

LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.

FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2025 AND 2024
AND FOR THE YEARS THEN ENDED

WITH
INDEPENDENT AUDITOR'S REPORT



SILAS SIMMONS LLP

CERTIFIED PUBLIC ACCOUNTANTS *and* ADVISORS

Established in 1932.

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Annual Financial Statements
As of and for the Years Ended December 31, 2025 and 2024
With Supplementary Information Schedules

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Annual Financial Statements
As of and for the Years Ended December 31, 2025 and 2024
With Supplementary Information Schedules

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Louisiana United Methodist Children and Family Services, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2025 and 2024, the related statements of activities and cash flows for the years then ended as listed in the table of contents, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Louisiana United Methodist Children and Family Services, Inc. as of December 31, 2025 and 2024, and the respective changes in net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Louisiana United Methodist Children and Family Services, Inc. organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The General Operating Fund detail schedules on pages 45-54, and the General Fixed Assets schedule on page 55 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the general operating fund detail and general fixed asset schedule are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Supplementary Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2026, on our consideration of Louisiana United Methodist Children and Family Services Inc's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion of the effectiveness of Louisiana United Methodist Children and Family Services, Inc's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Louisiana United Methodist Children and Family Services, Inc.'s internal control over financial reporting and compliance.

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

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

Monroe, Louisiana
June 15, 2026

FINANCIAL STATEMENTS

LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.

COMBINED STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2025 AND 2024

	General Operating Fund	Endowment Fund	Local Investment Fund	General Fixed Assets	Total All Funds 2025	Total All Funds 2024
Assets						
Current Assets						
Cash and cash equivalents	\$ 4,548,195	\$ 1,541,951	\$ 8,008,547	\$ -	\$ 14,098,693	\$ 11,186,459
Accounts and cost reimbursement receivable (net of \$513,196 and \$885,779 allowance for 2025 and 2024, respectively.	3,743,370	-	254,215	-	3,997,585	4,262,722
Prepaid expenses and other	701,141	49,228	75	-	749,570	828,097
Promises to give - restricted (net)	-	-	13,649	-	13,649	216,202
Promises to give - unrestricted (net)	-	-	-	-	-	5,000
Inventory	62,918	-	-	-	62,918	75,000
Total current assets	<u>\$ 9,055,624</u>	<u>\$ 1,591,179</u>	<u>\$ 8,276,486</u>	<u>\$ -</u>	<u>\$ 18,922,415</u>	<u>\$ 16,573,480</u>
Long-Term Investments						
Stocks, bonds, and notes	\$ -	\$ 45,749,576	\$ 260,427	\$ -	\$ 46,010,003	\$ 41,413,203
Investment property	-	-	529,956	-	529,956	521,936
Trust funds - temporarily restricted	-	-	1,229,896	-	1,229,896	1,140,557
Cash surrender value life insurance	537,496	-	-	-	537,496	524,934
Total long-term investments	<u>\$ 537,496</u>	<u>\$ 45,749,576</u>	<u>\$ 2,020,279</u>	<u>\$ -</u>	<u>\$ 48,307,351</u>	<u>\$ 43,600,630</u>
Property and Equipment						
Land and improvements	\$ -	\$ -	\$ -	\$ 2,808,673	\$ 2,808,673	\$ 2,816,983
Property, plant, and equipment	-	-	-	41,238,453	41,238,453	40,249,844
Less: accumulated depreciation	-	-	-	(18,697,754)	(18,697,754)	(17,179,606)
Right to use asset	116,071	-	-	-	116,071	182,067
Construction in progress	-	-	-	162,881	162,881	639,402
Total property and equipment	<u>\$ 116,071</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,512,253</u>	<u>\$ 25,628,324</u>	<u>\$ 26,708,690</u>
Other Assets						
Utility deposits	\$ -	\$ -	\$ 12,489	\$ -	\$ 12,489	\$ 13,994
Assets held for sale	-	-	5,208	-	5,208	-
Total other assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,697</u>	<u>\$ -</u>	<u>\$ 17,697</u>	<u>\$ 13,994</u>
Total assets	<u><u>\$ 9,709,191</u></u>	<u><u>\$ 47,340,755</u></u>	<u><u>\$ 10,314,462</u></u>	<u><u>\$ 25,512,253</u></u>	<u><u>\$ 92,875,787</u></u>	<u><u>\$ 86,896,794</u></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, 2025 AND 2024

	General Operating Fund	Endowment Fund	Local Investment Fund	General Fixed Assets	Total All Funds 2025	Total All Funds 2024
Liabilities						
Current Liabilities						
Accounts payable	\$ 826,546	\$ -	\$ 78,474	\$ -	\$ 905,020	\$ 555,529
Accrued compensation	2,064,463	-	-	-	2,064,463	1,936,673
Line of credit	-	-	-	-	-	500,000
Lease liability	116,071	-	-	-	116,071	182,067
Other payables and unearned revenue	908	-	-	-	34	10,882
Total current liabilities	<u>\$ 3,007,988</u>	<u>\$ -</u>	<u>\$ 78,474</u>	<u>\$ -</u>	<u>\$ 3,085,588</u>	<u>\$ 3,185,151</u>
Other Liabilities						
Retirement payable	<u>\$ 23,024</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,024</u>	<u>\$ 44,922</u>
Total other liabilities	<u>\$ 23,024</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,024</u>	<u>\$ 44,922</u>
Total liabilities	<u>\$ 3,031,012</u>	<u>\$ -</u>	<u>\$ 78,474</u>	<u>\$ -</u>	<u>\$ 3,108,612</u>	<u>\$ 3,230,073</u>
Net Assets						
Without donor restrictions	\$ 6,651,198	\$ 45,798,940	\$ 8,970,443	\$ 25,512,253	\$ 86,932,834	\$ 80,959,566
With donor restrictions	26,981	1,541,815	1,265,545	-	2,834,341	2,707,155
Total net assets	<u>\$ 6,678,179</u>	<u>\$ 47,340,755</u>	<u>\$ 10,235,988</u>	<u>\$ 25,512,253</u>	<u>\$ 89,767,175</u>	<u>\$ 83,666,721</u>
Total Liabilities and Net Assets	<u>\$ 9,709,191</u>	<u>\$ 47,340,755</u>	<u>\$ 10,314,462</u>	<u>\$ 25,512,253</u>	<u>\$ 92,875,787</u>	<u>\$ 86,896,794</u>

† After interfund payables/receivables have been eliminated.

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

LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.

COMBINED STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	General Operating Fund	Endowment Fund	Local Investment Fund	General Fixed Assets	Total All Funds 2025	Total All Funds 2024
Revenue and Support						
Without Donor Restrictions						
Contributions	\$ 1,738,005	\$ -	\$ 105,693	\$ -	\$ 1,843,698	\$ 1,763,151
Educational services	525,208	-	-	-	525,208	551,161
Wills and bequests	-	-	-	-	-	25,931
Child care support	34,617,597	-	-	-	34,617,597	31,919,369
Independent living services	747,053	-	-	-	747,053	690,960
Family development services	50,800	-	-	-	50,800	126,928
Methodist foster care	7,977,752	-	-	-	7,977,752	7,129,464
Trust funds	208,944	-	50,122	-	259,066	272,013
Interest income	76,838	245,279	93,695	-	415,812	410,431
Miscellaneous	513,696	1,835	-	-	515,531	503,184
Net realized and unrealized gain (loss) on investments	267	6,069,689	118,716	23,022	6,211,694	3,988,126
Other investment income	-	-	1,101,558	-	1,101,558	986,959
Total unrestricted revenue and support	\$ 46,456,160	\$ 6,316,803	\$ 1,469,784	\$ 23,022	\$ 54,265,769	\$ 48,367,677
Net Assets Released from Restrictions						
Restrictions satisfied by payments & time	\$ 1,677	\$ -	\$ 229,545	\$ -	\$ 231,222	\$ 244,850
Expenses						
Administrative and general	\$ 7,434,119	\$ 107,742	\$ 148,164	\$ -	\$ 7,690,025	\$ 7,659,787
Plant operation and maintenance	1,707,223	-	-	-	1,707,223	1,743,221
Medical and nursing	3,548,951	-	-	-	3,548,951	3,108,068
Dietary	2,483,145	-	-	-	2,483,145	2,307,322
W. A. J. Lewis building	2,471,396	-	-	-	2,471,396	2,528,225
Scott building	2,717,443	-	-	-	2,717,443	2,746,742
Residential group care	9,847,756	-	-	-	9,847,756	9,429,070
Recreational - PRTF	383,975	-	-	-	383,975	344,291
Educational services	1,221,559	-	-	-	1,221,559	1,184,778
Pastoral care	347,543	-	-	-	347,543	322,096
Family counseling center	169,984	-	-	-	169,984	324,974
Clinical services	2,957,015	-	-	-	2,957,015	2,910,517
Life skills services	878,538	-	-	-	878,538	807,516
Methodist foster care	8,161,472	-	-	-	8,161,472	7,601,441
Outdoor wilderness learning center	918,261	-	-	-	918,261	890,181
Development and public relations	890,676	-	-	-	890,676	767,550
Advocacy and community development	273,481	-	-	-	273,481	236,064
Provision for depreciation	-	-	-	1,865,316	1,865,316	1,816,523
Total expenses	\$ 46,412,537	\$ 107,742	\$ 148,164	\$ 1,865,316	\$ 48,533,759	\$ 46,728,366

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

COMBINED STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	General Operating Fund	Endowment Fund	Local Investment Fund	General Fixed Assets	Total All Funds 2025	Total All Funds 2024
Excess (Deficiency) of Revenue Over Expenses	<u>\$ 45,300</u>	<u>\$ 6,209,061</u>	<u>\$ 1,551,165</u>	<u>\$ (1,842,294)</u>	<u>\$ 5,963,232</u>	<u>\$ 1,884,161</u>
Change in Net Assets from Operations	<u>\$ 45,300</u>	<u>\$ 6,209,061</u>	<u>\$ 1,551,165</u>	<u>\$ (1,842,294)</u>	<u>\$ 5,963,232</u>	<u>\$ 1,884,161</u>
Other Changes in Net Assets Without Donor Restrictions						
Property and equipment acquisitions and transfers	(19,968)	-	(797,956)	827,924	10,000	-
Operating transfers	<u>1,148,340</u>	<u>(1,148,340)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(187,444)</u>
Change in Net Assets Without Donor Restrictions	<u>\$ 1,173,672</u>	<u>\$ 5,060,721</u>	<u>\$ 753,209</u>	<u>\$ (1,014,370)</u>	<u>\$ 5,973,232</u>	<u>\$ 1,696,717</u>
Changes in Net Assets With Donor Restrictions						
Net realized and unrealized gain (loss) on investments	\$ -	\$ 157,958	\$ 95,884	\$ -	\$ 253,842	\$ 144,945
Pooled funds income	-	22,155	-	-	22,155	20,386
Contributions, wills and bequests, and grants (net of uncollectible)	-	-	82,447	-	82,447	92,182
Net assets released from restrictions	(1,677)	-	(229,545)	-	(231,222)	(244,850)
Transfers (to) from unrestricted net assets	<u>-</u>	<u>40,000</u>	<u>(40,000)</u>	<u>-</u>	<u>-</u>	<u>187,443</u>
Change in Net Assets with Donor Restrictions	<u>\$ (1,677)</u>	<u>\$ 220,113</u>	<u>\$ (91,214)</u>	<u>\$ -</u>	<u>\$ 127,222</u>	<u>\$ 200,106</u>
Increase (Decrease) in Net Assets	<u>\$ 1,171,995</u>	<u>\$ 5,280,834</u>	<u>\$ 661,995</u>	<u>\$ (1,014,370)</u>	<u>\$ 6,100,454</u>	<u>\$ 1,896,823</u>
Net Assets - Beginning of Year	<u>5,506,184</u>	<u>42,059,921</u>	<u>9,573,994</u>	<u>26,526,623</u>	<u>83,666,722</u>	<u>81,769,899</u>
Net Assets - End of Year	<u><u>\$ 6,678,179</u></u>	<u><u>\$ 47,340,755</u></u>	<u><u>\$ 10,235,989</u></u>	<u><u>\$ 25,512,253</u></u>	<u><u>\$ 89,767,176</u></u>	<u><u>\$ 83,666,722</u></u>

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

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

COMBINED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	General Operating Fund	Endowment Fund	Local Investment Fund	General Fixed Assets	Total All Funds 2025	Total All Funds 2024
Cash Flows (to) from Operating Activities						
Cash received from services	\$ 44,383,932	\$ -	\$ -	\$ -	\$ 44,383,932	\$ 40,357,412
Cash received from contributions and grants	1,928,861	-	404,724	-	2,333,585	2,112,987
Cash received from trust funds	236,628	-	50,122	-	286,750	242,742
Interest received	72,454	250,317	92,595	-	415,366	432,843
Dividends and pooled income	267	5,741,563	122,526	-	5,864,356	1,047,497
Receipts from investment properties	-	-	1,268,909	-	1,268,909	1,270,236
Miscellaneous receipts	26,143	-	-	-	26,143	33,839
Cash paid to employees, suppliers, and deposits	(45,848,432)	(119,498)	(305,793)	-	(46,273,723)	(45,102,257)
Cash received from (to) other funds	1,148,340	(1,948,340)	-	-	(800,000)	-
Net cash provided by (used for) operating activities	\$ 1,948,193	\$ 3,924,042	\$ 1,633,083	\$ -	\$ 7,505,318	\$ 395,299
Cash Flows (to) from Investing Activities						
Proceeds from sale of investments	\$ -	\$ 3,501,002	\$ 4,705	\$ -	\$ 3,505,707	\$ 3,826,185
Purchase of investments and CDs	-	(7,580,867)	-	-	(7,580,867)	(2,923,223)
Purchase of property and equipment	(19,968)	-	(826,190)	-	(846,158)	(1,832,755)
Endowment transfers	-	40,000	(40,000)	-	-	-
General transfers	-	800,000	-	-	800,000	-
Proceeds from assets held for sale	-	-	-	-	-	269,390
Proceeds from asset dispositions	-	-	28,234	-	28,234	1,500
Net cash provided by (used for) investing activities	\$ (19,968)	\$ (3,239,865)	\$ (833,251)	\$ -	\$ (4,093,084)	\$ (658,903)
Cash Flows (to) from Financing Activities						
Principal payments on UMF Line of Credit	\$ -	\$ -	\$ (500,000)	\$ -	\$ (500,000)	\$ (1,000,000)
Net cash provided by (used for) financing activities	\$ -	\$ -	\$ (500,000)	\$ -	\$ (500,000)	\$ (1,000,000)
Increase (decrease) in Cash and Cash Equivalents	\$ 1,928,225	\$ 684,177	\$ 299,832	\$ -	\$ 2,912,234	\$ (1,263,604)
Cash and Cash Equivalents - Beginning of Year	2,619,970	857,774	7,708,715	-	11,186,459	12,450,063
Cash and Cash Equivalents - End of Year	<u>\$ 4,548,195</u>	<u>\$ 1,541,951</u>	<u>\$ 8,008,547</u>	<u>\$ -</u>	<u>\$ 14,098,693</u>	<u>\$ 11,186,459</u>

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

LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.

COMBINED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	General Operating Fund	Endowment Fund	Local Investment Fund	General Fixed Assets	Total All Funds 2025	Total All Funds 2024
Reconciliation of Changes in Net Assets to Cash Provided by Operating Activities						
Change in net assets	\$ 1,171,995	\$ 5,280,834	\$ 661,995	\$ (1,014,369)	\$ 6,100,455	\$ 1,896,823
Adjustments to reconcile changes in net assets to net cash provided by:						
Depreciation and amortization	-	-	-	1,865,315	1,865,315	1,816,523
(Gain) loss on abandoned or sold assets	-	-	(28,234)	(23,022)	(51,256)	(38,513)
Decrease (increase) in receivables and promises to give	266,553	5,038	205,337	-	476,928	(241,977)
Decrease (increase) in prepaid expenses, deposits, and other	49,013	-	12,620	-	61,633	(70,984)
Decrease (increase) in inventory	12,083	-	-	-	12,083	(2,932)
Increase (decrease) in payables and accrued expenses	428,581	-	16,753	-	445,334	131,672
Realized and unrealized loss (gain) on investments	-	(521,830)	(96,370)	-	(618,200)	(3,064,181)
Purchase of property and equipment	19,968	-	826,190	(827,924)	18,234	1,499
Transfers to (from) other funds	-	(840,000)	40,000	-	(800,000)	-
Noncash bequest to assets for sale or real estate	-	-	(5,208)	-	(5,208)	(32,631)
Net Cash Provided by (used for) Operating Activities	<u>\$ 1,948,193</u>	<u>\$ 3,924,042</u>	<u>\$ 1,633,083</u>	<u>\$ -</u>	<u>\$ 7,505,318</u>	<u>\$ 395,299</u>
Interest Paid	<u>\$ 16,069</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,069</u>	<u>\$ 46,149</u>
Income Taxes Paid	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,000</u>	<u>\$ -</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>

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

FINANCIAL STATEMENTS OF INDIVIDUAL FUNDS

LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.

GENERAL OPERATING FUND
STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2025 AND 2024

	2025	2024
Assets		
Current Assets		
Cash and cash equivalents	\$ 4,548,195	\$ 2,619,970
Accounts and cost reimbursement receivables (net of \$500,616 and \$865,199 allowance for 2025 and 2024, respectively)	3,743,370	4,005,723
Unconditional promises to give (net of \$0 and \$0 allowance for 2025 and 2024, respectively)	-	5,000
Inventory	62,918	75,000
Prepaid expenses and other	701,141	762,716
Total current assets	<u>\$ 9,055,624</u>	<u>\$ 7,468,409</u>
Right of Use Asset	\$ 116,071	\$ 182,067
Total property and equipment	<u>\$ 116,071</u>	<u>\$ 182,067</u>
Long-Term Investments		
Cash surrender value life insurance	\$ 537,496	\$ 524,934
Total long-term investments	<u>\$ 537,496</u>	<u>\$ 524,934</u>
Total assets	<u><u>\$ 9,709,191</u></u>	<u><u>\$ 8,175,410</u></u>
Liabilities		
Current Liabilities		
Accounts payable	\$ 826,516	\$ 493,808
Accrued compensation	2,064,463	1,936,673
Lease Liabilities	116,071	182,067
Unearned revenue	833	10,882
Due to Local Investment Fund	75	874
Total current liabilities	<u>\$ 3,007,988</u>	<u>\$ 2,624,304</u>
Other Liabilities		
Retirement payable	\$ 23,024	\$ 44,922
Total other liabilities	<u>\$ 23,024</u>	<u>\$ 44,922</u>
Total liabilities	<u>\$ 3,031,012</u>	<u>\$ 2,669,226</u>
Net Assets		
Without Donor Restrictions		
Undesignated	\$ 6,651,198	\$ 5,477,525
Designated	-	-
Total net assets without donor restrictions	<u>\$ 6,651,198</u>	<u>\$ 5,477,525</u>
With donor restrictions	26,981	28,659
Total net assets	<u>\$ 6,678,179</u>	<u>\$ 5,506,184</u>
Total liabilities and net assets	<u><u>\$ 9,709,191</u></u>	<u><u>\$ 8,175,410</u></u>

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

LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.

GENERAL OPERATING FUND
STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
Revenue and Support Without Donor Restrictions		
Contributions	\$ 1,738,005	\$ 1,553,968
Special events	232,783	168,517
Child care support	34,422,945	31,769,778
Independent living services	747,053	690,960
Family plus program	25,604	31,138
Family development services	50,800	126,928
Medical and nursing	169,048	118,453
Methodist foster care	7,977,752	7,129,464
Trust funds	208,944	221,511
Interest income	76,838	59,741
Dividend income	267	256
Outdoor wilderness learning center & equine program	240,599	299,035
Educational services	525,208	551,161
Miscellaneous income	40,314	35,406
Total revenue and support without donor restrictions	\$ 46,456,160	\$ 42,756,316
Net Assets Released from Restrictions		
Restrictions satisfied by payments	\$ 1,677	\$ 1,217
Expenses		
Administrative and general	\$ 7,434,119	\$ 7,405,933
Plant operation and maintenance	1,707,223	1,743,221
Medical and nursing	3,548,951	3,108,068
Dietary	2,483,145	2,307,322
W. A. J. Lewis building	2,471,396	2,528,225
Scott building	2,717,443	2,746,742
Residential group care	9,847,756	9,429,070
Recreational - PRTF	383,975	344,291
Educational services	1,221,559	1,184,778
Pastoral care	347,543	322,096
Family counseling center	169,984	324,974
Clinical services	2,957,015	2,910,517
Life skills services	878,538	807,516
Methodist foster care	8,161,472	7,601,441
Outdoor wilderness learning center & equine program	918,261	890,181
Development and public relations	890,676	767,550
Capital expenditures	19,968	5,513
Advocacy and community development	273,481	236,064
Total expenses	\$ 46,432,505	\$ 44,663,502

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

LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.

GENERAL OPERATING FUND
STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
Excess (Deficiency) of Revenue Over Expenses	\$ 25,332	\$ (1,905,969)
Net Assets Transferred From Other Funds	<u>1,148,340</u>	<u>1,988,085</u>
Change in Net Assets Without Donor Restrictions	<u>\$ 1,173,672</u>	<u>\$ 82,116</u>
Changes in Net Assets With Donor Restrictions		
Net assets released from restrictions	<u>\$ (1,677)</u>	<u>\$ (1,217)</u>
Change in Net Assets with Donor Restrictions	<u>\$ (1,677)</u>	<u>\$ (1,217)</u>
Increase (Decrease) in Net Assets	\$ 1,171,995	\$ 80,899
Net Assets - Beginning of Year	<u>5,506,184</u>	<u>5,425,285</u>
Net Assets - End of Year	<u><u>\$ 6,678,179</u></u>	<u><u>\$ 5,506,184</u></u>

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

LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.

GENERAL OPERATING FUND
STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
Cash Flows (To) From Operating Activities		
Cash received from services	\$ 44,383,932	\$ 40,357,412
Cash received from contributions	1,928,861	1,665,405
Income from trust funds	236,628	192,240
Interest received	72,454	62,339
Dividends received	267	256
Miscellaneous receipts	26,143	33,839
Transfer from other funds	1,148,340	1,988,086
Cash paid to employees and suppliers	(45,848,432)	(44,567,032)
Net cash provided by (used for) operating activities	\$ 1,948,193	\$ (267,455)
Cash Flows (To) From Investing Activities		
Purchase of property and equipment	\$ (19,968)	\$ (5,513)
Net cash provided by (used for) investing activities	\$ (19,968)	\$ (5,513)
Increase (Decrease) in Cash and Cash Equivalents	\$ 1,928,225	\$ (272,968)
Cash and Cash Equivalents - Beginning of Year	2,619,970	2,892,938
Cash and Cash Equivalents - End of Year	<u>\$ 4,548,195</u>	<u>\$ 2,619,970</u>
Reconciliation of Changes in Net Assets to Cash Provided by Operating Activities		
Change in net assets	\$ 1,171,995	\$ 80,899
Adjustments to reconcile changes in net assets to net cash used by operating activities:		
(Increase) decrease in accounts receivable and pledges	266,553	(430,576)
(Increase) decrease in prepaid expenses	61,575	(59,018)
(Increase) decrease in inventory	12,083	(2,932)
(Increase) decrease in cash surrender value of life insurance	(12,562)	(851)
(Increase) decrease in right of use asset	65,997	155,607
Increase (decrease) in accounts payable	332,738	(135,903)
Increase (decrease) in accrued wages	127,790	285,157
Increase (decrease) in deferred revenue	(10,049)	10,882
Increase (decrease) in lease liabilities	(65,997)	(155,607)
Increase (decrease) in retirement payable	(21,898)	(20,626)
Purchase of property and equipment	19,968	5,513
Net Cash Provided by (Used for) Operating Activities	<u>\$ 1,948,193</u>	<u>\$ (267,455)</u>
Interest Paid	<u>\$ 16,069</u>	<u>\$ 46,149</u>
Income Taxes Paid	<u>\$ -</u>	<u>\$ -</u>

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

LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.

ENDOWMENT FUND
STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2025 AND 2024

	2025	2024
Assets		
Current Assets		
Cash and cash equivalents	\$ 1,541,951	\$ 857,774
Accrued interest and dividends	49,228	54,266
Total current assets	<u>\$ 1,591,179</u>	<u>\$ 912,040</u>
Long-Term Investments		
Investments - Depository Trust Company - custodian	\$ 23,988,949	\$ 21,060,952
Investments - Merrill Lynch - custodian	21,760,627	20,086,928
Total long-term investments	<u>\$ 45,749,576</u>	<u>\$ 41,147,880</u>
Total assets	<u>\$ 47,340,755</u>	<u>\$ 42,059,920</u>
Net Assets		
Without Donor Restrictions		
Undesignated	\$ 43,894,433	\$ 38,789,843
Designated	1,904,507	1,948,340
Total net assets without donor restrictions	<u>\$ 45,798,940</u>	<u>\$ 40,738,183</u>
With donor restrictions	1,541,815	1,321,737
Total net assets	<u>\$ 47,340,755</u>	<u>\$ 42,059,920</u>

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

LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.

ENDOWMENT FUND
STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
Revenue and Support Without Donor Restrictions		
Dividend income	\$ 241,543	\$ 240,437
Interest income	245,279	228,916
Settlement income and other	1,835	226
Realized and unrealized gain (loss) on investments	5,828,146	3,724,632
Total revenue and support without donor restrictions	\$ 6,316,803	\$ 4,194,211
Net Assets Released from Restrictions		
Restrictions satisfied by payments	\$ -	\$ 23,683
Expenses		
Management and custody fees	\$ 107,742	\$ 119,060
Total expenses	\$ 107,742	\$ 119,060
Excess (Deficiency) of Revenue Over Expenses	\$ 6,209,061	\$ 4,098,834
Other Changes in Net Assets Without Donor Restrictions		
Transfer (to) from Operating Fund	\$ (1,148,340)	\$ (1,988,086)
Transfer (to) from Restricted Fund	-	(187,443)
Change in Net Assets Without Donor Restrictions	\$ 5,060,721	\$ 1,923,305
Changes in Net Assets With Donor Restrictions		
Net realized and unrealized gain (loss) on investments	\$ 157,958	\$ 119,974
Income from pooled funds	22,155	20,386
Net assets released from restrictions	-	(23,683)
Transfer (to) from Unrestricted Fund to Restricted	-	187,443
Transfer (to) from Local Investment Fund	40,000	40,000
Change in Net Assets With Donor Restrictions	\$ 220,113	\$ 344,120
Change in Net Assets	\$ 5,280,834	\$ 2,267,425
Net Assets - Beginning of Year	42,059,921	39,792,496
Net Assets - End of Year	\$ 47,340,755	\$ 42,059,921

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

LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.

ENDOWMENT FUND
STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
Cash Flows (To) From Operating Activities		
Interest received	\$ 250,317	\$ 243,338
Dividends and settlements received	243,378	240,663
Income from pooled funds	5,498,185	672,308
Transfers to operating fund	(1,948,340)	(1,988,086)
Cash paid to suppliers of services and taxes	(119,498)	(129,549)
Net cash provided by (used for) operating activities	\$ 3,924,042	\$ (961,326)
Cash Flows (To) From Investing Activities		
Proceeds from sale of securities	\$ 3,501,002	\$ 3,807,548
Transfer from local investment fund	40,000	40,000
Transfer from general operating fund	800,000	-
Purchase of securities	(7,580,867)	(2,923,223)
Net cash provided by (used for) investing activities	\$ (3,239,865)	\$ 924,325
Increase (Decrease) in Cash and Cash Equivalents	\$ 684,177	\$ (37,001)
Cash and Cash Equivalents - Beginning of Year	857,774	894,775
Cash and Cash Equivalents - End of Year	<u>\$ 1,541,951</u>	<u>\$ 857,774</u>
Reconciliation of Changes in Net Assets to Cash Provided by Operating Activities		
Change in net assets	\$ 5,280,834	\$ 2,267,425
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
(Increase) decrease in receivables	5,038	14,421
Net realized and unrealized (gain) loss on investments	(521,830)	(3,203,172)
Transfers to (from) other funds	(840,000)	(40,000)
Net Cash Provided by (Used for) Operating Activities	<u>\$ 3,924,042</u>	<u>\$ (961,326)</u>
Interest Paid	<u>\$ -</u>	<u>\$ -</u>
Income Taxes Paid	<u>\$ -</u>	<u>\$ -</u>

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

LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.

LOCAL INVESTMENT FUND
STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2025 AND 2024

	2025	2024
Assets		
Current Assets		
Cash and cash equivalents	\$ 8,008,547	\$ 7,708,715
Accounts receivable (net of \$0 and \$0 allowance for 2025 and 2024, respectively)	254,215	256,999
Accounts receivable - promises to give (current portion)	13,649	216,202
Deposit on equipment	-	11,115
Due from Operations Fund	75	874
Total current assets	<u>\$ 8,276,486</u>	<u>\$ 8,193,905</u>
Long-Term Investments		
Stocks and bonds	\$ 260,427	\$ 265,323
Hattie Jordan Trust Fund - temporarily restricted	350,771	313,120
Barbara Williamson Trust Fund - temporarily restricted	743,639	685,406
The Pomeroy Trust, LLC - temporarily restricted	135,486	135,486
R. D. Webb Property	8,020	6,545
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>\$ 2,020,279</u>	<u>\$ 1,927,816</u>
Other Assets		
Utility and rent deposits	\$ 12,489	\$ 13,994
Assets held for sale	5,208	-
Total other assets	<u>\$ 17,697</u>	<u>\$ 13,994</u>
Total assets	<u><u>\$ 10,314,462</u></u>	<u><u>\$ 10,135,715</u></u>
Liabilities		
Current Liabilities		
Accounts payable	\$ 78,474	\$ 61,721
Line of Credit - United Methodist Foundation	-	500,000
Total current liabilities	<u>\$ 78,474</u>	<u>\$ 561,721</u>
Net Assets		
Without Donor Restrictions		
Undesignated	<u>\$ 8,320,433</u>	<u>\$ 8,005,894</u>
Designated:		
Capital improvements	\$ 650,010	\$ 211,341
Total designated	<u>\$ 650,010</u>	<u>\$ 211,341</u>
Total net assets without donor restrictions	<u>\$ 8,970,443</u>	<u>\$ 8,217,235</u>
With Donor Restrictions	<u>1,265,545</u>	<u>1,356,759</u>
Total net assets	<u><u>\$ 10,235,988</u></u>	<u><u>\$ 9,573,994</u></u>
Total liabilities and net assets	<u><u>\$ 10,314,462</u></u>	<u><u>\$ 10,135,715</u></u>

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

LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.

LOCAL INVESTMENT FUND
STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
Revenue and Support Without Donor Restrictions		
Loraine Howard Property (oil and gas, timber, rents)	\$ 1,174,669	\$ 854,516
R. D. Webb Property (oil and gas)	9,149	7,142
Shelley Property (oil and gas)	52,028	63,521
Thurman Property (oil and gas)	39,233	322,354
Other investment property	566	615
Trust funds	50,122	50,502
Wills and bequests	-	25,931
Contributions and memorials	105,693	209,183
Dividend income	11,397	11,603
Interest income	93,695	121,774
Net realized and unrealized gain (loss) in investments	107,319	(25,815)
Total revenue and support without donor restrictions	<u>\$ 1,643,871</u>	<u>\$ 1,641,326</u>
Net Assets Released from Restrictions		
Restrictions satisfied by payments	\$ 229,545	\$ 219,950
Restrictions satisfied by time	-	-
Total net assets released from restrictions	<u>\$ 229,545</u>	<u>\$ 219,950</u>
Expenses		
Administrative and general	\$ 147,164	\$ 133,794
Oil and gas expenditures	174,087	261,189
Capital expenditures	826,190	1,827,243
Income tax	1,000	1,000
Total expenses	<u>\$ 1,148,441</u>	<u>\$ 2,223,226</u>
Excess (Deficiency) of Revenue Over Expenses	<u>\$ 724,975</u>	<u>\$ (361,950)</u>
Other Changes in Net Assets Without Donor Restrictions		
Transfer (to) from General Fund (net)	\$ -	\$ -
Transfer (to) from Fixed Assets Fund (net)	28,234	1,500
Total other changes in net assets without donor restrictions	<u>\$ 28,234</u>	<u>\$ 1,500</u>
Change in Net Assets Without Donor Restrictions	<u>\$ 753,209</u>	<u>\$ (360,450)</u>
Changes in Net Assets With Donor Restrictions		
Net realized and unrealized gain (loss) in investments	\$ 95,884	\$ 24,971
Contributions and grants	82,447	92,182
Net assets released from restrictions	(229,545)	(219,950)
Transfer (to) from Endowment Fund	(40,000)	(40,000)
Changes in Net Assets With Donor Restrictions	<u>\$ (91,214)</u>	<u>\$ (142,797)</u>
Increase (Decrease) in Net Assets	<u>\$ 661,995</u>	<u>\$ (503,247)</u>
Net Assets - Beginning of Year	<u>9,573,994</u>	<u>10,077,241</u>
Net Assets - End of Year	<u><u>\$ 10,235,989</u></u>	<u><u>\$ 9,573,994</u></u>

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

LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.

LOCAL INVESTMENT FUND
STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
Cash Flows (To) From Operating Activities		
Cash received from contributions, wills, and bequests	\$ 404,724	\$ 447,582
Cash received from trust funds	50,122	50,502
Interest received	92,595	127,166
Dividends and pooled funds	122,526	134,270
Receipts from investment properties	1,268,909	1,270,236
Cash paid to suppliers and utility deposits	(305,793)	(405,676)
Net cash provided by (used for) operating activities	<u>\$ 1,633,083</u>	<u>\$ 1,624,080</u>
Cash Flows (To) From Investing Activities		
Transfer (to) from Endowment Fund (net)	\$ (40,000)	\$ (40,000)
Capital purchases for Plant Fund (net)	(826,190)	(1,827,242)
Proceeds on sale of property held for sale (netted)	-	269,390
Proceeds from disposition of assets (net)	28,234	1,500
Proceeds from sale of stock	4,705	18,637
Net cash provided by (used for) investing activities	<u>\$ (833,251)</u>	<u>\$ (1,577,715)</u>
Cash Flows (To) From Financing Activities		
Proceeds from UMF Line of Credit	\$ -	\$ -
Payments on UMF Line of Credit	(500,000)	(1,000,000)
Net cash provided by (used for) financing activities	<u>\$ (500,000)</u>	<u>\$ (1,000,000)</u>
Increase (Decrease) in Cash and Cash Equivalents	<u>\$ 299,832</u>	<u>\$ (953,635)</u>
Cash and Cash Equivalents - Beginning of Year	<u>7,708,715</u>	<u>8,662,350</u>
Cash and Cash Equivalents - End of Year	<u><u>\$ 8,008,547</u></u>	<u><u>\$ 7,708,715</u></u>
Reconciliation of Changes in Net Assets to Cash Provided by Operating Activities		
Change in net assets	\$ 661,995	\$ (503,247)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
(Gain) loss on sale of assets	(28,234)	(1,500)
Allowance for uncollected promises	(8,000)	(46,000)
Noncash donation of stock, building, and equipment	(5,208)	(32,631)
(Increase) decrease in receivables and promises to give	213,337	220,178
(Increase) decrease in prepaid expense and other	12,620	(11,115)
Realized and unrealized (gain) loss on investments	(96,370)	138,991
Transfers to (from) other funds	40,000	40,000
Purchase of property and equipment (net)	826,190	1,827,242
Increase (decrease) in accounts payable	16,753	(7,838)
Net Cash Provided by (Used for) Operating Activities	<u><u>\$ 1,633,083</u></u>	<u><u>\$ 1,624,080</u></u>
Interest Paid	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Income Taxes Paid	<u><u>\$ 1,000</u></u>	<u><u>\$ 1,000</u></u>

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

LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.

GENERAL FIXED ASSETS
STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2025 AND 2024

	2025	2024
Assets		
Property and Equipment		
Autos, trucks, and buses	\$ 2,119,721	\$ 2,057,428
Tractors and ground equipment	362,860	349,442
Furniture, fixtures, and equipment	1,370,560	1,291,009
Building and improvements	37,385,312	36,551,965
Land and land improvements	2,808,673	2,816,983
	<u>\$ 44,047,126</u>	<u>\$ 43,066,827</u>
Less: accumulated depreciation	(18,697,754)	(17,179,606)
	<u>\$ 25,349,372</u>	<u>\$ 25,887,221</u>
Construction in progress	162,881	639,402
	<u>\$ 25,512,253</u>	<u>\$ 26,526,623</u>
Total assets		
	<u>\$ 25,512,253</u>	<u>\$ 26,526,623</u>
Net Assets		
Without Donor Restrictions		
Undesignated	\$ 25,512,253	\$ 26,526,623
Designated	-	-
Total net assets without donor restrictions	<u>\$ 25,512,253</u>	<u>\$ 26,526,623</u>
With donor restrictions	-	-
	<u>\$ 25,512,253</u>	<u>\$ 26,526,623</u>
Total net assets		
	<u>\$ 25,512,253</u>	<u>\$ 26,526,623</u>

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

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

**GENERAL FIXED ASSETS
STATEMENTS OF ACTIVITIES**

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
Expenses		
Provision for depreciation	\$ (1,865,316)	\$ (1,816,523)
Gain (loss) on assets abandoned or sold	<u>23,022</u>	<u>37,013</u>
Excess (Deficiency) of Revenue Over Expenses	\$ (1,842,294)	\$ (1,779,510)
Acquisition of Property and Equipment Without Donor Restrictions		
Transfers from other funds	<u>827,924</u>	<u>1,831,256</u>
Change in Net Assets Without Donor Restrictions	\$ (1,014,370)	\$ 51,746
Net Assets - Beginning of Year	<u>26,526,623</u>	<u>26,474,877</u>
Net Assets - End of Year	<u><u>\$ 25,512,253</u></u>	<u><u>\$ 26,526,623</u></u>

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

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

**GENERAL FIXED ASSETS
STATEMENTS OF CASH FLOWS**

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
Cash Flows (To) From Operating Activities		
Cash transfers (to) from other funds	\$ -	\$ -
Net cash provided by (used for) operating activities	<u>\$ -</u>	<u>\$ -</u>
Cash Flows (To) From Investing Activities		
Proceeds from sale of assets	\$ -	\$ -
Net cash provided by (used for) investing activities	<u>\$ -</u>	<u>\$ -</u>
Cash and Cash Equivalents - Beginning of Year	<u>\$ -</u>	<u>\$ -</u>
Cash and Cash Equivalents - End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Reconciliation of Changes in Net Assets to Cash Provided by Operating Activities		
Change in net assets	\$ (1,014,369)	\$ 51,746
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	1,865,315	1,816,523
(Gain) loss on assets abandoned or sold	(23,022)	(37,013)
Transfers (from) to other funds	<u>(827,924)</u>	<u>(1,831,256)</u>
Net Cash Provided by (Used for) Operating Activities	<u><u>\$ -</u></u>	<u><u>\$ -</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 these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

LOUISIANA UNITED METHODIST CHILDREN AND FAMILY SERVICES, INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

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” or “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.

Louisiana United Methodist Children and Family Services, Inc. provides psychiatric residential treatment facility (PRTF) services under network provider agreements with Healthy Louisiana managed care organizations. In 2025, Healthy Louisiana is managed by six independent managed care organizations which are contracted by Louisiana Department of Health.

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.

Donated Nonfinancial Assets

During the year ended December 31, 2025 donated nonfinancial assets totaled \$79,463 which consisted of \$3,483 of mayhaw berries, \$71,380 in clothing, shoes, toys, crafts, schools supplies and holiday novelty items, and \$4,600 in special event supplies, gift cards and food. Valuation was recorded at retail cost. The mayhaw berries were utilized for the production of jelly which is associated with the OWL program.

During the year ended December 31, 2024 donated nonfinancial assets totaled \$70,395 which consisted of \$4,500 of mayhaw berries, \$62,145 in clothing, shoes, toys, crafts, schools supplies and holiday novelty items, and \$3,750 in special event supplies, gift cards and food. Valuation was recorded at retail cost. The mayhaw berries were utilized for the production of jelly which is associated with the OWL program.

LOUISIANA UNITED METHODIST CHILDREN AND FAMILY SERVICES, INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Concentration of Revenue

The Organization receives a significant portion of its revenue from grants/contracts from government agencies, thus the Organization is subject to possible cutbacks due to changes in funding priorities. During 2025 and 2024, the Organization received approximately eighty-nine percent (89%) and eighty-three percent (83%), 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 certificate of deposit as of December 31, 2025 and 2024 that was unrestricted funds:

	<u>2025</u>	<u>2024</u>
Local Investment Fund		
Cash and cash equivalents		
Louisiana National Bank Toma Lodge, Ruston, Louisiana, dated August 22, 2024, maturing February 19, 2025, 4.35% annual percentage rate, interest credited monthly.	\$ -	\$ 100,000

LOUISIANA UNITED METHODIST CHILDREN AND FAMILY SERVICES, INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Certificates of Deposit (continued)

	<u>2025</u>	<u>2024</u>
Local Investment Fund		
Cash and cash equivalents		
Louisiana National Bank Toma Lodge, Ruston, Louisiana, dated August 18, 2025, maturing February 16, 2026, 3.5% annual percentage rate, interest credited monthly.	\$ 100,000	\$ -
Cash and cash equivalents	<u>\$ 100,000</u>	<u>\$ 100,000</u>

Letters of Credit

During the current year, the Organization obtained a letter, dated July 31, 2025, from Origin Bank, Ruston, Louisiana, stating that the Organization has a standing approval for a \$300,000 letter of credit through December 31, 2026. The letter of credit approval is to satisfy licensing requirements of \$100,000 for each of the Organization's Ruston, Loranger, and Sulphur, Louisiana locations.

During the prior year, the Organization obtained a letter, dated July 31, 2024, from Origin Bank, Ruston, Louisiana, stating that the Organization has a standing approval for a \$300,000 letter of credit through December 31, 2025. The letter of credit approval is to satisfy licensing requirements of \$100,000 for each of the Organization's Ruston, Loranger, and Sulphur, Louisiana locations.

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.

LOUISIANA UNITED METHODIST CHILDREN AND FAMILY SERVICES, INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounts Receivable (continued)

An allowance for credit losses related to services and cost reimbursement totaled \$500,616 and \$865,199 as of December 31, 2025 and 2024, respectively. Also, an allowance related to accounts for unconditional promises to give totaled \$12,580 and \$20,580 as of December 31, 2025 and 2024, respectively.

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

As of December 31, 2025 and 2024, the Organization's accounts receivable contains \$79,539 and \$88,786, 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 2025, this receivable is the net amount of federal, state, and local funding derived from the Louisiana Department of Education's October 1, 2024 and February 1, 2025 student counts at Howard School, less actual services and benefits received from the Lincoln Parish School Board. For 2024, the Louisiana Department of Education's October 1, 2023 and February 1, 2024 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 3 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.

LOUISIANA UNITED METHODIST CHILDREN AND FAMILY SERVICES, INC.**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024****NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****Contributions (continued)**

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

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

Penalties

The Organization paid no penalties for the years ended December 31, 2025 and 2024, 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, 2025 and 2024, the Organization had no uninsured cash balances, but held \$11,122,075 and \$9,240,663, 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 \$972,859 for 2025 and \$923,009 for 2024. The Organization also funds the minister's retirement with the Louisiana Annual Conference of the United Methodist Church. Contributions by the Organization totaled \$22,096 and \$21,020 during 2025 and 2024, 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.

LOUISIANA UNITED METHODIST CHILDREN AND FAMILY SERVICES, INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

NOTE 3 – INVESTMENTS (continued)

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.

	2025	2024
Net income (loss) for years – Endowment Fund		
Interest	\$ 245,279	\$ 228,916
Dividends and settlement income	243,378	240,663
Income from pooled fund	5,483,002	653,955
Realized and unrealized gains and (losses)	525,257	3,211,037
	\$ 6,496,916	\$ 4,334,571
Less: investment expenses	(107,742)	(119,060)
	<u>\$ 6,389,174</u>	<u>\$ 4,215,511</u>

Gross proceeds from the sale of securities amounted to \$3,501,003 and \$3,807,548 for the years ended December 31, 2025 and 2024, respectively.

Investments in this fund had a cost basis of \$31,441,173 with unrealized gains of \$14,308,403 as of December 31, 2025. During the year 2025 the Organization recognized unrealized gains of \$16,134 on these investments. Investments in this fund had a cost basis of \$29,260,241 with unrealized gains of \$11,887,639 as of December 31, 2024. During the year 2024 the Organization recognized unrealized gains of \$2,947,070 on these investments.

Local Investment Fund

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 \$398,184 and \$361,437 for 2025 and 2024, respectively. The discounted values were \$350,772 and \$313,120 for 2025 and 2024, 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 \$766,272 and \$712,442 as of December 31, 2025 and 2024, respectively. The discounted values were \$743,639 and \$685,406 for 2025 and 2024, 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, 2025 and 2024, respectively.

LOUISIANA UNITED METHODIST CHILDREN AND FAMILY SERVICES, INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

NOTE 3 – INVESTMENTS (continued)

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

Other Information

Also, at the end of 2009, the United Methodist Foundation of Louisiana established a “Donor Advised Fund” in an account named “Methodist Home for Children New Orleans Endowment.” The fund is a permanently 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.

The market value of the assets in the permanently restricted fund was \$636,553 and \$559,606 as of December 31, 2025 and 2024, 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, 2025 and 2024, were \$12,562 and \$852, respectively. The cash surrender values of the policies as of December 31, 2025 and 2024, were \$537,496 and \$524,934, 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.

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.

LOUISIANA UNITED METHODIST CHILDREN AND FAMILY SERVICES, INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

NOTE 4 – FAIR VALUE MEASUREMENTS (continued)

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, 2025 and 2024.

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, 2025 and 2024.

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, 2025 and 2024.

	2025	2024
Closely-held company stock:		
Balance, beginning of year	\$ 192,910	\$ 204,867
Unrealized gains(losses) related to instruments still held at report date	(16,377)	(12,257)
Balance, end of year	<u>\$ 176,233</u>	<u>\$ 192,610</u>

LOUISIANA UNITED METHODIST CHILDREN AND FAMILY SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

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)
2025 LOCAL INVESTMENT FUND						
Equity securities - cost or donated value						
Publically traded	\$ 39,962	\$ 84,194	\$ 84,194	\$ -	\$ -	\$ 44,232
Closely held	16,984	176,233	-	-	176,233	159,249
Total equity securities	<u>\$ 56,946</u>	<u>\$ 260,427</u>	<u>\$ 84,194</u>	<u>\$ -</u>	<u>\$ 176,233</u>	<u>\$ 203,481</u>
Net income - Local Investment Fund						
Interest		\$ 93,695				
Dividends		123,556				
		<u>\$ 217,251</u>				
2025 INVESTMENTS ENDOWMENT FUND						
<u>Argent Trust Company - Ruston, LA</u>						
Cash equivalents	<u>\$ 1,541,951</u>	<u>\$ 1,541,951</u>				
Equities						
Mutual funds						
Mutual funds - Foreign	\$ 1,562,867	\$ 2,225,038	\$ 2,225,038	\$ -	\$ -	\$ 662,171
Mutual funds - Domestic	924,327	2,045,072	2,045,072	-	-	1,120,745
Total mutual funds	<u>\$ 2,487,194</u>	<u>\$ 4,270,110</u>	<u>\$ 4,270,110</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,782,916</u>
Common stock	\$ 3,426,498	\$ 12,647,357	\$ 12,647,357	\$ -	\$ -	\$ 9,220,859
Total equities	<u>\$ 5,913,692</u>	<u>\$ 16,917,467</u>	<u>\$ 16,917,467</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,003,775</u>
Corporate bonds	\$ 1,394,206	\$ 1,351,342	\$ -	\$ 1,351,342	\$ -	\$ (42,864)
Mortgage bond	4,142,505	4,149,447	-	4,149,447	-	6,942
Municipal obligations	189,951	184,917	-	184,917	-	(5,034)
Taxable municipal obligations	991,062	948,002	-	948,002	-	(43,060)
U.S. government agency bonds	346,343	347,735	347,735	-	-	1,392
U.S. treasuries	87,364	90,039	90,039	-	-	2,675
Total fixed income securities	<u>\$ 7,151,431</u>	<u>\$ 7,071,482</u>	<u>\$ 437,774</u>	<u>\$ 6,633,708</u>	<u>\$ -</u>	<u>\$ (79,949)</u>
Total Argent investments without cash	<u>\$ 13,065,123</u>	<u>\$ 23,988,949</u>	<u>\$ 17,355,241</u>	<u>\$ 6,633,708</u>	<u>\$ -</u>	<u>\$ 10,923,826</u>
<u>The United Methodist Foundation of LA</u>						
Cash equivalents	<u>\$ -</u>	<u>\$ -</u>				
Mutual Funds - Equity	\$ 263,780	\$ 355,987	\$ 355,987	\$ -	\$ -	\$ 92,207
Money accounts	502,776	502,776	-	502,776	-	-
Stocks and related	9,755,719	12,365,041	12,365,041	-	-	2,609,322
Corporate bonds	2,065,101	2,114,834	-	2,114,834	-	49,733
Government and agency securities	4,664,747	4,761,864	3,630,646	1,131,218	-	97,117
Pooled income funds	<u>1,123,927</u>	<u>1,660,125</u>	<u>-</u>	<u>1,660,125</u>	<u>-</u>	<u>536,198</u>
Total United Methodist Foundation Investments without cash	<u>\$ 18,376,050</u>	<u>\$ 21,760,627</u>	<u>\$ 16,351,674</u>	<u>\$ 5,408,953</u>	<u>\$ -</u>	<u>\$ 3,384,577</u>
Endowment fund total investments without cash equivalents	<u>\$ 31,441,173</u>	<u>\$ 45,749,576</u>	<u>\$ 33,706,915</u>	<u>\$ 12,042,661</u>	<u>\$ -</u>	<u>\$ 14,308,403</u>
Total stocks, bonds, and notes	<u>\$ 31,498,119</u>	<u>\$ 46,010,003</u>	<u>\$ 33,791,109</u>	<u>\$ 12,042,661</u>	<u>\$ 176,233</u>	<u>\$ 14,511,884</u>

LOUISIANA UNITED METHODIST CHILDREN AND FAMILY SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

	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)
NOTE 4 - FAIR VALUE MEASUREMENTS (continued)						
2024 LOCAL INVESTMENT FUND						
Equity securities - cost or donated value						
Publically traded	\$ 39,962	\$ 72,713	\$ 72,713	\$ -	\$ -	\$ 32,751
Closely held	16,984	192,610	-	-	192,610	175,626
Total equity securities	<u>\$ 56,946</u>	<u>\$ 265,323</u>	<u>\$ 72,713</u>	<u>\$ -</u>	<u>\$ 192,610</u>	<u>\$ 208,377</u>
Net income - Local Investment Fund						
Interest		\$ 121,774				
Dividends		134,270				
		<u>\$ 256,044</u>				
2024 INVESTMENTS ENDOWMENT FUND						
<u>Argent Trust Company - Ruston, LA</u>						
Cash equivalents	<u>\$ 857,774</u>	<u>\$ 857,774</u>				
Equities						
Mutual funds						
Mutual funds - Foreign	\$ 1,605,480	\$ 1,782,782	\$ 1,782,782	\$ -	\$ -	\$ 177,302
Mutual funds - Domestic	985,025	1,969,090	1,969,090	-	-	984,064
Total mutual funds	<u>\$ 2,590,505</u>	<u>\$ 3,751,872</u>	<u>\$ 3,751,872</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,161,366</u>
Common stock	\$ 3,691,538	\$ 10,841,694	\$ 10,841,694	\$ -	\$ -	\$ 7,150,156
Total equities	<u>\$ 6,282,043</u>	<u>\$ 14,593,565</u>	<u>\$ 14,593,565</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,311,523</u>
Corporate bonds	\$ 1,774,680	\$ 1,678,826	\$ -	\$ 1,678,826	\$ -	\$ (95,854)
Foreign bonds nts and debentures	-	-	-	-	-	-
Intermediate term fixed income fund	-	-	-	-	-	-
Mortgage bond	2,820,721	2,734,088	-	2,734,088	-	(86,632)
Municipal obligations	292,695	281,572	-	281,572	-	(11,123)
Preferred stock	-	-	-	-	-	-
Short term fixed income fund	-	-	-	-	-	-
Taxable municipal obligations	971,304	891,803	-	891,803	-	(79,501)
U.S. government agency bonds	645,544	643,017	643,017	-	-	(2,527)
U.S. treasuries	236,600	238,081	238,081	-	-	1,481
Total fixed income securities	<u>\$ 6,741,544</u>	<u>\$ 6,467,387</u>	<u>\$ 881,098</u>	<u>\$ 5,586,289</u>	<u>\$ -</u>	<u>\$ (274,156)</u>
Total Argent investments without cash	<u>\$ 13,023,586</u>	<u>\$ 21,060,952</u>	<u>\$ 15,474,663</u>	<u>\$ 5,586,289</u>	<u>\$ -</u>	<u>\$ 8,037,366</u>
<u>The United Methodist Foundation of LA</u>						
Cash equivalents	<u>\$ -</u>	<u>\$ -</u>				
Mutual Funds - Equity	\$ 1,956,950	\$ 1,896,910	\$ 1,884,149	\$ -	\$ -	\$ (60,040)
Money accounts	590,647	590,647	-	590,647	-	-
Preferred stocks	-	-	-	-	-	-
Stocks and related	8,706,640	12,311,157	12,311,157	-	-	3,604,517
Corporate bonds	1,634,232	1,640,360	-	1,640,360	-	6,128
Government and agency securities	2,292,167	2,223,921	614,019	1,609,902	-	(68,246)
Mortgage asset backed	-	-	-	-	-	-
Pooled income funds	<u>1,056,019</u>	<u>1,423,933</u>	<u>-</u>	<u>1,423,933</u>	<u>-</u>	<u>367,914</u>
Total United Methodist Foundation Investments without cash	<u>\$ 16,236,655</u>	<u>\$ 20,086,928</u>	<u>\$ 14,809,325</u>	<u>\$ 5,264,842</u>	<u>\$ -</u>	<u>\$ 3,850,273</u>
Endowment fund total investments without cash equivalents	<u>\$ 29,260,241</u>	<u>\$ 41,147,880</u>	<u>\$ 30,283,988</u>	<u>\$ 10,851,131</u>	<u>\$ -</u>	<u>\$ 11,887,639</u>
Total stocks, bonds, and notes	<u>\$ 29,317,187</u>	<u>\$ 41,413,203</u>	<u>\$ 30,356,701</u>	<u>\$ 10,851,131</u>	<u>\$ 192,610</u>	<u>\$ 12,096,016</u>

LOUISIANA UNITED METHODIST CHILDREN AND FAMILY SERVICES, INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

NOTE 4 – FAIR VALUE MEASUREMENTS (continued)

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 2025. 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, 2025 and 2024.

	2025	2024
Cash surrender value of insurance:		
Balance, beginning of year	\$ 524,934	\$ 524,082
Increase in value, net	<u>12,562</u>	<u>852</u>
Balance, end of year	<u>\$ 537,496</u>	<u>\$ 524,934</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 \$34,617,597 and \$31,919,369 for 2025 and 2024, respectively. Accounts receivable balances related to this activity were \$4,695,451 and \$4,090,126 as of December 31, 2025 and 2024, respectively.

Accounts receivable arise from the normal course of providing these services and are not secured. An allowance for credit losses of \$500,616 and \$865,199 for 2025 and 2024, respectively, has been provided for accounts receivable, and cost reimbursement receivables related to services. Accounts receivable balances over 90 days past due were \$686,945 and \$1,202,811 as of December 31, 2025 and 2024, respectively.

Pledges Receivable**Operating Fund**

The Organization received pledges during the years ended December 31, 2025 and 2024, totaling \$0 and \$5,000, respectively. These pledges were not restricted by the donors. The pledges were collected during the subsequent period and there was no allowance for uncollectible pledges for the current year or the prior year. There was no discount rate applied to these pledges.

LOUISIANA UNITED METHODIST CHILDREN AND FAMILY SERVICES, INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

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

Operating Fund (continued)

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

Local Investment Fund

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

The Organization received pledges during the years ending December 31, 2025 and 2024 totaling \$0 and \$0, respectively. \$0 and \$0 were from employees of the Organization for the years ending December 31, 2025 and 2024, respectively. The pledges are to be collected over a 5-year period. An allowance for uncollected pledges of 48% and 10% of the totals, or \$12,580 and \$20,580 for the years ending December 31, 2025 and 2024, respectively, has been established based on historical collection rates. A discount rate of 1% of the total, or \$271 and \$12,718 discounts, have been applied to calculate the current balance of pledge receivables as of December 31, 2025 and 2024, respectively totaling \$13,649 and \$216,202.

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

2026	\$	13,649
2027		-
2028		-
2029		-
2030 and after		-

Accounts Receivable

The following is a schedule of opening and closing balances for accounts receivable and promises to give for the years ended December 31, 2025 and 2024:

	January 1, 2024	December 31, 2024	December 31, 2025
Accounts and cost reimbursement receivables (net)	\$ 3,853,114	\$ 4,262,722	\$ 3,997,585
Promises to give – restricted (net)	\$ 213,268	\$ 216,202	\$ 13,649
Promises to give – unrestricted (net)	\$ 5,140	\$ 5,000	\$ -

LOUISIANA UNITED METHODIST CHILDREN AND FAMILY SERVICES, INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

NOTE 6 - INVENTORY

Inventories as of December 31, 2025 and 2024, consist of salsa products produced at the Outdoor Wilderness Learning Center at an approximate cost of \$7,879 and \$6,400, respectively. Food inventory located at the Outdoor Wilderness Learning Center totaled \$2,004 and \$2,297 as of December 31, 2025 and 2024, respectively. Food inventory located in Sulphur, Louisiana, totaled \$7,079 and \$11,788 as of December 31, 2025 and 2024, respectively. Food inventory located in Ruston, Louisiana, totaled \$36,505 and \$47,140 as of December 31, 2025 and 2024, respectively. Food inventory located in Loranger, Louisiana totaled \$9,451 and \$7,375 as of December 31, 2025 and 2024, respectively. Total inventory reflected in the general operating fund totaled \$62,918 and \$75,000 as of December 31, 2025 and 2024, respectively.

	2025	2024
OWL salsa products	\$ 7,879	\$ 6,400
Food, OWL	2,004	2,297
Food, Ruston, LA	36,505	47,140
Food, Sulphur, LA	7,079	11,788
Food, Loranger, LA	<u>9,451</u>	<u>7,375</u>
Totals	<u>\$ 62,918</u>	<u>\$ 75,000</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:

	Cost	Accumulated Depreciation	Net Book Value
December 31, 2025			
Land and improvements	\$ 2,808,673	\$ (82,503)	\$ 2,726,170
Buildings and improvements	37,385,312	(15,831,398)	21,553,914
Furniture and fixtures	1,353,905	(1,102,167)	251,738
Office furniture and equipment	16,655	(16,655)	-
Automobiles, trucks, and vans	2,119,721	(1,354,668)	765,053
Tractors and other equipment	<u>362,860</u>	<u>(310,363)</u>	<u>52,497</u>
Totals	<u>\$ 44,047,126</u>	<u>\$ (18,697,754)</u>	<u>\$ 25,349,372</u>
December 31, 2024			
Land and improvements	\$ 2,816,983	\$ (81,894)	\$ 2,735,089
Buildings and improvements	36,551,965	(14,447,024)	22,104,941
Furniture and fixtures	1,274,354	(1,120,764)	153,590
Office furniture and equipment	16,655	(16,655)	-
Automobiles, trucks, and vans	2,057,428	(1,221,606)	835,822
Tractors and other equipment	<u>349,442</u>	<u>(291,663)</u>	<u>57,779</u>
Totals	<u>\$ 43,066,827</u>	<u>\$ (17,179,606)</u>	<u>\$ 25,887,221</u>

LOUISIANA UNITED METHODIST CHILDREN AND FAMILY SERVICES, INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

NOTE 7 - PROPERTY AND EQUIPMENT (continued)

As of December 31, 2025 construction in progress consisted of Ruston campus engineering plans for exterior site access, Ruston campus bathroom renovations, Ruston campus fence, and Webb Hall workforce management platform totaling \$162,881. As of December 31, 2024 it consisted of Southwest Louisiana Maintenance Building, rebranding, and Ruston campus fence totaling \$639,402.

The depreciation expense was \$1,865,316 and \$1,816,523 for the years ended December 31, 2025 and 2024, 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	3, 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	3, 5 and 10 years

NOTE 8 - 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, 2025 until June 30, 2025, and July 1, 2025 until December 31, 2025, for the period ending December 31, 2025. 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 \$747,053 and \$690,960 for 2025 and 2024, respectively.

NOTE 9 - RELATED PARTY

Total contributions received from employees, officers, and Organization board members of the Organization totaled \$85,856 and \$77,309 during 2025 and 2024, respectively.

LOUISIANA UNITED METHODIST CHILDREN AND FAMILY SERVICES, INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

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 consists of the following:

	Totals	General Operating Fund	Endowment Fund	Local Investment Fund	Fixed Asset Fund
December 31, 2025					
Net assets without donor restrictions	<u>\$ 84,378,318</u>	<u>\$ 6,651,198</u>	<u>\$ 43,894,433</u>	<u>\$ 8,320,434</u>	<u>\$ 25,512,253</u>
Designated:					
Operating budget	\$ 1,904,507	\$ -	\$ 1,904,507	\$ -	\$ -
Capital improvements:					
Building	613,259	-	-	613,259	-
Furniture and equipment	<u>36,751</u>	<u>-</u>	<u>-</u>	<u>36,751</u>	<u>-</u>
Total designated	<u>\$ 2,554,517</u>	<u>\$ -</u>	<u>\$ 1,904,507</u>	<u>\$ 650,010</u>	<u>\$ -</u>
 Total net assets without donor restrictions	 <u>\$ 86,932,835</u>	 <u>\$ 6,651,198</u>	 <u>\$ 45,798,940</u>	 <u>\$ 8,970,444</u>	 <u>\$ 25,512,253</u>
 December 31, 2024					
Net assets without donor restrictions	<u>\$ 78,799,885</u>	<u>\$ 5,477,525</u>	<u>\$ 38,789,843</u>	<u>\$ 8,005,894</u>	<u>\$ 26,526,623</u>
Designated:					
Operating budget	\$ 1,948,340	\$ -	\$ 1,948,340	\$ -	\$ -
Capital improvements:					
Building	145,796	-	-	145,796	-
Furniture and equipment	<u>65,545</u>	<u>-</u>	<u>-</u>	<u>65,545</u>	<u>-</u>
Total designated	<u>\$ 2,159,681</u>	<u>\$ -</u>	<u>\$ 1,948,340</u>	<u>\$ 211,341</u>	<u>\$ -</u>
 Total net assets without donor restrictions	 <u>\$ 80,959,566</u>	 <u>\$ 5,477,525</u>	 <u>\$ 40,738,183</u>	 <u>\$ 8,217,235</u>	 <u>\$ 26,526,623</u>

LOUISIANA UNITED METHODIST CHILDREN AND FAMILY SERVICES, INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

NOTE 11 - NET ASSETS WITH DONOR RESTRICTIONS

	<u>2025</u>	<u>2024</u>
Operating Fund		
Current assets:		
Checking – Origin Bank	\$ 26,981	\$ 28,659
Endowment Fund		
Long-term investments:		
Pooled funds	649,492	598,622
Local Investment Fund		
Current assets:		
Checking – Origin Bank	22,000	-
Accounts receivable – promises to give (net)	13,649	216,202
Long-term investments:		
H.R. Jordan Charitable Remainder Trust	350,771	313,120
Barbara Williamson Charitable Lead Trust	743,639	685,406
The Pomeroy Trust, LLC	135,486	135,486
R.D. Webb property	<u>-</u>	<u>6,545</u>
Balances at year end	<u>\$ 1,942,018</u>	<u>\$ 1,984,040</u>
Endowment Fund		
Long-term investments:		
Pooled funds	<u>\$ 892,323</u>	<u>\$ 723,115</u>
Balances at year end	<u>\$ 892,323</u>	<u>\$ 723,115</u>
Net assets with donor restrictions	<u>\$ 2,834,341</u>	<u>\$ 2,707,155</u>

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, 2025:

	<u>Time Restricted</u>	<u>Purpose Restricted</u>	<u>Perpetual in Nature</u>	<u>Total</u>
Endowments	\$ -	\$ 649,492	\$ 892,323	\$ 1,541,815
H.R. Jordan Charitable Remainder Trust	350,771	-	-	350,771
Barbara Williamson Charitable Lead Trust	743,639	-	-	743,639
The Pomeroy Trust, LLC	135,486	-	-	135,486
Other	<u>-</u>	<u>62,630</u>	<u>-</u>	<u>62,630</u>
Totals	<u>\$ 1,229,896</u>	<u>\$ 712,122</u>	<u>\$ 892,323</u>	<u>\$ 2,834,341</u>

LOUISIANA UNITED METHODIST CHILDREN AND FAMILY SERVICES, INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

NOTE 11 - NET ASSETS WITH DONOR RESTRICTIONS (continued)

Composition of net assets with donor restrictions (continued)

The following is the composition by type of fund of net assets with donor restrictions as of December 31, 2024:

	Time Restricted	Purpose Restricted	Perpetual in Nature	Total
Endowments	\$ -	\$ 598,622	\$ 723,115	\$ 1,321,737
H.R. Jordan Charitable Remainder Trust	313,120	-	-	313,120
Barbara Williamson Charitable Lead Trust	685,406	-	-	685,406
The Pomeroy Trust, LLC	135,486	-	-	135,486
R.D. Webb Property	6,545	-	-	6,545
Other	-	244,861	-	244,861
	<u>-</u>	<u>244,861</u>	<u>-</u>	<u>244,861</u>
Totals	<u>\$ 1,140,557</u>	<u>\$ 843,483</u>	<u>\$ 723,115</u>	<u>\$ 2,707,155</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 \$27,003 and \$21,830 for the years ended December 31, 2025 and 2024, respectively. The market values of the assets of this account as of December 31, 2025 and 2024, were \$209,702 and \$184,353, respectively. \$100,000 of the balance is permanently restricted.

Bradley Family Music Program

Funds were contributed to establish the Bradley Family Music Program. The principal totaling \$10,000 will not be expended. The income of the endowment can be used for any music-related expense that benefits the youth and the Organization. Examples include, but are not limited to, musical instruments, hymnals or sheet music, and the cost or expense of instrument lessons or choir direction. The income (loss) included in the temporarily restricted fund was \$2,640 and \$2,135 for the years ended December 31, 2025 and 2024, respectively. The market values of the assets of this account as of December 31, 2025 and 2024, were \$20,505 and \$18,027, 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 \$527,600 will not be expended. Contributions of \$40,000 and \$40,000 were contributed for the years ending December 31, 2025 and 2024, respectively. The income (loss) included in temporarily restricted funds was \$101,762 and \$77,167 for the years ended December 31, 2025 and 2024, respectively. The market values of the assets of this account in the endowment fund as of December 31, 2025 and 2024, were \$827,342 and \$691,817, respectively. \$527,600 of the balance is permanently restricted.

LOUISIANA UNITED METHODIST CHILDREN AND FAMILY SERVICES, INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

NOTE 11 - NET ASSETS WITH DONOR RESTRICTIONS (continued)

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 education 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, 2025 and 2024, 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 2025 and 2024, \$0 and \$0, 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, HiSet expenses, or general educational expenses at the Organization. The income (loss) included in the temporarily restricted fund was \$29,570 and \$24,772 for the years ended December 31, 2025 and 2024, respectively. The market values of the assets of this account as of December 31, 2025 and 2024, were \$229,634 and \$201,876, respectively. \$110,515 of the balance is permanently restricted.

Otwell Memorial Endowment

Funds were contributed to establish permanent endowment to benefit the children and youth at the Organization. The income will support the children and youth and the principal totaling \$129,208 will not be expended. The income (loss) included in the temporarily restricted funds was \$30,857 and \$24,945 for the years ended December 31, 2025 and 2024. The market values of the assets of this account as of December 31, 2025 and 2024 were \$239,631 and \$210,665, respectively. \$129,208 of the balance is permanently restricted.

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 2025 and 2024 was \$1,000 and \$1,000, respectively, on income of \$7,650 and \$10,075, respectively.

NOTE 13 - LEASES

Family Counseling Center

The Organization has office space leased for the Family Counseling Center in Ruston, Louisiana (\$2,050 monthly) with terms ending July 2025 (36 months). Rental expenses were \$22,300 and \$24,600 for the years 2025 and 2024, respectively.

LOUISIANA UNITED METHODIST CHILDREN AND FAMILY SERVICES, INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

NOTE 13 - LEASES (continued)**Therapeutic Foster Care Program**

The Organization has office space leased for Therapeutic Foster Care in Covington, Louisiana (\$2,039 monthly); Alexandria, Louisiana (\$2,900 monthly); Monroe, Louisiana (\$4,500 monthly); Shreveport, Louisiana (\$600 monthly) and Lafayette, Louisiana (\$2,763 monthly) with terms ending July 2023 (month-to-month), October 2027 (24 months), October 2025 (month-to-month), January 2022 (month-to-month), and January 2028 (60 months), respectively. Rental expenses were \$159,047 and \$158,849 for the years 2025 and 2024, respectively.

Independent Living Program

The Independent Living Program has office space leased in Covington, Louisiana (\$1,500 monthly); and Lafayette, Louisiana (\$1,100 monthly), with terms ending March 2026 (24 months) and June 2026 (24 months), respectively. Rental expenses were \$30,750 and \$29,400 for the years 2025 and 2024, respectively.

Right-of-use Assets and Lease Liabilities

The Organization determines if an arrangement is a lease at inception. Leases are included in right-of-use (ROU) assets and lease liabilities in the statement of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term, and ROU assets also include prepaid or accrued rent. Operating lease expense is recognized on a straight-line basis over the lease term. Louisiana United Methodist Children and Family Services, Inc. does not report ROU assets and leases liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term.

The Organization evaluated current contracts to determine which met the criteria of a lease. The right-of-use (ROU) assets represent the Organization's right to use underlying assets for the lease term, and the lease liabilities represent the Organization's obligation to make lease payments arising from these leases. The ROU assets and lease liabilities, all of which arise from operating leases, were calculated based on the present value of future payments over the lease terms. The Organization has made an accounting policy election to use a risk-free rate in lieu of its incremental borrowing rate to discount future lease payments. The weighted-average discount rate applied to calculate lease liabilities as of December 31, 2025 and 2024 was between 3.55% and 4.11%.

The Organization's operating leases consist of real estate office spaces for the Independent Living Programs and Therapeutic Foster Care Program in Alexandria, Monroe and Lafayette, Louisiana areas. Two leases terms exclude a one-year extension, available at the Organization's option, which is not reasonably certain to exercise. Therefore, the payments associated with the extensions are not included in the ROU asset nor the lease liability recognized as of December 31, 2025.

As of December 31, 2025 and 2024 the Louisiana United Methodist Children and Family Services, Inc's operating lease cost was \$116,071 and \$182,016, respectively. The short-term lease cost was approximately \$67,950 and \$130,000 as of December 31, 2025 and 2024, respectively. As of December 31, 2025, the weighted-average remaining lease term for the Organization's operating leases was approximately 2 years.

LOUISIANA UNITED METHODIST CHILDREN AND FAMILY SERVICES, INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

NOTE 13 - LEASES (continued)

Cash paid for operating leases for the year ended December 31, 2025 and 2024 was \$218,597 and \$212,849, respectively. There was no noncash investing and financing transactions related to leasing.

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

	2026	\$ 67,950
	2027	59,250
	2028	-
	2029	-
	2030	-
Total lease payments		\$ 127,200
Less present value discount		(11,129)
Total lease obligations		<u>\$ 116,071</u>

NOTE 14 - RETIREMENT PAYABLE

During 2008, the Organization of Directors approved the adoption of a salary contribution plan for two key employees. The plan involves the payment of \$1,000 per month for each employee upon retirement for 15 years. The employee's retirement dates of July 1, 2011 and July 1, 2012, were used to record the present value of the liability based on a 6% rate. As of December 31, 2025, the liabilities were \$5,896 and \$17,128 for each employee and as of December 31, 2024, the liabilities were \$17,173 and \$27,749 for each employee. Retirement payments for the years ended December 31, 2025 and 2024, were \$12,000 and \$12,000, and \$12,000 and \$12,000, respectively.

LOUISIANA UNITED METHODIST CHILDREN AND FAMILY SERVICES, INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

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, 2025 and 2024:

	Total	Program Services	Fundraising	Management and General
December 31, 2025				
Salaries, benefits, and payroll taxes	\$ 34,358,193	\$ 29,323,433	\$ 607,899	\$ 4,426,861
Insurance expense	2,283,249	810,471	-	1,472,778
Professional services	538,856	108,957	9,438	420,461
Lease/rental expense	218,597	218,597	-	-
Food expense	1,072,212	1,072,212	-	-
Foster parent payments	3,865,286	3,865,286	-	-
Interest expense	16,069	-	-	16,069
Office and postage expense	183,921	74,488	10,884	98,549
Telephone & communication	308,632	163,949	8,610	136,073
Travel and seminar	330,062	204,351	54,684	71,027
Training	97,910	52,095	-	45,815
Utilities	472,325	438,051	9,521	24,753
Repairs and maintenance	1,168,440	617,888	40,605	509,947
Supplies	695,444	598,098	9,192	88,154
Bad debt expense	50,000	-	-	50,000
Miscellaneous	1,009,247	539,866	139,843	329,538
Total before depreciation	\$ 46,668,443	\$ 38,087,742	\$ 890,676	\$ 7,690,025
Depreciation	1,865,316	1,756,742	31,297	77,277
Totals	\$ 48,533,759	\$ 39,844,484	\$ 921,973	\$ 7,767,302

	Total	Program Services	Fundraising	Management and General
December 31, 2024				
Salaries, benefits, and payroll taxes	\$ 33,065,191	\$ 28,272,590	\$ 550,726	\$ 4,241,875
Insurance expense	2,121,451	718,964	-	1,402,487
Professional services	515,750	123,268	1,409	391,073
Lease/rental expense	212,849	212,849	-	-
Food expense	1,011,297	1,011,297	-	-
Foster parent payments	3,448,687	3,448,687	-	-
Interest expense	46,149	-	-	46,149
Office and postage expense	206,161	88,441	12,634	105,086
Telephone & communication	310,688	135,390	4,706	170,592
Travel and seminar	379,734	249,718	41,676	88,340
Training	86,974	41,883	-	45,091
Utilities	585,336	551,397	8,652	25,287
Repairs and maintenance	1,088,299	558,646	39,584	490,069
Supplies	701,195	586,147	6,410	108,638
Bad debt expense	300,000	-	-	300,000
Miscellaneous	832,082	485,229	101,753	245,100
Total before depreciation	\$ 44,911,843	\$ 36,484,506	\$ 767,550	\$ 7,659,787
Depreciation	1,816,523	1,714,616	30,464	71,443
Totals	\$ 46,728,366	\$ 38,199,122	\$ 798,014	\$ 7,731,230

LOUISIANA UNITED METHODIST CHILDREN AND FAMILY SERVICES, INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

NOTE 16 - SUBSEQUENT EVENTS

In accordance with ASC 855, the Organization evaluated subsequent events through June 15, 2026, the date these financial statements were available to be issued. On May 4, 2026 the Louisiana Department of Children and Family Services (DCFS) provided notice that the four (4) Life Skills (Independent Living / Chaffee) contracts would not be renewed as of June 30, 2026. The Organization will transition these staff into different appropriate positions within the agency.

NOTE 17 - 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. 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 year ended December 31, 2025, the Organization paid \$500,000 principal on the note resulting in a balance due of \$0 that was due December 31, 2025 to the United Methodist Foundation of Louisiana. A total amount of interest paid on the loan for 2025 was \$16,069. The interest paid during 2025 was reported in the general fund as a current expense.

NOTE 18 - 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.

	2025	2024
Financial assets at year-end		
Cash and cash equivalents	\$ 14,098,693	\$ 11,186,459
Stocks, bonds and notes	46,010,003	41,413,203
Cash surrender value life insurance	537,496	524,934
Less those unavailable for general expenditures within		
one year, due to donor restrictions (Note 11)	(2,834,341)	(2,707,155)
Line of Credit collateral investments (Note 17)	-	(500,000)
Financial asset available to meet cash needs for general		
expenditure within one year	<u>\$ 57,811,851</u>	<u>\$ 49,917,441</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.

GENERAL OPERATING FUND REVENUE DETAIL
STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	Location			Totals	
	Ruston	SELA	SWLA	2025	2024
Unrestricted Revenue and Support					
Contributions					
Contributions	\$ 1,290,646	\$ 143,114	\$ 53,789	\$ 1,487,549	\$ 1,299,746
Sponsorships	147,573	6,525	11,500	165,598	179,419
Contributions - noncash	79,463	-	-	79,463	70,395
Total contributions	<u>\$ 1,517,682</u>	<u>\$ 149,639</u>	<u>\$ 65,289</u>	<u>\$ 1,732,610</u>	<u>\$ 1,549,560</u>
Children's Home offerings	<u>\$ 5,395</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,395</u>	<u>\$ 4,408</u>
Special events	<u>\$ 33,672</u>	<u>\$ 179,273</u>	<u>\$ 19,838</u>	<u>\$ 232,783</u>	<u>\$ 168,517</u>
Child Care Support					
Child care support (TIPS)	\$ 67,179	\$ 21,813	\$ 9,435	\$ 98,427	\$ 95,835
PRTF revenue	20,754,672	7,946,927	5,622,919	34,324,518	31,673,943
Total child care support	<u>\$ 20,821,851</u>	<u>\$ 7,968,740</u>	<u>\$ 5,632,354</u>	<u>\$ 34,422,945</u>	<u>\$ 31,769,778</u>
Independent Living Services (Federal Subgrant and Other)					
Independent living services	\$ 747,053	\$ -	\$ -	\$ 747,053	\$ 690,960
Total independent living services	<u>\$ 747,053</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 747,053</u>	<u>\$ 690,960</u>
Family Plus Program	<u>\$ 25,604</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,604</u>	<u>\$ 31,138</u>
Family Development Services					
Client fees	\$ 23,300	\$ -	\$ -	\$ 23,300	\$ 71,928
United Way grants	27,500	-	-	27,500	55,000
Total family development services	<u>\$ 50,800</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,800</u>	<u>\$ 126,928</u>
Medical and Nursing	<u>\$ 103,764</u>	<u>\$ 29,072</u>	<u>\$ 36,212</u>	<u>\$ 169,048</u>	<u>\$ 118,453</u>
Methodist Foster Care	<u>\$ 7,977,752</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,977,752</u>	<u>\$ 7,129,464</u>
Foster Care Grant	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Trust Funds					
Marjorie D. Vickery Trust	\$ 60,000	\$ -	\$ -	\$ 60,000	\$ 112,000
Pomeroy Trust	56,705	-	-	56,705	20,390
UMF Fund Trusts	62,223	22,527	5,489	90,239	89,121
Ed and Gladys Hurley Trust	2,000	-	-	2,000	-
Total trust funds	<u>\$ 180,928</u>	<u>\$ 22,527</u>	<u>\$ 5,489</u>	<u>\$ 208,944</u>	<u>\$ 221,511</u>
Interest and dividends	<u>\$ 77,105</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 77,105</u>	<u>\$ 59,997</u>
Outdoor Wilderness Project income	<u>\$ 240,599</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 240,599</u>	<u>\$ 299,035</u>
Educational services	<u>\$ 525,208</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 525,208</u>	<u>\$ 551,161</u>
Miscellaneous income	<u>\$ 34,849</u>	<u>\$ -</u>	<u>\$ 5,465</u>	<u>\$ 40,314</u>	<u>\$ 35,406</u>
Total unrestricted income	<u>\$ 32,342,262</u>	<u>\$ 8,349,251</u>	<u>\$ 5,764,647</u>	<u>\$ 46,456,160</u>	<u>\$ 42,756,316</u>

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

LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.

GENERAL OPERATING FUND EXPENSE DETAIL
STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	Location			Totals	
	Ruston	SELA	SWLA	2025	2024
Total Restricted Income					
Restrictions satisfied by payments	\$ 1,677	\$ -	\$ -	\$ 1,677	\$ 1,217
Expenses					
Administrative and General					
Salaries	\$ 1,552,234	\$ 247,967	\$ 250,449	\$ 2,050,650	\$ 1,962,497
Payroll taxes	105,536	18,105	17,147	140,788	135,247
Employee benefits	358,379	54,336	52,107	464,822	409,675
Advertising	-	-	290	290	2,628
Dues and licenses	31,523	2,247	1,062	34,832	25,691
Insurance	967,248	270,536	212,767	1,450,551	1,356,627
Office supplies	43,241	14,027	28,699	85,967	97,914
Professional services	105,549	5,250	5,250	116,049	122,966
Financial and payroll systems	196,670	-	-	196,670	149,047
Vehicle	7,556	-	-	7,556	8,054
Telephone and communications	32,301	19,433	28,948	80,682	92,870
In-service training	1,728	638	6,514	8,880	10,084
Travel and seminar	21,073	4,169	2,866	28,108	28,028
Board meeting expense	14,067	-	-	14,067	9,906
Interest	-	16,069	-	16,069	46,149
Utilities	24,753	-	-	24,753	25,287
Miscellaneous	34,000	1,758	132	35,890	6,884
Accreditation	41,590	-	-	41,590	6,300
Banking and processing fees	11,489	-	-	11,489	9,668
Bad debt expense	50,000	-	-	50,000	300,000
Total administrative and general	\$ 3,598,937	\$ 654,535	\$ 606,231	\$ 4,859,703	\$ 4,805,522
Human Resources					
Salaries	\$ 279,669	\$ -	\$ -	\$ 279,669	\$ 271,780
Payroll taxes	18,851	-	-	18,851	18,314
Employee benefits	103,832	-	-	103,832	101,278
Unemployment benefits	13,668	-	-	13,668	32,529
Advertising and promotion	13,348	-	-	13,348	17,717
Dues and licenses	2,092	-	-	2,092	586
Insurance	8,559	-	-	8,559	13,331
Office supplies	8,945	-	-	8,945	2,508
Training	10,956	-	-	10,956	8,707
Travel and seminar	6,447	-	-	6,447	13,856
Miscellaneous	45,949	-	-	45,949	35,990
Total human resources	\$ 512,316	\$ -	\$ -	\$ 512,316	\$ 516,596
Staff Development					
Salaries	\$ 237,155	\$ -	\$ -	\$ 237,155	\$ 222,330
Payroll taxes	16,905	-	-	16,905	15,682
Employee benefits	57,693	-	-	57,693	59,800
Advertising and promotion	1,462	-	-	1,462	1,085
Dues and licenses	931	-	-	931	269
Employee appreciation	19,981	-	-	19,981	18,518
Office supplies	2,796	-	-	2,796	3,107
Training	25,979	-	-	25,979	26,300
Travel and seminar	13,381	-	-	13,381	9,900
Miscellaneous	4,528	-	-	4,528	1,603
Total staff development	\$ 380,811	\$ -	\$ -	\$ 380,811	\$ 358,594

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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, 2025 AND 2024

Expenses	Location			Totals	
	Ruston	SELA	SWLA	2025	2024
Information Management					
Salaries	\$ 414,263	\$ -	\$ -	\$ 414,263	\$ 401,707
Payroll taxes	27,903	-	-	27,903	26,978
Employee benefits	109,201	-	-	109,201	110,054
Office supplies	841	-	-	841	1,557
Telephone and communications	55,391	-	-	55,391	77,722
Travel and seminar	22,604	-	-	22,604	26,538
Technology, equipment, and maintenance	464,386	-	-	464,386	476,503
Miscellaneous	1,013	-	-	1,013	266
Total information management	<u>\$ 1,095,602</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,095,602</u>	<u>\$ 1,121,325</u>
Health Information System					
Salaries	\$ 391,158	\$ -	\$ -	\$ 391,158	\$ 394,601
Payroll taxes	28,130	-	-	28,130	27,893
Employee benefits	85,841	-	-	85,841	84,039
Electronic health records	68,665	-	-	68,665	66,951
Supplies	4,110	-	-	4,110	12,971
Travel and seminar	487	-	-	487	10,018
Miscellaneous	7,296	-	-	7,296	7,423
Total health information system	<u>\$ 585,687</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 585,687</u>	<u>\$ 603,896</u>
Total administrative and general	<u>\$ 6,173,353</u>	<u>\$ 654,535</u>	<u>\$ 606,231</u>	<u>\$ 7,434,119</u>	<u>\$ 7,405,933</u>
Plant Operation and Maintenance					
Salaries	\$ 491,082	\$ 147,142	\$ 124,045	\$ 762,269	\$ 747,529
Payroll taxes	35,505	10,185	8,971	54,661	54,003
Employee benefits	84,236	30,409	22,479	137,124	120,556
Repairs - buildings and grounds	251,104	107,948	73,901	432,953	476,464
Supplies	11,711	18,641	32,591	62,943	73,728
Utilities	7,249	122,414	99,719	229,382	243,312
Vehicle gas, oil, and repairs	5,758	9,675	8,597	24,030	23,979
Miscellaneous	3,255	415	191	3,861	3,650
Total plant operation and maintenance	<u>\$ 889,900</u>	<u>\$ 446,829</u>	<u>\$ 370,494</u>	<u>\$ 1,707,223</u>	<u>\$ 1,743,221</u>
Medical and Nursing					
Salaries	\$ 1,422,429	\$ 666,302	\$ 682,036	\$ 2,770,767	\$ 2,366,327
Payroll taxes	92,452	47,553	49,458	189,463	157,498
Employee benefits	238,322	64,455	76,598	379,375	366,088
Medical service - PRTF	4,335	3,027	18,474	25,836	47,397
Office supplies	11,586	935	56	12,577	12,403
Medical supplies - PRTF	38,162	15,336	18,111	71,609	62,463
Employee drug screens	100	2,728	-	2,828	-
Professional medical services	-	25,766	-	25,766	22,525
Psychologist - PRTF	14,800	-	4,400	19,200	19,200
Physician - PRTF	18,000	-	-	18,000	18,000
Training	6,437	489	1,070	7,996	13,998
Utilities	6,877	-	-	6,877	6,683
Miscellaneous	16,983	956	718	18,657	15,486
Total medical and nursing	<u>\$ 1,870,483</u>	<u>\$ 827,547</u>	<u>\$ 850,921</u>	<u>\$ 3,548,951</u>	<u>\$ 3,108,068</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, 2025 AND 2024

Expenses	Location			Totals	
	Ruston	SELA	SWLA	2025	2024
Dietary					
Salaries	\$ 554,908	\$ 243,792	\$ 238,094	\$ 1,036,794	\$ 953,044
Payroll taxes	40,574	17,504	16,508	74,586	68,155
Employee benefits	74,082	29,861	57,065	161,008	143,851
Food	672,172	229,201	170,839	1,072,212	1,011,297
Supplies	80,452	29,423	22,818	132,693	125,453
Miscellaneous	4,221	1,607	24	5,852	5,522
Total dietary	<u>\$ 1,426,409</u>	<u>\$ 551,388</u>	<u>\$ 505,348</u>	<u>\$ 2,483,145</u>	<u>\$ 2,307,322</u>
W. A. J. Lewis Building - PRTF					
Therapeutic and training:					
Salaries	\$ 2,012,250	\$ -	\$ -	\$ 2,012,250	\$ 2,081,573
Payroll taxes	149,939	-	-	149,939	156,061
Employee benefits	208,019	-	-	208,019	205,788
Motor vehicle	8,293	-	-	8,293	6,724
Utilities	32,682	-	-	32,682	33,692
Office supplies	8,816	-	-	8,816	4,797
Supplies	19,292	-	-	19,292	13,683
Laundry and linen	9,684	-	-	9,684	11,285
Telephone	-	-	-	-	999
Travel	2,492	-	-	2,492	2,237
Personal hygiene	7,331	-	-	7,331	5,538
Clothing	5,211	-	-	5,211	2,145
Miscellaneous	1,671	-	-	1,671	2,876
Recreational	5,716	-	-	5,716	827
Total W. A. J. Lewis Building	<u>\$ 2,471,396</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,471,396</u>	<u>\$ 2,528,225</u>
Scott Building - PRTF					
Therapeutic and training:					
Salaries	\$ 2,166,092	\$ -	\$ -	\$ 2,166,092	\$ 2,221,007
Payroll taxes	159,899	-	-	159,899	165,153
Employee benefits	250,486	-	-	250,486	235,561
Office supplies	7,880	-	-	7,880	9,198
Supplies	1,065	-	-	1,065	291
Travel and seminar	4,251	-	-	4,251	4,116
Activities	5,045	-	-	5,045	6,005
Housekeeping supplies	20,985	-	-	20,985	17,824
Linen and bedding	5,482	-	-	5,482	5,743
Utilities	68,156	-	-	68,156	64,610
Motor vehicles	10,675	-	-	10,675	8,830
Personal hygiene	6,573	-	-	6,573	7,237
Clothing	6,150	-	-	6,150	476
Miscellaneous	4,704	-	-	4,704	691
Total Scott Building	<u>\$ 2,717,443</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,717,443</u>	<u>\$ 2,746,742</u>
Psychiatric Residential Treatment Facility					
PRTF Admin					
Salaries	\$ 654,275	\$ -	\$ -	\$ 654,275	\$ 583,971
Payroll taxes	44,976	-	-	44,976	38,243
Employee benefits	200,406	-	-	200,406	176,894
Office supplies	5,188	-	-	5,188	5,858
Travel and seminar	9,221	-	-	9,221	18,652
Telephone and communications	3,932	-	-	3,932	2,215
Miscellaneous	3,818	-	-	3,818	959
Total admissions expenses	<u>\$ 921,816</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 921,816</u>	<u>\$ 826,792</u>

- continued -

LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.

GENERAL OPERATING FUND EXPENSE DETAIL
STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

Expenses	Location			Totals	
	Ruston	SELA	SWLA	2025	2024
Psychiatric Residential Treatment Facility (continued)					
Therapeutic and training:					
Salaries - child care	\$ 3,427,781	\$ 2,016,052	\$ 1,962,165	\$ 7,405,998	\$ 7,143,065
Payroll taxes	255,053	149,979	142,914	547,946	528,400
Employee benefits	327,620	144,553	241,427	713,600	702,083
Supplies	13,065	5,447	10,025	28,537	24,609
Miscellaneous	10,723	1,844	1,162	13,729	7,167
Travel and seminar	4,201	2,055	3,156	9,412	9,076
Supplies - housekeeping	33,720	-	-	33,720	24,938
Linen and bedding	6,411	4,280	2,520	13,211	14,707
Motor vehicle expense	21,804	-	-	21,804	15,331
Utilities	43,059	-	-	43,059	46,559
Personal hygiene	14,036	15,614	7,774	37,424	29,317
Clothing	10,947	1,789	10,452	23,188	23,438
Activities	12,112	11,320	10,880	34,312	33,588
Total therapeutic and training	<u>\$ 4,180,532</u>	<u>\$ 2,352,933</u>	<u>\$ 2,392,475</u>	<u>\$ 8,925,940</u>	<u>\$ 8,602,278</u>
Total residential - PRTF	<u>\$ 5,102,348</u>	<u>\$ 2,352,933</u>	<u>\$ 2,392,475</u>	<u>\$ 9,847,756</u>	<u>\$ 9,429,070</u>
Recreational - PRTF					
Salaries	\$ 261,469	\$ -	\$ -	\$ 261,469	\$ 236,205
Payroll taxes	18,490	-	-	18,490	17,214
Employee benefits	47,476	-	-	47,476	40,263
Supplies	3,658	-	-	3,658	3,899
Activities	17,439	-	-	17,439	19,415
Training	1,885	-	-	1,885	1,272
Miscellaneous	4,156	-	-	4,156	1,261
Utilities	29,402	-	-	29,402	24,762
Total recreational - PRTF	<u>\$ 383,975</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 383,975</u>	<u>\$ 344,291</u>
Educational Services					
Howard School:					
Salaries	\$ 766,383	\$ -	\$ -	\$ 766,383	\$ 714,897
Payroll taxes	54,892	-	-	54,892	51,002
Employee benefits	166,067	-	-	166,067	151,726
Supplies	9,722	-	524	10,246	29,318
Miscellaneous	7,205	-	-	7,205	2,225
Utilities	20,752	-	-	20,752	19,229
Intranet and communications	9,716	-	-	9,716	15,762
Total school services	<u>\$ 1,034,737</u>	<u>\$ -</u>	<u>\$ 524</u>	<u>\$ 1,035,261</u>	<u>\$ 984,159</u>
Vocational Tech Program					
Salaries	\$ 148,307	\$ -	\$ -	\$ 148,307	\$ 162,720
Payroll taxes	11,303	-	-	11,303	12,408
Employee benefits	8,763	-	-	8,763	6,713
Supplies	5,965	-	-	5,965	8,854
Utilities	10,927	-	-	10,927	9,924
Miscellaneous	1,033	-	-	1,033	-
Total vocational tech program	<u>\$ 186,298</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 186,298</u>	<u>\$ 200,619</u>
Total educational services	<u>\$ 1,221,035</u>	<u>\$ -</u>	<u>\$ 524</u>	<u>\$ 1,221,559</u>	<u>\$ 1,184,778</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, 2025 AND 2024

Expenses	Location			Totals	
	Ruston	SELA	SWLA	2025	2024
Pastoral Care					
Salaries	\$ 90,844	\$ -	\$ -	\$ 90,844	\$ 82,734
Payroll taxes	-	-	-	-	3,641
Employee benefits	60,710	-	-	60,710	54,738
Allowance	15,077	1,344	2,617	19,038	18,295
Housing allowance	43,000	-	-	43,000	38,875
Supplies	6,002	96	98	6,196	4,861
Activities	387	-	-	387	723
Miscellaneous	7,435	-	-	7,435	1,865
Travel	2,309	-	-	2,309	3,293
Utilities	32,616	-	-	32,616	28,154
Church gifts to residents	68,336	8,625	8,047	85,008	84,917
Total pastoral care	<u>\$ 326,716</u>	<u>\$ 10,065</u>	<u>\$ 10,762</u>	<u>\$ 347,543</u>	<u>\$ 322,096</u>
Family Counseling Center					
Family counseling services:					
Salaries	\$ 101,614	\$ -	\$ -	\$ 101,614	\$ 210,741
Payroll taxes	7,433	-	-	7,433	14,258
Employee benefits	33,186	-	-	33,186	61,877
Advertising and promotion	86	-	-	86	1,156
Supplies	1,975	-	-	1,975	3,831
Banking and processing fees	823	-	-	823	2,187
Telephone and communications	2,416	-	-	2,416	4,586
Travel & seminars	47	-	-	47	511
Rent	22,300	-	-	22,300	24,600
Miscellaneous	104	-	-	104	1,227
Total family counseling services	<u>\$ 169,984</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 169,984</u>	<u>\$ 324,974</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, 2025 AND 2024

	Location			Totals	
	Ruston	SELA	SWLA	2025	2024
Expenses					
Clinical Services					
Salaries	\$ 1,835,477	\$ 244,498	\$ 181,082	\$ 2,261,057	\$2,199,218
Payroll taxes	129,770	17,556	13,344	160,670	155,217
Employee benefits	389,320	30,998	21,500	441,818	445,849
Therapeutic supplies	3,298	636	1,988	5,922	4,987
Travel and seminars	14,879	3,323	5,402	23,604	22,942
Travel - court	-	-	-	-	171
Office supplies	13,943	479	-	14,422	25,126
Professional services	10,955	-	9,200	20,155	16,146
Utilities	11,151	-	-	11,151	10,635
Miscellaneous	17,076	437	703	18,216	30,226
Total clinical services	<u>\$ 2,425,869</u>	<u>\$ 297,927</u>	<u>\$ 233,219</u>	<u>\$ 2,957,015</u>	<u>\$ 2,910,517</u>
Independent Life Skills Services					
Monroe Region:					
Salaries	\$ 153,452	\$ -	\$ -	\$ 153,452	\$117,583
Payroll taxes	9,842	-	-	9,842	7,626
Employee benefits	43,774	-	-	43,774	29,629
Travel and seminars	5,633	-	-	5,633	3,873
Supplies	15,232	-	-	15,232	7,458
Miscellaneous	5,840	-	-	5,840	7,368
Vehicle	3,532	-	-	3,532	1,363
Telephone and communications	9,103	-	-	9,103	6,091
Utilities	3,733	-	-	3,733	3,337
Total Monroe region	<u>\$ 250,141</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 250,141</u>	<u>\$ 184,328</u>
Covington Region:					
Salaries	\$ 169,569	\$ -	\$ -	\$ 169,569	\$165,646
Payroll taxes	13,058	-	-	13,058	12,304
Employee benefits	16,703	-	-	16,703	18,414
Travel and seminars	7,044	-	-	7,044	7,379
Supplies	9,743	-	-	9,743	6,070
Rent	17,550	-	-	17,550	16,200
Miscellaneous	10,245	-	-	10,245	4,896
Telephone and communications	10,696	-	-	10,696	8,970
Utilities	4,925	-	-	4,925	3,995
Total Covington region	<u>\$ 259,533</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 259,533</u>	<u>\$ 243,874</u>
Lake Charles Region:					
Salaries	\$ 97,613	\$ -	\$ -	\$ 97,613	\$118,476
Payroll taxes	7,380	-	-	7,380	8,150
Employee benefits	18,811	-	-	18,811	26,140
Travel and seminars	8,009	-	-	8,009	5,084
Supplies	10,853	-	-	10,853	11,477
Rent	6,500	-	-	6,500	
Miscellaneous	973	-	-	973	2,852
Vehicle	1,366	-	-	1,366	3,040
Telephone and communications	3,972	-	-	3,972	3,115
Total Lake Charles region	<u>\$ 155,477</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 155,477</u>	<u>\$ 178,334</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, 2025 AND 2024

	Location			Totals	
	Ruston	SELA	SWLA	2025	2024
Expenses					
Independent Life Skills Services (continued)					
Lafayette Region:					
Salaries	\$ 139,631	\$ -	\$ -	\$ 139,631	\$ 133,578
Payroll taxes	10,177	-	-	10,177	8,801
Employee benefits	24,071	-	-	24,071	28,452
Travel and seminars	5,810	-	-	5,810	1,187
Supplies	8,057	-	-	8,057	2,014
Rent	13,200	-	-	13,200	13,200
Miscellaneous	5,124	-	-	5,124	8,030
Vehicle	1,790	-	-	1,790	815
Telephone and communications	5,527	-	-	5,527	4,903
Total Lafayette region	<u>\$ 213,387</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 213,387</u>	<u>\$ 200,980</u>
Total Independent Life Skills Services	<u>\$ 878,538</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 878,538</u>	<u>\$ 807,516</u>
Methodist Foster Care					
Salary	\$ 2,434,404	\$ -	\$ -	\$ 2,434,404	\$ 2,393,089
Payroll taxes	172,952	-	-	172,952	170,460
Employee benefits	438,314	-	-	438,314	425,011
Advertising/recruiting	24,005	-	-	24,005	23,100
Office supplies	25,605	-	-	25,605	31,059
Insurance	753,230	-	-	753,230	664,883
Rent/utilities	159,047	-	-	159,047	158,849
Miscellaneous	36,032	-	-	36,032	21,738
Telephone and communications	95,989	-	-	95,989	75,391
Transportation/travel	111,784	-	-	111,784	161,267
Training	29,905	-	-	29,905	14,852
Foster parent daily rate	3,788,267	-	-	3,788,267	3,382,878
Reimbursements	77,019	-	-	77,019	65,809
Utilities	14,919	-	-	14,919	13,055
Total Methodist Foster Care	<u>\$ 8,161,472</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,161,472</u>	<u>\$ 7,601,441</u>
Outdoor Wilderness Learning Center					
Salaries	\$ 455,055	\$ -	\$ -	\$ 455,055	\$ 420,740
Payroll taxes	33,247	-	-	33,247	30,810
Employee benefits	102,667	-	-	102,667	93,149
Advertising	3,063	-	-	3,063	-
Insurance	57,241	-	-	57,241	54,081
Training and challenge course	12,309	-	-	12,309	11,761
Telephone and communications	32,314	-	-	32,314	29,120
Utilities	40,685	-	-	40,685	43,450
Veterinarian and ferrier	19,940	-	-	19,940	-
Supplies - O.W.L.	49,375	-	-	49,375	44,314
Supplies - office	17,168	-	-	17,168	23,527
Equipment and building repairs	49,690	-	-	49,690	58,203
Salsa and jelly supplies	19,883	-	-	19,883	33,606
Miscellaneous	14,507	-	-	14,507	34,155
Vehicle	11,117	-	-	11,117	13,265
Total Outdoor Wilderness Learning Center	<u>\$ 918,261</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 918,261</u>	<u>\$ 890,181</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, 2025 AND 2024

Expenses	Location			Totals	
	Ruston	SELA	SWLA	2025	2024
Total Outdoor Wilderness Learning Ctr & Equine	\$ 918,261	\$ -	\$ -	\$ 918,261	\$ 890,181
Development and Public Relations					
Salaries	\$ 497,415	\$ -	\$ -	\$ 497,415	\$ 452,456
Payroll taxes	36,074	-	-	36,074	33,281
Employee benefits	74,410	-	-	74,410	64,989
Advertising	953	-	-	953	-
Supplies	9,192	-	-	9,192	6,410
Telephone	8,610	-	-	8,610	4,706
Digital Communications	4,413	-	-	4,413	2,643
Printing	67,821	-	-	67,821	58,559
Postage	10,884	-	-	10,884	12,634
Travel and seminars	30,194	-	-	30,194	22,667
Regional development activities	4,397	-	-	4,397	3,610
Special events	10,910	28,249	12,559	51,718	27,275
Software maintenance	40,605	-	-	40,605	39,584
Miscellaneous	10,541	-	-	10,541	9,666
Professional services	9,438	-	-	9,438	1,409
Utilities	9,521	-	-	9,521	8,652
Vehicle	24,490	-	-	24,490	19,009
Total Public Relations and Development	\$ 849,868	\$ 28,249	\$ 12,559	\$ 890,676	\$ 767,550

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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, 2025 AND 2024

	Location			Totals	
	Ruston	SELA	SWLA	2025	2024
Expenses					
Advocacy and Community Development					
Salaries	\$ 221,925	\$ -	\$ -	\$ 221,925	\$ 176,843
Payroll taxes	16,846	-	-	16,846	12,573
Employee benefits	23,527	-	-	23,527	38,845
Supplies	55	-	-	55	1,148
Miscellaneous	3,081	-	-	3,081	1,943
Travel and seminars	8,047	-	-	8,047	4,712
Total Advocacy and Community Development	<u>\$ 273,481</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 273,481</u>	<u>\$ 236,064</u>
Capital Expenditures					
Furniture and fixtures	\$ -	\$ 5,250	\$ -	\$ 5,250	\$ -
Building and improvements	8,980	-	5,738	14,718	5,513
Total Capital Expenditures	<u>\$ 8,980</u>	<u>\$ 5,250</u>	<u>\$ 5,738</u>	<u>\$ 19,968</u>	<u>\$ 5,513</u>
Total Expenses	<u>\$ 36,269,511</u>	<u>\$ 5,174,723</u>	<u>\$ 4,988,271</u>	<u>\$ 46,432,505</u>	<u>\$ 44,663,502</u>

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

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

STATEMENTS OF CHANGES IN GENERAL FIXED ASSETS

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	Land and Improvements	Buildings and Improvements	Construction in Progress	Autos, Furniture, and Equipment	Total
December 31, 2025					
General Fixed Assets - Beginning of Year	\$ 2,816,983	\$ 36,551,965	\$ 639,402	\$ 3,697,879	\$ 43,706,229
Transfers	\$ -	\$ 428,522	\$ (554,182)	\$ 125,660	\$ -
Additions					
General operating fund	\$ -	\$ 19,968	\$ -	\$ -	\$ 19,968
Local investment fund	-	500,080	77,661	268,448	846,189
General fixed asset	-	-	-	-	-
Total additions	\$ -	\$ 520,048	\$ 77,661	\$ 268,448	\$ 866,157
Retirements					
General fixed assets	\$ (8,310)	\$ (115,223)	\$ -	\$ (238,846)	\$ (362,379)
General Fixed Assets - End of Year	<u>\$ 2,808,673</u>	<u>\$ 37,385,312</u>	<u>\$ 162,881</u>	<u>\$ 3,853,141</u>	<u>\$ 44,210,007</u>
	Land and Improvements	Buildings and Improvements	Construction in Progress	Autos, Furniture, and Equipment	Total
December 31, 2024					
General Fixed Assets - Beginning of Year	\$ 2,816,983	\$ 35,829,396	\$ 148,347	\$ 3,454,742	\$ 42,249,468
Transfers	\$ -	\$ 100,222	\$ (100,222)	\$ -	\$ -
Additions					
General operating fund	\$ -	\$ 5,513	\$ -	\$ -	\$ 5,513
Local investment fund	-	764,485	591,277	469,981	1,825,743
General fixed asset	-	-	-	-	-
Total additions	\$ -	\$ 769,998	\$ 591,277	\$ 469,981	\$ 1,831,256
Retirements					
General fixed assets	\$ -	\$ (147,651)	\$ -	\$ (226,844)	\$ (374,495)
General Fixed Assets - End of Year	<u>\$ 2,816,983</u>	<u>\$ 36,551,965</u>	<u>\$ 639,402</u>	<u>\$ 3,697,879</u>	<u>\$ 43,706,229</u>

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

OTHER SUPPLEMENTARY INFORMATION



209 N. Commerce St.
Natchez, MS 39120
P. O. Box 1027
Natchez, MS 39121
Tel: 601-442-7411
Fax: 601-442-8551

2120 Forsythe Ave.
Monroe, LA 71201
P. O. Box 4550
Monroe, LA 71211
Tel: 318-323-4481
Fax: 318-323-2188

www.silassimmons.com

**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, 2025; the related statements of activities and cash flows for the years ended December 31, 2025, as listed in the table of contents; and the related notes to the financial statements, and have issued our report thereon dated June 15, 2026.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

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

Monroe, Louisiana
June 15, 2026

LOUISIANA UNITED METHODIST CHILDREN AND FAMILY SERVICES, INC.
 SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD
 FOR THE YEAR ENDED DECEMBER 31, 2025

Agency Head Name: Rick Wheat, President and CEO

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 225,082
Benefits - insurance	32,043
Benefits - retirement	13,535
Benefits - FICA	14,180
Car allowance	N/A
Vehicle provided by Organization	N/A
Per diem	N/A
Reimbursements	N/A
Travel	53
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, 2025**



SILAS SIMMONS LLP

CERTIFIED PUBLIC ACCOUNTANTS *and* ADVISORS

209 N. Commerce St.
Natchez, MS 39120
P. O. Box 1027
Natchez, MS 39121
Tel: 601-442-7411
Fax: 601-442-8551

2120 Forsythe Ave.
Monroe, LA 71201
P. O. Box 4550
Monroe, LA 71211
Tel: 318-323-4481
Fax: 318-323-2188

www.silassimmons.com

**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 60-70, 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, 2025, through December 31, 2025. 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, 2025, through December 31, 2025. 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 60-70.

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 15, 2026

LOUISIANA UNITED METHODIST CHILDREN AND FAMILY SERVICES, INC.

SCHEDULE OF AGREED-UPON PROCEDURES AND FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2025

Written Policies and Procedures

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

LOUISIANA UNITED METHODIST CHILDREN AND FAMILY SERVICES, INC.

SCHEDULE OF AGREED-UPON PROCEDURES AND FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2025

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

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

Management's response: Not applicable.

Board or Finance Committee

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

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

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

Management's response: Not applicable.

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

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

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

Management's response: Not applicable.

Collections

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

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

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

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

Management's response: Not applicable.

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

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

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

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

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

Management's response: Not applicable.

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Credit Cards/Debit Cards/Fuel Cards/Purchase Cards

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

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

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

Management's response: Not applicable.

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

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

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

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

Management's response: Not applicable.

Contracts

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

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- 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

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

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

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

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

Management's response: Not applicable.

Ethics

21. Using the five randomly selected employees/officials from Procedure 17 under "Payroll and Personnel," obtain ethics documentation from management, and:

- a) Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170,, and
- b) Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

22. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

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

Exceptions: Not applicable to this nonprofit entity.

Management's response: Not applicable.

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Debt Service

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

Exceptions: Not applicable to this nonprofit entity.

Management's response: Not applicable.

Fraud Notice

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

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

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

Management's response: Not applicable.

Information Technology Disaster Recovery/Business Continuity

27. Perform the following procedures –

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

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

28. Randomly select five terminated employees using the list of terminated employees obtained in Procedure 19 under "Payroll and Personnel" above. Observe evidence that the selected terminated employees have been removed or disabled from the network.

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

Management's response: Not applicable.

Prevention of Sexual Harassment

29. Using the five randomly selected employees/officials from Procedure 17 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

30. Observe that the Entity has posted its sexual harassment policy and complaint procedure on its website

31. Obtain the Entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that it includes the applicable requirements of R.S. 42:344:

- a) Number and percentage of public servants in the agency who have completed the training requirements;
- b) Number of sexual harassment complaints received by the agency;
- c) Number of complaints which resulted in a finding that sexual harassment occurred;
- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- e) Amount of time it took to resolve each complaint.

Exceptions: Not applicable to this nonprofit entity.

Management's response: Not applicable.