$ -	\$ 160,805	\$ 145,565
Total Independent Life Skills Services	\$ 831,454	\$ -	\$ -	\$ 831,454	\$ 646,161
Methodist Foster Care					
Salary	\$ 1,758,502	\$ -	\$ -	\$ 1,758,502	\$ 1,661,055
Payroll taxes	123,986	-	-	123,986	113,747
Employee benefits	292,224	-	-	292,224	268,809
Advertising/recruiting	36,716	-	-	36,716	34,395
Office supplies	35,177	-	-	35,177	31,888
Insurance	131,688	-	-	131,688	95,686
Rent/utilities	130,807	-	-	130,807	109,886
Miscellaneous	1,699	-	-	1,699	2,235
Telephone	56,706	-	-	56,706	61,071
Transportation/travel	118,206	-	-	118,206	97,825
Training	13,300	-	-	13,300	4,250
Foster parent daily rate	2,208,590	-	-	2,208,590	2,119,625
Reimbursements	92,614	-	-	92,614	84,193
Utilities	9,606	-	-	9,606	5,873
Total Methodist Foster Care	\$ 5,009,821	\$ -	\$ -	\$ 5,009,821	\$ 4,690,538
Foster Care Support					
Salary	\$ 162,436	\$ -	\$ -	\$ 162,436	\$ 163,286
Payroll taxes	11,992	-	-	11,992	11,649
Employee benefits	22,783	-	-	22,783	18,685
Office supplies	9,972	-	-	9,972	12,324
Miscellaneous	200	-	-	200	173
Telephone	2,161	-	-	2,161	1,528
Travel and seminars	11,035	-	-	11,035	14,578
Total Foster Care Support	\$ 220,579	\$ -	\$ -	\$ 220,579	\$ 222,223
Outdoor Wilderness Learning Center					
Salaries	\$ 225,651	\$ -	\$ -	\$ 225,651	\$ 233,703
Payroll taxes	16,472	-	-	16,472	16,788
Employee benefits	43,402	-	-	43,402	51,117
Advertising	2,857	-	-	2,857	2,693
Training and challenge course	10,381	-	-	10,381	8,906
Telephone	15,996	-	-	15,996	12,124
Utilities	32,862	-	-	32,862	26,648
Supplies - O.W.L.	30,774	-	-	30,774	21,557
Supplies - farm	1,507	-	-	1,507	1,531
Equipment and building repairs	29,677	-	-	29,677	32,982
Salsa and jelly supplies	17,020	-	-	17,020	22,939
Miscellaneous	3,034	-	-	3,034	4,370
Vehicle cost	14,561	-	-	14,561	9,782
Total Outdoor Wilderness Learning Center	\$ 444,194	\$ -	\$ -	\$ 444,194	\$ 445,140

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LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.

GENERAL OPERATING FUND EXPENSE DETAIL
STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	Location			Totals	
	Ruston	GNO	Southwest	2021	2020
Expenses					
Methodist Equine Program					
Salaries	\$ 117,663	\$ -	\$ -	\$ 117,663	\$ 120,083
Payroll taxes	8,597	-	-	8,597	8,825
Employee benefits	25,656	-	-	25,656	28,468
Advertising	764	-	-	764	609
Supplies	25,832	-	-	25,832	11,829
Travel and seminars	747	-	-	747	1,459
Veterinarian and ferrier	17,114	-	-	17,114	12,512
Miscellaneous	-	-	-	-	575
Total Methodist Equine Program	<u>\$ 196,373</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 196,373</u>	<u>\$ 184,360</u>
Development and Public Relations					
Salaries	\$ 324,499	\$ -	\$ -	\$ 324,499	\$ 374,220
Payroll taxes	24,680	-	-	24,680	26,900
Employee benefits	55,651	-	-	55,651	58,662
Advertising	6,791	-	-	6,791	10,417
Supplies	7,137	-	-	7,137	8,446
Telephone	4,185	-	-	4,185	3,355
Web page	6,439	-	-	6,439	3,052
Printing	54,284	-	-	54,284	45,000
Postage	17,720	-	-	17,720	16,013
Travel and seminars	20,639	-	-	20,639	15,113
Regional development activities	5,527	-	-	5,527	682
Special events	2,740	13,683	-	16,423	16,392
Software maintenance	10,311	-	-	10,311	29,972
Miscellaneous	9,585	-	-	9,585	8,130
Professional services	66,487	-	-	66,487	26,793
Utilities	7,394	-	-	7,394	6,209
Vehicle cost	6,154	-	-	6,154	3,031
Total Public Relations and Development	<u>\$ 630,223</u>	<u>\$ 13,683</u>	<u>\$ -</u>	<u>\$ 643,906</u>	<u>\$ 652,387</u>
Family Plus					
Lake Charles region:					
Salaries	\$ -	\$ -	\$ -	\$ -	\$ 16,661
Payroll taxes	-	-	-	-	1,528
Employee benefits	-	-	-	-	6,615
Supplies	-	-	-	-	9
Telephone	-	-	-	-	2,410
Rent/utilities	-	-	-	-	3,000
Total Lake Charles region	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,223</u>
Total Family Plus	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,223</u>

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LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.

GENERAL OPERATING FUND EXPENSE DETAIL
STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	Location			Totals	
	Ruston	GNO	Southwest	2021	2020
Expenses					
Advocacy and Community Development					
Salaries	\$ 14,357	\$ -	\$ -	\$ 14,357	\$ 13,064
Payroll taxes	926	-	-	926	915
Employee benefits	3,952	-	-	3,952	4,023
Advertising	298	-	-	298	-
Total Advocacy and Community Development	<u>\$ 19,533</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,533</u>	<u>\$ 18,002</u>
Capital Expenditures					
Equipment and trailers	\$ 2,440	\$ -	\$ -	\$ 2,440	\$ -
Furniture and fixtures	13,858	-	-	13,858	-
Building and improvements	11,934	-	-	11,934	15,210
Total Capital Expenditures	<u>\$ 28,232</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,232</u>	<u>\$ 15,210</u>
Total Expenses	<u>\$ 26,088,352</u>	<u>\$ 2,519,399</u>	<u>\$ 3,404,657</u>	<u>\$ 32,012,408</u>	<u>\$ 30,810,663</u>

LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.

STATEMENTS OF CHANGES IN GENERAL FIXED ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	Land and Improvements	Buildings and Improvements	Construction in Progress	Autos, Furniture, and Equipment	Total
December 31, 2021					
General Fixed Assets - Beginning of Year	\$ 2,759,316	\$ 24,453,614	\$ 3,356,386	\$ 3,690,269	\$ 34,259,585
Transfers	\$ 17,456	\$ 3,450	\$ (20,906)	\$ -	\$ -
Additions					
General operating fund	\$ -	\$ 14,374	\$ -	\$ 13,858	\$ 28,232
Local investment fund	13,358	201,654	4,937,114	67,472	5,219,598
General fixed asset	-	-	-	-	-
Total additions	\$ 13,358	\$ 216,028	\$ 4,937,114	\$ 81,330	\$ 5,247,830
Retirements					
General fixed assets	\$ (1,680)	\$ (74,555)	\$ -	\$ (331,386)	\$ (407,621)
General Fixed Assets - End of Year	<u>\$ 2,788,450</u>	<u>\$ 24,598,537</u>	<u>\$ 8,272,594</u>	<u>\$ 3,440,213</u>	<u>\$ 39,099,794</u>
	Land and Improvements	Buildings and Improvements	Construction in Progress	Autos, Furniture, and Equipment	Total
December 31, 2020					
General Fixed Assets - Beginning of Year	\$ 2,759,341	\$ 22,792,519	\$ 2,025,613	\$ 3,660,208	\$ 31,237,681
Transfers	\$ -	\$ 1,611,578	\$ (1,615,333)	\$ 3,755	\$ -
Additions					
General operating fund	\$ -	\$ 15,210	\$ -	\$ -	\$ 15,210
Local investment fund	-	100,027	2,946,106	236,344	3,282,477
General fixed asset	-	-	-	-	-
Total additions	\$ -	\$ 115,237	\$ 2,946,106	\$ 236,344	\$ 3,297,687
Retirements					
General fixed assets	\$ (25)	\$ (65,720)	\$ -	\$ (210,038)	\$ (275,783)
General Fixed Assets - End of Year	<u>\$ 2,759,316</u>	<u>\$ 24,453,614</u>	<u>\$ 3,356,386</u>	<u>\$ 3,690,269</u>	<u>\$ 34,259,585</u>

OTHER SUPPLEMENTARY INFORMATION



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Louisiana United Methodist Children and Family Services, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021 and 2020; the related statements of activities and cash flows for the years ended December 31, 2021 and 2020, as listed in the table of contents; and the related notes to the financial statements, and have issued our report thereon dated June 27, 2022.

Internal Control over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified a certain deficiency in internal control that we consider to be a significant deficiency.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the 2021-01 deficiency in Louisiana United Methodist Children and Family Services, Inc.'s internal control over financial reporting, described in the accompanying schedule of current year findings and questioned costs to be a significant deficiency in internal control over financial reporting.

Compliance and Other Matters

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

The Louisiana United Methodist Children and Family Services, Inc.'s response to the current year finding identified in our audit is described in the accompanying current year schedule of findings and questioned costs. We did not audit the Louisiana United Methodist Children and Family Services, Inc.'s response and, accordingly, we express no opinion on it.

Purpose of this Report

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

A handwritten signature in black ink that reads "Silas Simmons, LLP". The signature is written in a cursive, flowing style.

Monroe, Louisiana
June 27, 2022



SILAS SIMMONS LLP

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

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

Report on Compliance for Each Major Federal Program

We have audited Louisiana United Methodist Children and Family Services, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Louisiana United Methodist Children and Family Services, Inc.'s major federal programs for the year ended December 31, 2021. Louisiana United Methodist Children and Family Services, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Louisiana United Methodist Children and Family Services, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 United States Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Louisiana United Methodist Children and Family Services, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Louisiana United Methodist Children and Family Services, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, Louisiana United Methodist Children and Family Services, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

Report on Internal Control over Compliance

Management of Louisiana United Methodist Children and Family Services, Inc., is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Louisiana United Methodist Children and Family Services, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Louisiana United Methodist Children and Family Services, Inc.'s internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

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

Monroe, Louisiana
June 27, 2022

LOUISIANA UNITED METHODIST CHILDREN AND FAMILY SERVICES, INC.

SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED DECEMBER 31, 2021

SECTION I: SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

- | | |
|--|------------|
| 1. Type of auditor's report issued on the financial statements: | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weakness(es) identified? | No |
| b. Significant deficiency(ies) identified that are not considered to be material weaknesses? | Yes |
| 3. Material noncompliance relating to the financial statements? | No |

Federal Awards:

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

- | | |
|--------------------------------------|--|
| 3. Identification of major programs: | |
|--------------------------------------|--|

CFDA NumbersName of Federal Program or Cluster

93.674

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

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

\$750,000

Auditee qualifies as low-risk auditee?

No

State Awards:

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

LOUISIANA UNITED METHODIST CHILDREN AND FAMILY SERVICES, INC.

SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED DECEMBER 31, 2021

SECTION II: FINANCIAL STATEMENT FINDINGS

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

SECTION III: FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

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

SECTION IV: STATE AWARD FINDINGS AND QUESTIONED COSTS

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

LOUISIANA UNITED METHODIST CHILDREN AND FAMILY SERVICES, INC.

SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED DECEMBER 31, 2020

SECTION I: SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

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

Federal Awards:

- | | | |
|----|---|---------------|
| 1. | Type of auditor's report issued on compliance for major programs: | Unmodified |
| 2. | Internal control over major Federal programs: | |
| | a. Material weakness(es) identified? | No |
| | b. Significant deficiency(ies) identified that are not considered to be material weaknesses? | None reported |
| | d. Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)? | No |
| 3. | Identification of major programs: | |

CFDA NumbersName of Federal Program or Cluster

93.674

U.S. Department of Health and Human Services:

93.498

Independent Living Program

Provider Relief - CARES ACT

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

\$750,000

Auditee qualifies as low-risk auditee?

No

State Awards:

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

LOUISIANA UNITED METHODIST CHILDREN AND FAMILY SERVICES, INC.

SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED DECEMBER 31, 2020

SECTION II: FINANCIAL STATEMENT FINDINGS

There were no findings related to the financial statements for the year ended December 31, 2020.

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, 2021

Agency Head Name: Rick Wheat, President and CEO

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 174,489
Benefits - insurance	28,481
Benefits - retirement	10,837
Benefits - FICA	11,462
Car allowance	N/A
Vehicle provided by Organization	N/A
Per diem	N/A
Reimbursements	N/A
Travel	114
Registration fees	N/A
Conference travel	N/A
Continuing professional education fees	N/A
Housing	N/A
Unvouchered expenses	N/A
Special meals	N/A

LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.

STATEWIDE AGREED-UPON PROCEDURES REPORT
DECEMBER 31, 2021



SILAS SIMMONS LLP

CERTIFIED PUBLIC ACCOUNTANTS *and* ADVISORS

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures detailed in the Schedule of Agreed-Upon Procedures and Findings on pages 68-78, which were agreed to by the Louisiana United Methodist Children and Family Services, Inc. and the Louisiana Legislative Auditor (LLA), on the control and compliance areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2021, through December 31, 2021. The Louisiana United Methodist Children and Family Services, Inc.'s management is responsible for those control and compliance areas identified in the SAUPs.

The Louisiana United Methodist Children and Family Services, Inc. has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the control and compliance areas identified in LLA's SAUPs for the fiscal period January 1, 2021, through December 31, 2021. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

Our procedures and findings are described in the Schedule of Agreed-Upon Procedures and Findings on pages 68-78.

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

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

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

Silas Simmons, LLP

Monroe, Louisiana
June 27, 2022

LOUISIANA UNITED METHODIST CHILDREN AND FAMILY SERVICES, INC.

SCHEDULE OF AGREED-UPON PROCEDURES AND FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2021

Written Policies and Procedures

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

LOUISIANA UNITED METHODIST CHILDREN AND FAMILY SERVICES, INC.

SCHEDULE OF AGREED-UPON PROCEDURES AND FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2021

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

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

Management's response: Not applicable.

Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. *Alternately, for those entities reporting on the 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 collections during the fiscal period.*
 - c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

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

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

Management's response: Not applicable.

LOUISIANA UNITED METHODIST CHILDREN AND FAMILY SERVICES, INC.

SCHEDULE OF AGREED-UPON PROCEDURES AND FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2021

Bank Reconciliations

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 board's main operating account. Select the board's main operating account and randomly select four 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 two months of the related statement closing date;
 - 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; and
 - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than twelve months from the statement closing date, if applicable.

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

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

Management's response: Not applicable.

Collections

5. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select five deposit sites (or all deposit sites if less than five).
6. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site, obtain and inspect written policies and procedures relating to employee job duties at each collection location, and observe that job duties are properly segregated at each collection location such that—
 - a) employees 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 to the deposit;

LOUISIANA UNITED METHODIST CHILDREN AND FAMILY SERVICES, INC.

SCHEDULE OF AGREED-UPON PROCEDURES AND FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2021

- c) each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and
 - d) the employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is not responsible for collecting cash, unless another employee verifies the reconciliation.
7. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
8. Randomly select two deposit dates for each of the five bank accounts selected for Procedure 3 under "Bank Reconciliations." Obtain supporting documentation for each of the ten deposits and –
- a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe that the deposit was made within one business day of receipt at the collection location.
 - e) Trace the actual deposit per the bank statement to the general ledger.

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

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

Management's response: Not applicable.

LOUISIANA UNITED METHODIST CHILDREN AND FAMILY SERVICES, INC.

SCHEDULE OF AGREED-UPON PROCEDURES AND FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2021

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 five locations (or all locations if less than five).
9. For each location selected under Procedure 8, obtain a listing of those employees involved with nonpayroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties and observe that job duties are properly segregated such that—
 - a) at least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase;
 - b) at least two employees are involved in processing and approving payments to vendors;
 - c) the employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files; and
 - 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 Procedure 8, obtain the Entity's nonpayroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select five disbursements for each location, obtain supporting documentation for each transaction and observe that—
 - a) the disbursement matched the related original invoice/billing statement, and
 - b) the disbursement documentation included evidence of segregation of duties tested under Procedure 9, as applicable.

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

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

Management's response: Not applicable.

LOUISIANA UNITED METHODIST CHILDREN AND FAMILY SERVICES, INC.
SCHEDULE OF AGREED-UPON PROCEDURES AND FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2021

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

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

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

Management's response: Not applicable.

LOUISIANA UNITED METHODIST CHILDREN AND FAMILY SERVICES, INC.

SCHEDULE OF AGREED-UPON PROCEDURES AND FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2021

Travel and Travel-Related Expense 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 five reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the five reimbursements selected—
- a) If reimbursed using a per diem, 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 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.

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

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

Management's response: Not applicable.

Contracts

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

LOUISIANA UNITED METHODIST CHILDREN AND FAMILY SERVICES, INC.

SCHEDULE OF AGREED-UPON PROCEDURES AND FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2021

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

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

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

Management's response: Not applicable.

Payroll and Personnel

-
- 16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select five employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
 - 17. Randomly select one pay period during the fiscal period. For the five employees/officials selected under Procedure 16, obtain attendance records and leave documentation for the pay period and observe that—
 - a) all selected employees/officials documented their daily attendance and leave.
 - b) supervisors approved the attendance and leave of the selected employees/officials; and
 - c) any leave accrued or taken during the pay period is reflected in the Entity's cumulative leave records.
 - 18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the listing 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 employees'/officials' cumulative leave records, and agree the pay rates to the employees'/officials' authorized pay rates in the employees'/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.

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

LOUISIANA UNITED METHODIST CHILDREN AND FAMILY SERVICES, INC.

SCHEDULE OF AGREED-UPON PROCEDURES AND FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2021

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

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

Management's response: Not applicable.

Ethics

20. Using the five randomly selected employees/officials from Procedure 16 under "Payroll and Personnel," obtain ethics documentation from management, and:
- a) Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period, and
 - b) Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

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

Exceptions: Not applicable to this nonprofit entity.

Management's response: Not applicable.

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SCHEDULE OF AGREED-UPON PROCEDURES AND FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2021

Debt Service

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

Exceptions: Not applicable to this nonprofit entity.

Management's response: Not applicable.

Fraud Notice

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 R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

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

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

Management's response: Not applicable.

Information Technology Disaster Recovery/Business Continuity

25. Perform the following procedures:
 - a. Obtain and inspect the Entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.
 - b. Obtain and inspect the Entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past three months.

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SCHEDULE OF AGREED-UPON PROCEDURES AND FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2021

- c. Obtain a listing of the Entity's computers currently in use, and their related locations, and management's representation that the listing is complete. Randomly select five computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

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

Sexual Harassment

- 26. Using the five randomly selected employees/officials from Procedure 16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.
- 27. Observe that the Entity has posted its sexual harassment policy and complaint procedure on its website.
- 28. Obtain the Entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that it includes the applicable requirements of R.S. 42:344—
 - a. Number and percentage of public servants in the agency who have completed the training requirements,
 - b. number of sexual harassment complaints received by the agency,
 - c. number of complaints which resulted in a finding that sexual harassment occurred,
 - d. number of complaints in which the finding of sexual harassment resulted in discipline or corrective action, and
 - e. amount of time it took to resolve each complaint.

Exceptions: Not applicable to this nonprofit entity.

Management's response: Not applicable.



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