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**BRF, LLC**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025**

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## TABLE OF CONTENTS

	<u>Page</u>
<u>Independent Auditors' Report</u>	1 – 3
<u>Consolidated Financial Statements</u>	
Consolidated Statements of Financial Position	4
Consolidated Statements of Activities and Changes in Net Assets	5 – 6
Consolidated Statements of Functional Expenses by Nature and Class	7 – 10
Consolidated Statements of Cash Flows	11
Notes to Consolidated Financial Statements	12 – 36
<u>Supplementary Information</u>	
Schedule of Compensation, Benefits and Other Payments to Chief Executive Officer	37
Digital Media Institute Schedule of Revenues and Expenses	38
Consolidating Statement of Financial Position	39 – 40
Consolidating Statement of Activities and Changes in Net Assets	41 – 42
Financial Responsibility Supplemental Schedule and Accompanying Notes	43 – 45
<u>Governmental Audit Reports</u>	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Consolidated Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	46 – 47
Schedule of Findings	48
Summary Schedule of Prior Year Findings	49

## **INDEPENDENT AUDITORS' REPORT**

Board of Directors  
Biomedical Research Foundation of Northwest Louisiana  
Managing Member of BRF, LLC  
Shreveport, Louisiana

### **Report on the Audit of the Consolidated Financial Statements**

#### ***Opinion***

We have audited the consolidated financial statements of BRF, LLC and its subsidiaries (BRF), which comprise the consolidated statements of financial position as of September 30, 2025 and 2024, and the related consolidated statements of activities and changes in net assets, functional expenses by nature and class, and cash flows for each of the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of BRF, LLC and its subsidiaries as of September 30, 2025 and 2024, and the consolidated changes in their net assets and their cash flows for each of the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

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

#### ***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 the Organization's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

## ***Auditors' 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 auditors' 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 GAAS 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 judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS 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 on the effectiveness of BRF'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 BRF's 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.

## **Report on Supplementary Information**

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on pages 37 - 45 is presented for purposes of additional analysis and is 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 audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 16, 2026 on our consideration of BRF'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 on the effectiveness of BRF'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 BRF's internal control over financial reporting and compliance.

*EisnerAmper LLP*

EISNERAMPER LLP  
Baton Rouge, Louisiana  
March 16, 2026

EISNERAMPER  
LLP



**BRF, LLC**  
**SHREVEPORT, LOUISIANA**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**SEPTEMBER 30, 2025 AND 2024**

**ASSETS**

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 14,434,002	\$ 14,140,437
Restricted cash and cash equivalents	2,063,639	3,393,464
Accounts receivable, net of allowances for credit losses of \$163,614 and \$173,200 at September 30, 2025 and 2024, respectively	1,710,162	1,497,426
Unconditional promises to give, net of discounts of \$21,208 and \$34,172 at September 30, 2025 and 2024, respectively	125,792	160,828
Prepaid expenses	515,744	331,003
Inventory	1,568	9,410
Investments	25,871,887	23,516,408
Notes receivable and accrued interest, net of allowances for credit losses of \$1,235,826 at September 30, 2025 and 2024	18,787,982	17,043,741
Property and equipment, net	62,724,908	63,438,675
Due from related party (Note 11)	115,618	110,084
Total assets	<u>\$ 126,351,302</u>	<u>\$ 123,641,476</u>

**LIABILITIES AND NET ASSETS**

**LIABILITIES**

Accounts payable and accrued expenses	\$ 2,853,895	\$ 2,225,916
Notes payable	21,312,558	21,669,755
Deferred revenue	237,361	140,540
Asset retirement liability	319,996	302,266
Due to related party (Note 11)	27,098,431	27,104,005
Total liabilities	<u>51,822,241</u>	<u>51,442,482</u>

**NET ASSETS**

Without donor restrictions	68,303,746	66,158,230
With donor restrictions	6,225,315	6,040,764
Total net assets	<u>74,529,061</u>	<u>72,198,994</u>
Total liabilities and net assets	<u>\$ 126,351,302</u>	<u>\$ 123,641,476</u>

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

**BRF, LLC**  
**SHREVEPORT, LOUISIANA**

**CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**YEARS ENDED SEPTEMBER 30, 2025 AND 2024**

	Year ended September 30, 2025		
	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES AND SUPPORT:</b>			
Patient service revenue	\$ 5,491,011	\$ -	\$ 5,491,011
Support - philanthropic	29,888	1,150	31,038
Rental revenues	11,989,661	-	11,989,661
Local government operating revenue	3,450,001	-	3,450,001
Government grants and contracts	1,119,083	-	1,119,083
Investment revenues	1,022,786	215,177	1,237,963
Interest revenues	1,754,187	-	1,754,187
Radiopharmaceutical sales	914,213	-	914,213
Tuition revenues	152,981	-	152,981
Other revenues	441,169	-	441,169
	<u>26,364,980</u>	<u>216,327</u>	<u>26,581,307</u>
Net assets released from restrictions:			
Restrictions satisfied by payments	31,776	(31,776)	-
Total revenues and support	<u>26,396,756</u>	<u>184,551</u>	<u>26,581,307</u>
<b>EXPENSES:</b>			
Program services:			
Center for Molecular Imaging and Therapy	8,977,578	-	8,977,578
Collaboration Link	495,840	-	495,840
Entrepreneurial Accelerator Program	1,449,803	-	1,449,803
Digital Media Institute	953,438	-	953,438
Real Estate Management and Development	7,680,459	-	7,680,459
Shreveport Next	366,855	-	366,855
Other sponsored projects	6,070	-	6,070
Total program services	<u>19,930,043</u>	<u>-</u>	<u>19,930,043</u>
Support services:			
Management and general	3,952,415	-	3,952,415
Fund-raising	386,820	-	386,820
Total support services	<u>4,339,235</u>	<u>-</u>	<u>4,339,235</u>
Total expenses	<u>24,269,278</u>	<u>-</u>	<u>24,269,278</u>
<b>NONOPERATING REVENUES:</b>			
Gain on disposal of property and equipment	18,038	-	18,038
Gain on asset retirement obligation	-	-	-
Total nonoperating revenues	<u>18,038</u>	<u>-</u>	<u>18,038</u>
<b>CHANGE IN NET ASSETS</b>	<b>2,145,516</b>	<b>184,551</b>	<b>2,330,067</b>
Net assets - beginning of year	<u>66,158,230</u>	<u>6,040,764</u>	<u>72,198,994</u>
<b>Net assets - end of year</b>	<b>\$ <u>68,303,746</u></b>	<b>\$ <u>6,225,315</u></b>	<b>\$ <u>74,529,061</u></b>

(continued)

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

Year ended September 30, 2024

Without Donor Restrictions	With Donor Restrictions	Total
\$ 4,042,656	\$ -	\$ 4,042,656
753,100	2,833,073	3,586,173
11,144,260	-	11,144,260
3,130,662	-	3,130,662
2,436,449	58,710	2,495,159
3,028,377	378,132	3,406,509
1,601,265	-	1,601,265
373,385	-	373,385
257,349	-	257,349
596,544	-	596,544
<u>27,364,047</u>	<u>3,269,915</u>	<u>30,633,962</u>
226,780	(226,780)	-
<u>27,590,827</u>	<u>3,043,135</u>	<u>30,633,962</u>
6,447,658	-	6,447,658
241,979	-	241,979
1,324,644	-	1,324,644
1,027,855	-	1,027,855
6,998,217	-	6,998,217
356,099	-	356,099
737,671	-	737,671
<u>17,134,123</u>	<u>-</u>	<u>17,134,123</u>
4,092,422	-	4,092,422
390,867	-	390,867
<u>4,483,289</u>	<u>-</u>	<u>4,483,289</u>
<u>21,617,412</u>	<u>-</u>	<u>21,617,412</u>
847	-	847
576,960	-	576,960
<u>577,807</u>	<u>-</u>	<u>577,807</u>
6,551,222	3,043,135	9,594,357
<u>59,607,008</u>	<u>2,997,629</u>	<u>62,604,637</u>
<u>\$ 66,158,230</u>	<u>\$ 6,040,764</u>	<u>\$ 72,198,994</u>

(concluded)

**BRF, LLC**  
**SHREVEPORT, LOUISIANA**

**CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES BY NATURE AND CLASS**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2025 AND 2024**

	Year ended September 30, 2025				
	Center for Molecular Imaging and Therapy	Collaboration Link	Entrepreneurial Accelerator Program	Digital Media Institute	Real Estate Management and Development
Accounting / auditing fees	\$ 12,145	\$ -	\$ 9,100	\$ -	\$ -
Accretion	17,730	-	-	-	-
Advertising	22,271	-	108,367	135,448	3,599
Animal resources	9,096	-	-	-	57,850
Attorney fees	37,615	-	-	1,445	18,626
Credit loss expense (recovery)	90,095	-	(857)	(5,952)	1,005
Bank fees	17,221	119	-	5,640	-
Communication and computer services	62,999	-	-	20,078	399,021
Consultant fees	193,315	10,744	38,203	134,836	67,292
Contract labor	309,597	-	-	6,778	-
Depreciation	921,496	-	-	-	1,973,236
Dues and subscriptions	18,668	1,046	6,461	37,773	9,354
Employee benefits	292,848	9,052	144,582	84,434	138,867
Equipment - leased	4,141	-	-	1,788	1,207
Equipment purchased	67,246	-	-	-	10,519
FDG distribution services	91,593	-	-	-	-
Grants - other	-	-	18,750	38,676	-
Housekeeping	57,492	-	-	-	376,584
Insurance	198,066	-	12,739	4,148	328,219
Interest expense	552,384	-	-	-	146,843
License / certification fees	-	-	18,250	18,985	33,601
Meals and entertainment	3,764	7,296	12,546	403	-
Miscellaneous	675	1,340	2,723	8,053	230
Office Expenses	67,168	162	5,965	8,939	131,784
Payroll taxes	105,154	29,118	61,960	29,237	54,537
Project development costs	-	-	34,242	1,500	-
Radiopharmaceutical and medical supplies	3,290,094	-	-	-	-
Registration and conference fees	21,785	4,550	11,010	190	270
Rent	-	-	-	-	-
Repairs and maintenance	780,949	-	-	-	1,394,535
Salaries	1,441,710	430,503	944,081	399,887	753,367
Security	4,518	-	-	-	269,275
Taxes and licenses	9,789	-	70	125	306
Travel, meals, and auto	44,393	1,910	21,611	21,027	5,759
Utilities	231,561	-	-	-	1,504,573
	<u>\$ 8,977,578</u>	<u>\$ 495,840</u>	<u>\$ 1,449,803</u>	<u>\$ 953,438</u>	<u>\$ 7,680,459</u>

(Continued)

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

Year ended September 30, 2025

Shreveport Next	Other sponsored projects	Total Program Expenses	Management and General	Fund-raising	Total
\$ -	\$ -	\$ 21,245	\$ 113,688	\$ -	\$ 134,933
-	-	17,730	-	-	17,730
925	-	270,610	12,354	286	283,250
-	-	66,946	-	-	66,946
-	-	57,686	5,709	-	63,395
-	-	84,291	(11,409)	-	72,882
-	-	22,980	11,018	6,119	40,117
-	-	482,098	10,440	78	492,616
241,833	3,792	690,015	442,318	15,185	1,147,518
32,868	-	349,243	9,359	15,080	373,682
-	-	2,894,732	-	-	2,894,732
996	-	74,298	60,556	1,502	136,356
4,234	-	674,017	251,410	56,053	981,480
-	-	7,136	8,567	-	15,703
-	-	77,765	-	-	77,765
-	-	91,593	-	-	91,593
-	134	57,560	-	548	58,108
-	-	434,076	-	-	434,076
254	-	543,426	144,168	679	688,273
-	-	699,227	-	-	699,227
10,204	-	81,040	29,516	-	110,556
1,710	-	25,719	22,335	7,177	55,231
-	-	13,021	27,599	1,231	41,851
53	-	214,071	26,812	1,200	242,083
3,688	-	283,694	136,955	17,930	438,579
-	2,144	37,886	63,900	313	102,099
-	-	3,290,094	-	-	3,290,094
450	-	38,255	8,356	1,070	47,681
-	-	-	3,305	-	3,305
-	-	2,175,484	690	-	2,176,174
50,694	-	4,020,242	2,531,353	254,602	6,806,197
-	-	273,793	-	-	273,793
-	-	10,290	999	-	11,289
18,946	-	113,646	42,417	7,767	163,830
-	-	1,736,134	-	-	1,736,134
<u>\$ 366,855</u>	<u>\$ 6,070</u>	<u>\$ 19,930,043</u>	<u>\$ 3,952,415</u>	<u>\$ 386,820</u>	<u>\$ 24,269,278</u>

(Continued)

Year ended September 30, 2024

	Center for Molecular Imaging and Therapy	Collaboration Link	Entrepreneurial Accelerator Program	Digital Media Institute	Real Estate Management and Development
Accounting / auditing fees	\$ 55	\$ -	\$ 5,600	\$ -	\$ 8,000
Accretion	17,730	-	-	-	-
Advertising	2,983	-	112,104	249,813	2,448
Animal resources	7,174	-	-	-	56,400
Attorney fees	10,041	-	-	-	18,544
Credit loss expense (recovery)	(1,415)	-	-	(16,196)	-
Bank fees	18,787	-	19	4,581	76
Communication and computer services	38,973	-	-	39,965	392,077
Consultant fees	56,855	37,383	21,642	41,393	75,415
Contract labor	260,972	-	600	(3,401)	-
Depreciation	879,241	-	-	56,919	1,869,465
Dues and subscriptions	11,073	30	2,677	31,773	3,567
Employee benefits	224,986	2,827	113,005	77,881	138,634
Equipment - leased	3,790	-	-	1,672	1,148
Equipment purchased	57,115	-	-	-	12,405
FDG distribution services	71,569	-	-	-	-
Grants - other	-	-	18,750	-	-
Housekeeping	55,004	-	-	-	343,579
Insurance	180,975	474	17,336	4,279	331,183
Interest expense	451,637	-	-	207	151,158
License / certification fees	2,048	-	21,041	51,043	35,306
Meals and entertainment	3,717	4,467	11,420	2,756	-
Miscellaneous	38,158	-	201	13,492	5,687
Office Expenses	55,232	76	2,656	3,587	140,996
Payroll taxes	81,510	14,107	58,628	30,675	53,441
Project development costs	-	-	27,105	-	-
Radiopharmaceutical and medical supplies	2,034,682	-	-	-	-
Registration and conference fees	6,738	-	8,615	8,736	2,082
Rent	-	-	-	-	-
Repairs and maintenance	532,641	-	-	-	993,734
Salaries	1,125,978	182,337	892,138	410,783	728,502
Security	719	-	-	-	260,001
Taxes and licenses	7,263	36	110	495	2,532
Travel, meals, and auto	19,960	242	10,997	17,402	2,466
Utilities	191,467	-	-	-	1,369,371
	<u>\$ 6,447,658</u>	<u>\$ 241,979</u>	<u>\$ 1,324,644</u>	<u>\$ 1,027,855</u>	<u>\$ 6,998,217</u>

(Continued)

Year ended September 30, 2024

Shreveport Next	Other sponsored projects	Total Program Expenses	Management and General	Fund-raising	Total
\$ -	\$ -	\$ 13,655	\$ 139,571	\$ -	\$ 153,226
-	-	17,730	-	-	17,730
55,504	-	422,852	57,306	1,062	481,220
-	-	63,574	-	-	63,574
-	-	28,585	21,933	-	50,518
-	-	(17,611)	-	-	(17,611)
19	288	23,770	2,636	943	27,349
-	-	471,015	6,815	58	477,888
174,393	17,875	424,956	438,591	16,146	879,693
-	3,566	261,737	-	1,425	263,162
-	-	2,805,625	6,499	-	2,812,124
3,150	-	52,270	42,189	2,367	96,826
10,927	-	568,260	257,567	56,079	881,906
-	-	6,610	7,946	-	14,556
-	-	69,520	-	-	69,520
54	-	71,623	-	304	71,927
-	715,902	734,652	-	-	734,652
-	-	398,583	-	-	398,583
352	-	534,599	150,645	-	685,244
-	-	603,002	3,952	-	606,954
15,535	-	124,973	27,145	1,000	153,118
2,436	-	24,796	23,000	1,667	49,463
-	-	57,538	20,064	1,018	78,620
13	40	202,600	22,819	621	226,040
6,115	-	244,476	128,404	26,652	399,532
-	-	27,105	47,550	-	74,655
-	-	2,034,682	-	-	2,034,682
50	-	26,221	6,471	3,552	36,244
-	-	-	2,254	-	2,254
-	-	1,526,375	664	-	1,527,039
76,172	-	3,415,910	2,597,162	274,073	6,287,145
-	-	260,720	-	-	260,720
-	-	10,436	9,671	-	20,107
11,379	-	62,446	71,568	3,900	137,914
-	-	1,560,838	-	-	1,560,838
<u>\$ 356,099</u>	<u>\$ 737,671</u>	<u>\$ 17,134,123</u>	<u>\$ 4,092,422</u>	<u>\$ 390,867</u>	<u>\$ 21,617,412</u>

(Concluded)

**BRF, LLC**  
**SHREVEPORT, LOUISIANA**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**YEARS ENDED SEPTEMBER 30, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Change in net assets	\$ 2,330,067	\$ 9,594,357
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and accretion	2,912,463	2,829,854
Credit losses/ (recovery)	72,880	(17,611)
Gain on disposal of property and equipment	(18,032)	(847)
Gain on asset retirement obligation	-	(576,960)
Deferred financing costs amortized	50,679	23,560
Noncash carried and accrued interest	(524,221)	(120,769)
Endowment fund contributions	-	(2,649,488)
Unrealized gain on investments	(981,276)	(2,592,823)
(Increase) decrease in accounts receivable	(285,616)	(178,576)
(Increase) decrease in prepaid expenses and other assets	(176,899)	(153,120)
Increase (decrease) in deferred revenue	96,821	(69,778)
Increase (decrease) in accounts payable and other liabilities	627,979	(73,894)
(Increase) decrease in unconditional promises to give	48,000	(130,010)
Increase (decrease) in discount on unconditional promises to give	(12,964)	10,175
Net cash provided by operating activities	<u>4,139,881</u>	<u>5,894,070</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Purchases of land, property and equipment	(2,162,934)	(4,011,765)
Purchase of investments	(1,220,728)	(1,140,374)
Issuance of notes receivable	(1,846,071)	(6,768,007)
Payments received on notes receivable	472,576	1,217,687
(Increase) decrease in due to / from related party	(11,108)	2,004
Net cash used in investing activities	<u>(4,768,265)</u>	<u>(10,700,455)</u>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>		
Proceeds from borrowings on notes payable	-	5,996,800
Payments on notes payable	(407,876)	(390,460)
Deferred financing costs paid	-	(596,710)
Endowment fund contributions	-	2,649,488
Net cash (used in) provided by financing activities	<u>(407,876)</u>	<u>7,659,118</u>
Net change in cash, cash equivalents, and restricted cash	(1,036,260)	2,852,733
<b>Cash, cash equivalents, and restricted cash - beginning of year</b>	<u>17,533,901</u>	<u>14,681,168</u>
<b>Cash, cash equivalents, and restricted cash - end of year</b>	<u>\$ 16,497,641</u>	<u>\$ 17,533,901</u>
<b><u>Supplemental disclosure of cash flow information:</u></b>		
Cash paid during the year for interest	<u>\$ 649,998</u>	<u>\$ 586,309</u>

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

1. Summary of significant activities and accounting policies

The accounting and reporting policies of BRF, LLC (BRF) conform to the accounting principles generally accepted in the United States of America and the prevailing practices within the non-profit and healthcare industries. A summary of significant accounting policies is as follows:

Organization and consolidation

BRF was organized as a limited liability company to consolidate certain functions of Biomedical Research Foundation of Northwest Louisiana (Parent or the Foundation), the sole member of BRF.

BRF is a publicly supported organization which was created to diversify and grow the regional economy. BRF operates as a catalyst to expand and develop research, entrepreneurship and high-growth business in the region. BRF achieves its mission to diversify the region's economy by promoting and developing (1) private and public support and collaboration for economic development initiatives, (2) InterTech Science Park as a brownfields, smart-growth development initiative for specialized medical and healthcare facilities and other knowledge-based enterprises, (3) research collaboration with academic and health institutions for commercialization and the advancement of medical care, (4) a knowledge-based workforce via K-12, higher education, and technical/professional training programs, and (5) support and resources for technology and business innovation with people, research, facilities and funding.

BRF owns 100% of InterTech Venture Fund, LLC (the Fund). The operations of the Fund are included in these consolidated financial statements. The Fund was formed to provide venture capital to new businesses desiring to locate in Northwest Louisiana.

Effective January 25, 2018, BRF organized EdVentures, LLC (EdVentures) as a limited liability company to provide science and technology programs that serve students in Caddo, Bossier and DeSoto parishes. The goal of these programs is to promote an educated local workforce skilled in STEM (science, technology, engineering and mathematics) disciplines, which is necessary for maintaining and attracting new industry to Northwest Louisiana. EdVentures operates as a division of BRF and its activity is reflected within BRF's restricted program funds.

BRF owns 100% of Southern Isotopes, LLC, Red River Trails, LLC, and Envision, LLC. Envision is a research development and administration team formed to identify and manage opportunities for clinical trials and translational research, match them with qualified scientific investigators and healthcare providers, and oversee their implementation and successful completion. During the fiscal year ended September 30, 2021, BRF substantially suspended all the operations of Envision, LLC. Southern Isotopes had no operations during the years ended September 30, 2025 or 2024. Red River Trails was created in 2025 and had no operations during the year ended September 30, 2025.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

1. Summary of significant activities and accounting policies (continued)

Organization and consolidation (continued)

During the fiscal year ended September 30, 2021, BRF organized CMIT Louisiana, LLC (CMITLA) as a wholly-owned subsidiary. CMITLA operates as a multidisciplinary molecular imaging program consisting of radiochemistry, research, and production facilities, general science laboratories, and PET Imaging Center, primarily engaged in the development and translation of radiopharmaceuticals for a wide array of diseases to offer enhanced clinical care to area patients through “state-of-the-art” molecular imaging tools.

During the fiscal year ended September 30, 2021, BRF organized Collaboration Link, LLC (CL). CL was created to promote and support collaboration in Northwest Louisiana with local military organizations.

The consolidated financial statements include the accounts of BRF, LLC and its wholly-owned subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation.

Nature of operations

In addition to the activities conducted by its wholly-owned subsidiaries described above, BRF conducts a number of other programs as distinct operating units (but not separate legal entities) in support of its mission. Each of these operates under the direction of an Executive Director who is functionally the chief executive officer of the unit. Those major program units include:

- Entrepreneurial Accelerator Program – A financial analytics and support group formed to stimulate the creation of an entrepreneurial ecosystem in Northwest Louisiana. This is accomplished through a variety of methods including providing entrepreneurial educational content to the community, assisting local universities with entrepreneurial education opportunities, and establishing and maintaining systems which connect entrepreneurs to resources and provide assistance to start and grow their business.
- Digital Media Institute – An educational institute providing an intensive “learn by doing” curriculum in digital arts, gaming and computer programming that facilitates real-world occupational training.
- Shreveport Next – A direct business recruitment group formed to locate and recruit businesses who are looking to relocate or expand to Northwest Louisiana and provide jobs in the community. Shreveport Next also aggregates and provides data regarding Northwest Louisiana business climate, state and local incentive programs, and other community data.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

1. Summary of significant activities and accounting policies (continued)

Use of estimates

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

Restricted cash and cash equivalents

Restricted cash and cash equivalents, which consist primarily of demand deposits and money market accounts, represent assets with donor restrictions for endowment purposes, as well as cash restricted by a lender for a specific purpose (see Note 3) at September 30, 2025 and 2024. These items are considered cash and cash equivalents for purposes of the statements of cash flows.

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the statement of financial position that sum to the total of the same such amounts shown in the statements of cash flows.

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 14,434,002	\$ 14,140,437
Restricted cash and cash equivalents	<u>2,063,639</u>	<u>3,393,464</u>
Total cash, cash equivalents, and restricted cash shown in the statement of cash flows	<u>\$ 16,497,641</u>	<u>\$ 17,533,901</u>

Accounts receivable

BRF is reimbursed by its tenants for certain operating expenses of its leased properties. BRF determines if these receivables are past-due based on the date of the reimbursement request; BRF, however, does not charge interest on past-due accounts. Rent receivables are typically scheduled to be paid on a monthly basis and are closely monitored during the year; accounts considered to be uncollectible are generally written-off when such conclusions are reached. An allowance for credit losses of \$0 was recorded at September 30, 2025 and 2024, respectively.

Patient accounts receivable are recorded at net realizable value based on certain assumptions determined for each payor. For third-party payors including Medicare, Medicaid, and Managed Care companies, the net realizable value is based on the estimated contractual reimbursement percentage, which is based on current contract prices or historical paid claims data by payor. For self-pay accounts receivable, which includes patients who are uninsured and the patient responsibility portion for patients with insurance, the net realizable value is determined using estimates of historical collection experience with consideration of reasonable and supportable forecasts. These estimates are adjusted for estimated conversions of patient responsibility portions, expected recoveries, and any anticipated changes in trends.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

1. Summary of significant activities and accounting policies (continued)

Accounts receivable (continued)

Patient accounts receivable can be impacted by the effectiveness of BRF's collection efforts. Additionally, significant changes in payor mix, business office operations, economic conditions or trends in federal and state governmental healthcare coverage could affect the net realizable value of patient accounts receivable. BRF also continually reviews the net realizable value of patient accounts receivable by monitoring historical cash collections, as well as by analyzing current period net revenue by payor classification, aged accounts receivable by payor, days revenue outstanding, and the composition of self-pay receivables between pure self-pay patients and the patient responsibility portion of third-party insured receivables, and current economic conditions and reasonable and supportable forecasts. In the absence of current economic conditions and/or forecasts that may affect future credit losses, BRF has determined that recent historical experience provides the best basis for estimating credit losses. At each reporting date, the estimate is updated to reflect any changes in credit risk since the receivable was initially recorded. Because BRF's estimates of patient accounts receivable, adjusted for explicit and implicit price concessions. An allowance for credit losses of \$91,895 and \$0 was recorded at September 30, 2025 and 2024, respectively.

BRF has elected the practical expedient allowed under FASB ASC 606-10-32-18 and does not adjust the promised amount of consideration from patients and third-party payors for the effects of a significant financing component due to BRF's expectation that the period between the time the service is provided to a patient and the time that the patient or a third-party payor pays for that service will be one year or less.

Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are recorded at fair value. Unrealized and realized gains and losses, dividends, interest, and other investment income are recorded in current year operations as an increase or decrease in net assets without donor restrictions unless the use is restricted by the donor.

Investments that do not have readily determinable fair values are valued based on various methods depending on the type of investments. See Note 16 for further details of the determination of investment fair value. Increases and decreases in market value are recognized in the period in which they occur.

Realized gains and losses on dispositions are based on the net proceeds and the amortized cost basis of the securities sold, using the specific identification method.

Notes receivable

Notes receivable are recorded at the amount of the initial investment less payments received and interest is accrued based on the interest rates stated in the promissory note agreement. An allowance for credit losses of \$1,235,826 was recorded as of September 30, 2025 and 2024.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

1. Summary of significant activities and accounting policies (continued)

Property and equipment

Property and equipment are stated at historical cost. Donated property is recorded at its estimated fair market value on the date received, which is then treated as cost. Additions, renewals, and betterments in excess of \$5,000 that increase the value or extend the lives of assets are capitalized. Replacements, maintenance, and repairs that do not increase the values or extend the lives of the respective assets are expensed as incurred.

Depreciation has been provided using the straight-line method over the estimated useful lives of the related assets, which range from 3 to 40 years.

When assets are retired or otherwise disposed, the cost and related accumulated depreciation are removed from the accounts, and any resulting gains or losses are recognized for that period.

Impairment of long-lived assets and long-lived assets to be disposed

BRF reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets.

Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell.

No impairments were recognized for the years ended September 30, 2025 and 2024.

Asset retirement obligations

BRF records liabilities equal to the fair value of the estimated cost to retire assets. The asset retirement liability is recorded in the year in which the obligation meets the definition of a liability, which is generally when the asset is placed in service. BRF has recorded a liability for the retirement of its cyclotron assets. In anticipation of replacing and decommissioning the existing cyclotron located in Shreveport, Louisiana, BRF revised the original estimate for that cyclotron asset that was recorded at the acquisition of that asset and recorded an additional asset retirement obligation of \$750,000 during the year ended September 30, 2023. During the year ended September 30, 2024, BRF performed remediation work on the Shreveport cyclotron. The remaining asset retirement obligation of \$576,960 was released during the year ended September 30, 2024. BRF has maintained an asset retirement obligation of \$93,547 for this cyclotron at September 30, 2025 and 2024, respectively.

CMITLA placed a new cyclotron in service in Shreveport, Louisiana during the year ended September 30, 2024. The balance for the asset retirement obligation is \$226,449 and \$208,719 at September 30, 2025 and 2024, respectively.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

1. Summary of significant activities and accounting policies (continued)

Asset retirement obligations (continued)

The Louisiana Department of Environmental Quality requires BRF to maintain letters of credit related to the cyclotron assets. BRF has obtained two letters of credit which have been issued in the maximum amount of \$266,788, which are collateralized by two certificates of deposit that renew monthly. The letters of credit expired on October 20, 2024. A continuing agreement for the letters of credit was executed and in effect at September 30, 2025.

Deferred financing costs

Deferred financing costs related to a recognized debt liability are presented in the consolidated statements of financial position as a direct reduction from the carrying amount of the debt liability. Costs deferred are amortized to interest expense over the term of the related debt.

Derivative financial instruments

Management has identified the convertible features of certain notes receivable held by BRF as embedded derivatives, which ASC 815-15-25-1 requires to be measured separately from the host contract. However, because BRF cannot reliably identify and measure the embedded derivatives, it has measured the entire contract at fair value with gains or losses recognized in earnings in accordance with ASC 815-35-2.

Professional liability claims

BRF maintains insurance for protection from losses resulting from professional liability claims. The policy is of the claims-made type. BRF has not experienced material losses from professional liability claims in the past. No accrual for losses has been established.

Patient service revenue

BRF reports revenues from patient services at the amount that reflects the consideration to which BRF expects to be entitled in exchange for providing patient care. These amounts are due from patients, governmental programs, health maintenance organizations, private insurers and others, and include variable consideration for retroactive revenue adjustments due to settlements of audits, reviews and investigations. Revenue is recognized as the performance obligations are satisfied.

Performance obligations are determined based on the nature of the services provided by BRF. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected (or actual) charges. BRF believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. The performance obligations are generally satisfied over a period of less than one day.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

1. Summary of significant activities and accounting policies (continued)

Patient service revenue (continued)

BRF determines the transaction price based on standard charges for goods and services provided, reduced by explicit concessions provided to third-party payors. BRF determines its estimates of explicit concessions and discounts based on contractual agreements, its discount policies, and historical experience. BRF determines its estimate of implicit price concessions based on historical collection experience with classes of patients using a portfolio approach as a practical expedient to account for patient contracts as collective groups rather than individually. The financial statement effects of using this practical expedient are not materially different from an individual contract approach.

BRF has determined that it has provided implicit price concessions to uninsured patients and patients with other uninsured balances (for example, copays and deductibles). The implicit price concessions included in estimating the transaction price represent the difference between amounts billed to patients and the amounts BRF expects to collect based on its collection history with those classes of patients.

Because all of its performance obligations relate to contracts with a duration of less than one year, BRF has elected to apply the optional exemption provided in FASB ASC 606-10-50-14(a) and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period (if any).

Radiopharmaceutical sales

Revenues from radiopharmaceutical sales are recognized when control of the goods is transferred to the customer, which occurs at a point in time, typically upon delivery or shipment to the customer, depending on shipping terms.

The transaction price recognized is the invoiced price. BRF estimates expected returns based on an analysis of historical experience. BRF adjusts the estimate of revenue at the earlier of when the amount of consideration expected to be received changes or when the consideration becomes fixed. BRF does not have any material significant payment terms as payment is received shortly after the point of sale.

Receivables from radiopharmaceutical sales were \$82,206, \$37,005, and \$40,472 at September 30, 2025, 2024, and 2023, respectively. An allowance for credit losses of \$0, \$2,200, and \$2,200 was recorded at September 30, 2025, 2024, and 2023 respectively.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

1. Summary of significant activities and accounting policies (continued)

Tuition revenue

Tuition revenues consist of student tuition derived from courses offered by the Digital Media Institute. Student tuition is recognized pro-rata over the applicable period of instruction (time elapsed method). A contract is entered into with a student and covers the academic term. Revenue recognition occurs once a student starts attending a course. BRF has no costs that are capitalized to obtain or fulfill a contract with a student.

BRF's tuition receivables represent unconditional rights to consideration from contracts with students; accordingly, students are not billed until they start attending a course and the revenue process has commenced. Tuition receivables were \$262,239, \$200,675, and \$225,181 at September 30, 2025, 2024, and 2023, respectively. An allowance for credit losses of \$163,614, \$173,200, and \$184,795 was recorded at September 30, 2025, 2024, and 2023 respectively.

BRF does not have any contract assets. BRF's contract liabilities are reported as deferred revenue in the consolidated statements of financial position. Unearned tuition represents the excess of tuition received as compared to amounts recognized as revenue in the consolidated statements of activities and changes in net assets and is reflected as liabilities in the accompanying consolidated statements of financial position. BRF's education programs have starting and ending dates that differ from its year-end. Therefore, at year-end, a portion of revenue from these programs is not yet earned. Deferred revenues related to tuition were \$151,202, \$34,258 and \$124,407 at September 30, 2025, 2024, and 2023 respectively.

BRF has identified a performance obligation associated with the provision of its educational instruction and uses the output measure for recognition as the period of time which the services are provided to its students. BRF maintains an institutional refund policy. If a student withdraws at a time when only a portion, or none of the tuition is refundable, then in accordance with its revenue recognition policy, BRF continues to recognize the tuition that was not refunded at the drop date by end of fiscal year.

Contributions

Contributions received are recorded as with or without donor restrictions, depending on the existence and nature of any donor restrictions. All donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities and changes in net assets as net assets released from restrictions.

Unconditional promises to give are recognized as revenue in the year received. Promises to give are recorded at realizable value if they are expected to be collected in one year and at fair value if they are expected to be collected in more than one year.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

1. Summary of significant activities and accounting policies (continued)

Income taxes

BRF files a consolidated tax return with its parent company, Biomedical Research Foundation of Northwest Louisiana, which is a not-for-profit organization as described in Section 501(c)(3) of the Internal Revenue Code and, except for unrelated business income (if any), is exempt from federal income taxes pursuant to Section 501(a) of the Internal Revenue Code. Pursuant to Louisiana law, this exemption also applies to Louisiana state income and franchise taxes. Accordingly, no provision for income taxes has been made.

BRF applies the accounting guidance related to accounting for uncertainty in income taxes, which sets out a consistent framework to determine the appropriate level of tax reserves to maintain for uncertain tax positions. The determination of whether or not a tax position has met the more-likely-than-not recognition threshold considers the facts, circumstances, and information available at the reporting date and is subject to management's judgment. Changes in the recognition or measurement are reflected in the year in which the change in judgment occurs. BRF has evaluated its position regarding the accounting for uncertain income tax positions and determined that it had no uncertain tax positions at September 30, 2025 or 2024, respectively.

Environmental obligations

A provision for environmental obligations, other than for asset retirement obligations, is charged to expense when BRF's liability for an environmental assessment and/or cleanup is probable and the cost can be reasonably estimated. Related expenditures are charged against the accrued liability.

Leases

BRF accounts for leases under Accounting Standards Codification ("ASC") 842, *Leases*.

BRF, as a lessor, is required to classify leases as either finance or operating leases, with finance leases further classified as a sales-type lease or as a direct financing lease. BRF is the lessor of office space classified as operating leases under which BRF recognizes the lease payments as income over the lease term, generally on a straight-line basis or as earned.

BRF, as a lessee, has elected to apply the short-term lease exemption to all classes of assets, primarily copiers and office space, where leases that have a term of 12 months or less are excluded from the measurement of the right-of-use asset and lease liability. The short-term lease cost during the years ended September 30, 2025 and 2024, were \$19,008 and \$16,810, respectively.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

2. Liquidity and availability

The following represents BRF's financial assets available for expenditures within one year at September 30:

Financial assets at year-end:	2025	2024
Cash and cash equivalents	\$ 16,497,641	\$ 17,533,901
Certificates of deposit	267,038	266,788
Accounts receivable	1,710,162	1,497,426
Mutual funds	10,810,513	9,204,489
Exchange traded funds	11,467,428	10,509,646
Total financial assets	40,075,782	39,012,250
Less amounts not available to be used within one year:		
Endowment fund – donor restricted	5,578,417	5,465,767
Restricted cash	2,063,639	3,393,464
Certificates of deposit – pledged	267,038	266,788
Financial assets available to meet general expenditures over the next twelve months	\$ 32,843,688	\$ 29,886,231

BRF manages liquidity by maintaining certain cash and cash equivalents of over \$1,500,000 to meet any operating cash flow needs for an extended period as well as any major maintenance and repairs needed. As part of its liquidity plan, excess cash, when available, is invested in short-term investments, including money market accounts. The interest earned is used as part of the operating cash flow needs.

BRF had amounts due to related parties of \$27,098,431 and \$27,104,005 at September 30, 2025 and 2024, respectively, which are not reflected in the table above. These amounts due to the related parties have no set repayment terms and primarily represent funds that have been transferred to BRF for the purpose of investment management and supporting the operations of BRF. There are no associated restrictions. See Note 11 for additional information.

3. New Market Tax Credit Program

The New Market Tax Credit (NMTC) Program was designed to stimulate investment and economic growth in low-income communities by offering taxpayers a tax credit against federal income taxes over a seven-year period for Qualified Equity Investments (QEI) in designated Community Development Entities (CDEs). CDEs receive NMTC allocations pursuant to Section 45D of the Internal Revenue Code. These designated CDEs must use substantially all of the proceeds to make Qualified Low-Income Community Investments (QLICI). To earn the tax credit, the QEI must remain invested in the CDE for a seven-year period. Also, the entity receiving the loans must be treated as a Qualified Active Low-Income Community Business (QALICB) for the duration of the seven-year period. QALICB requirements are outlined in Treasury Regulation Section 1.45D-1(d)(4)(i).

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

3. New Market Tax Credit Program (continued)

In June 2021, BRF organized CMIT Louisiana, LLC (CMITLA) and entered into multiple agreements to facilitate the acquisition of state-of-the-art equipment for radiopharmaceutical manufacturing and research. BRF funded the NMTC leverage loan (see Note 6) to Stonehenge Louisiana NMTC Investment Fund, LLC (SIF), whose sole member is an unrelated third party to BRF. SIF used the NMTC leverage loan to refinance a capital contribution to Stonehenge Community Development 154, LLC (the CDE). The CDE, in turn, used the funding to originate a QLICI Loan to CMITLA. CMITLA has reserved these funds for the purchase of equipment and to pay professional fees associated with the NMTC transaction.

The transaction is subject to an option agreement. The SIF has an option whereby upon exercise of the option after the last day of the tax credit investment period, BRF is obligated to purchase all the membership interest in SIF.

In September 2024, BRF and CMIT Louisiana, LLC (CMITLA) entered into multiple agreements to refinance and fund certain related party debt and working capital. BRF funded the NMTC leverage loan (see Note 6) to Stonehenge Louisiana NMTC Investment Fund II, LLC (SIFII), whose sole member is an unrelated third party to BRF. SIFII used the NMTC leverage loan to refinance a capital contribution to Stonehenge Community Development 170, LLC (the 170 CDE). The 170 CDE, in turn, used the funding to originate a QLICI Loan to CMITLA and a loan to Twain Investment Fund 801, LLC (Twain). Twain used the funds to refinance a capital contribution to Pacesetter CDE 44, LLS (Pacesetter) who, in turn, used the funding to originate a QLICI Loan to CMITLA. CMITLA has reserved the remaining funds for its future working capital costs and to pay professional fees associated with the NMTC transaction.

The transaction is subject to an option agreement. Both SIFII and Pacesetter have an option whereby upon exercise of the option after the last day of the tax credit investment period, BRF is obligated to purchase all the membership interest in SIFII and Pacesetter.

The tax credits associated with the transaction are contingent on BRF maintaining compliance with applicable portions of Section 42 of the Internal Revenue Code. Failure to maintain compliance or to correct noncompliance within a specified period could result in recapture of previously taken tax credits plus penalties and interest. BRF has signed a QALICI Indemnification Agreement that obligates them to pay any NMTC recapture amount as defined in Section 45D(g)(2) of the Internal Revenue Code, to investors within the NMTC structure with respect to related tax credits that have been claimed. Recapture or disallowance can result in CMITLA failing to qualify as a QALICB, among others.

4. Patient service revenue

BRF's revenues generally relate to contracts with patients in which the performance obligations are to provide health care services to patients, and BRF records revenues as performance obligations are satisfied. The performance obligations for outpatient services are generally satisfied over a period of less than one day. The contractual relationships with patients, in most cases, also involve a third-party payor (Medicare, Medicaid, managed care health plans, and commercial insurance companies).

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

4. Patient service revenue (continued)

The estimates for implicit price concessions are based upon management’s assessment of historical write-offs and expected net collections, business and economic conditions, trends in federal, state and private employer health care coverage and other collection indicators. Management relies on the results of detailed reviews of historical write-offs and collections (the “hindsight analysis”) as a primary source of information in estimating the collectability of accounts receivable.

BRF has agreements with governmental and other third-party payors that provide for payments to BRF at amounts different from its established rates. Explicit price concessions under third-party reimbursement programs represent the differences between BRF’s billings at established rates for services and amounts reimbursed by third-party payors. A summary of the basis of reimbursement with major third-party payors is as follows:

- *Medicare* - services rendered to Medicare program beneficiaries are paid at prospectively determined rates-per-discharge that include defined capital costs. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors.
- *Medicaid* - services rendered to Medicaid program beneficiaries are reimbursed at a prospectively determined fee schedule.
- *Commercial and HMO* - BRF has also entered into agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. Payment methodologies under these agreements include discounts from established charges and prospectively determined rates.

BRF recorded approximately \$8,730,000 and \$5,326,000 of implicit and explicit price concessions as a direct reduction of net operating revenues during the years ended September 30, 2025 and 2024, respectively. BRF had net patient receivables of \$669,825, \$821,321, and \$455,582 recorded at September 30, 2025, 2024, and 2023, respectively.

5. Investments

Investments at September 30, 2025 and 2024, consisted of the following:

	<u>2025</u>	<u>2024</u>
Limited partnership interests	\$ 846,695	\$ 1,155,121
Certificates of deposit	267,038	266,788
Preferred stock	2,480,213	2,380,364
Mutual funds	10,810,513	9,204,489
Exchange traded funds	<u>11,467,428</u>	<u>10,509,646</u>
	<u>\$ 25,871,887</u>	<u>\$ 23,516,408</u>

**BRF, LLC**  
**SHREVEPORT, LOUISIANA**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

5. Investments (continued)

Following is the composition of investment and interest revenues for the years ended September 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Dividends, interest, and realized gains	\$ 1,966,271	\$ 1,259,431
Change in unrealized gains on investments	<u>981,276</u>	<u>3,359,863</u>
	2,947,547	4,619,294
Other investment revenues	<u>44,603</u>	<u>388,480</u>
	<u>\$ 2,992,150</u>	<u>\$ 5,007,774</u>

See Note 16 for fair value disclosures related to investments.

6. Notes receivable

BRF has issued convertible promissory notes receivable to several unrelated parties that are associated with its Entrepreneurial Accelerator Program. The notes bear interest at rates ranging from 8% to 12% and have scheduled maturities ranging from on demand through December 30, 2026. The payment of all principal and accrued interest is due upon maturity. In accordance with the terms of the various agreements, BRF has the right to convert the notes into cash or common stock. As of September 30, 2025, 2024, and 2023 BRF recorded an allowance of \$1,235,826 for notes it believes to be uncollectible.

On June 28, 2021, BRF issued a promissory note in the amount of \$3,637,500 to Stonehenge Louisiana NMTC Investment Fund, LLC (SIF). SIF's sole member is another corporation that is wholly owned by a financial institution. The promissory note is collateralized by SIF's interest in Stonehenge Community Development 154, LLC (CDE) related to the NMTC transaction and is stated at the principal amount outstanding. Payments on the promissory note are allocated first to accrued and unpaid interest with the remainder to the outstanding principal balance. CDE is also a lender to CMIT Louisiana, LLC (see Note 8). Management assesses the credit quality and collectability of the SIF note on an on-going basis. The promissory note is also evaluated for impairment periodically. Management has determined that no allowance is necessary, and no impairment has occurred as of September 30, 2025 or 2024.

On September 6, 2024, BRF issued a promissory note in the amount of \$3,775,000 to Stonehenge Louisiana NMTC Investment Fund II, LLC (SIFII). SIFII's sole member is another corporation that is wholly owned by a financial institution. The promissory note is collateralized by SIFII's interest in Stonehenge Community Development 170, LLC (CDE) related to the NMTC transaction and is stated at the principal amount outstanding. Payments on the promissory note are allocated first to accrued and unpaid interest with the remainder to the outstanding principal balance. CDE is also a lender to CMIT Louisiana, LLC (see Note 8). Management assesses the credit quality and collectability of the SIF note on an on-going basis. The promissory note is also evaluated for impairment periodically. Management has determined that no allowance is necessary, and no impairment has occurred as of September 30, 2025.

**BRF, LLC**  
**SHREVEPORT, LOUISIANA**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

6. Notes receivable (continued)

BRF extended a \$4,000,000 line of credit to a related entity, which had an outstanding balance of \$2,500,526 and \$2,243,102 at September 30, 2025 and 2024, respectively. On February 27, 2025, the line of credit was amended to set the interest rate at 5.25%, effective back to the date the line of credit was initially established. The line of credit is payable upon demand.

During the year ended September 30, 2023, BRF extended a \$2,090,000 line of credit to an unrelated party. During the year ended September 30, 2024, this line was amended to total \$2,590,000 and had an outstanding balance of \$2,590,000 at September 30, 2025 and 2024, respectively. The line bears interest at 10% and is payable upon demand. During the year ended September 30, 2024, BRF extended a separate line of credit to the same unrelated party for \$1,500,000 and has an outstanding balance of \$1,220,528 as of September 30, 2025 and 2024. During the year ended September 30, 2025, BRF extended a separate line of credit to the same unrelated party for \$1,500,000 and has an outstanding balance of \$925,669 as of September 30, 2025. These lines bear interest of 12% and are payable on demand. The lines of credit are secured by the assets of the unrelated party.

The notes are expected to mature as follows:

Year ending September 30 <sup>th</sup>	<u>Amount</u>
Past due	\$ 1,390,228
On demand	8,725,517
2026	2,495,563
2027	-
2028	-
2029	-
2030	-
Thereafter	<u>7,412,500</u>
	20,023,808
Less: Allowance	<u>(1,235,826)</u>
	<u>\$ 18,787,982</u>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

7. Property and equipment

The composition of property and equipment at September 30, 2025 and 2024 was as follows:

	<u>Estimated useful lives</u>	<u>2025</u>	<u>2024</u>
Land	-----	\$ 11,950,126	\$ 11,685,727
Building and improvements	4 - 40 years	78,804,890	81,120,073
Furniture and fixtures / equipment	3 - 20 years	<u>28,996,710</u>	<u>25,072,467</u>
		119,751,726	117,878,267
Less accumulated depreciation		<u>(57,026,818)</u>	<u>(54,439,592)</u>
Property and equipment, net		<u>\$ 62,724,908</u>	<u>\$ 63,438,675</u>

The majority of BRF's property and equipment is being held for lease or future development. Depreciation expense totaled \$2,894,732 and \$2,812,124 for the years ended September 30, 2025 and 2024, respectively.

8. Notes payable

During the year ended December 31, 2010, BRF refinanced all of its outstanding revenue bonds and notes payable with a national financial institution. The note payable was issued in the amount of \$12,000,000, bore interest at a variable rate equal to the LIBOR rate plus 2.50% (5.52% at September 30, 2023), and was secured by an assignment of leases, real estate, and investments. The note was due in monthly installments of principal and interest with a balloon payment originally due on November 30, 2020. The due date of the balloon payment was extended to February 28, 2024. On November 1, 2023, BRF refinanced that note with a regional financial institution through a note issued in the amount of \$3,762,578. This note is due in monthly installments of principal and interest with a balloon payment of \$2,324,271 due on November 1, 2029, bears interest at a fixed rate of 4.25% and is secured by real estate. The outstanding balance on this note payable was \$3,224,728 and \$3,422,196 at September 30, 2025 and 2024, respectively.

On June 28, 2021, CMIT Louisiana, LLC entered into two notes payable with Stonehenge Community Development 154, LLC (see Note 3). The notes payable were issued in the combined amount of \$5,000,000 and bear interest at a fixed rate of 1.479%, and are secured by equipment. The notes are payable in quarterly installments of interest only until December 5, 2027, then quarterly payments of principal and interest ending on June 28, 2051. The outstanding balance on these notes payable was \$5,000,000 at September 30, 2025 and 2024.

On November 1, 2022, CMIT Louisiana, LLC entered into a note payable in the amount of \$8,583,885 with a regional financial institution. This note is due in monthly installments of principal and interest with a balloon payment due on November 1, 2029, bears interest at a fixed rate of 4.25% and is secured by real estate. BRF, LLC is the guarantor on this note. The outstanding balance on this note payable was \$8,008,149 and \$8,218,557 at September 30, 2025 and 2024, respectively.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

8. Notes payable (continued)

On September 6, 2024, CMIT Louisiana, LLC entered into two notes payable with Stonehenge Community Development 170, LLC (see Note 3). The notes payable were issued in the combined amount of \$2,076,800 and bear interest at a fixed rate of 1.455%. The notes are payable in quarterly installments of interest only until December 5, 2031, then quarterly payments of principal and interest ending on September 5, 2054. The outstanding balance on these notes payable was \$2,076,800 at September 30, 2025 and 2024.

On September 6, 2024, CMIT Louisiana, LLC entered into two notes payable with Pacesetter CDE 44 LLC (see Note 3). The notes payable were issued in the combined amount of \$3,920,000 and bear interest at a fixed rate of 1.085%. The notes are payable in quarterly installments of interest only until December 5, 2031, then quarterly payments of principal and interest ending on September 5, 2054. The outstanding balance on these notes payable was \$3,920,000 at September 30, 2025 and 2024.

As part of the loan agreements, BRF has agreed to comply with certain covenants. These consist, primarily, of reporting requirements, financial covenants, restrictions on additional debt and security interests, maintenance of its tax-exempt status, maintenance of its facilities, and other administrative requirements.

BRF incurred total interest expense on all types of financing of \$699,227 and \$606,954 for the years ended September 30, 2025 and 2024, respectively.

The long-term debt is scheduled to mature during the years ended September 30<sup>th</sup> as follows:

Year ending September 30 <sup>th</sup>	Amount
2026	\$ 427,031
2027	445,799
2028	641,496
2029	665,516
2030	9,592,483
Thereafter	<u>10,457,352</u>
	<u>\$ 22,229,677</u>

The total amount outstanding on the notes payable has been reduced on the consolidated statements of financial position by \$917,119 and \$967,798 of unamortized deferred financing costs at September 30, 2025 and 2024, respectively.

**BRF, LLC**  
**SHREVEPORT, LOUISIANA**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

9. Unconditional promises to give

Unconditional promises to give at September 30, 2025 and 2024, consisted of the following:

	<u>2025</u>	<u>2024</u>
Promises to give expected to be collected in:		
Less than one year	\$ 36,000	\$ 51,100
One to five years	<u>110,000</u>	<u>144,000</u>
	147,000	195,100
Less: Discount to net present value	<u>(21,208)</u>	<u>(34,172)</u>
Net present value of promises to give	<u>\$ 125,792</u>	<u>\$ 160,928</u>

The discount rate used on the valuation of long-term promises to give ranges from 1.68% to 4.5% for the years ended September 30, 2025 and 2024, the rate of return on the 5-year U.S. Treasury Bill at the date of the pledge.

10. Net assets

Net assets with donor restrictions were as follows at September 30:

	<u>2025</u>	<u>2024</u>
<b>Specific purpose</b>		
SMART Program	\$ 15,727	\$ 14,227
Education Fund	36,085	36,085
LED Grant BioSpace 1	61,975	61,975
Lead the Way	-	10,000
Eastern Star	370	370
Roche-Wake Forest	177,632	177,632
Core Lab	159,566	112,281
Other	69,750	2,206
EAP Financial Analyst	125,793	157,935
CMIT Construction Capital Campaign	<u>-</u>	<u>2,286</u>
	<u>646,898</u>	<u>574,997</u>
<b>Endowment Fund</b>		
Endowment Fund	<u>5,578,417</u>	<u>5,465,767</u>
	<u>\$ 6,225,315</u>	<u>\$ 6,040,764</u>

Net assets of \$31,776 and \$226,780 were released from restrictions during the years ended September 30, 2025 and 2024, respectively, due to BRF making payments which satisfied the restrictions.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

10. Net assets (continued)

Net assets with donor restrictions at September 30, 2025 and 2024, included endowment funds the principal of which is restricted in perpetuity. The income is unrestricted, with the exception of the income related to an endowment established during the year ended September 30, 2021. That income is restricted for use by the Entrepreneurial Accelerator Program. Endowed net assets are included in the mutual funds and exchange traded funds categories disclosed in Note 5 and restricted cash. The related unrealized gains and losses are also disclosed in in Note 5.

A summary of changes in endowed net assets as of and for the years ended September 30, 2025 and 2024, is as follows:

	Board Designated / Without Donor Restrictions	With Donor Restrictions	Total
Endowed net assets – September 30, 2023	\$ 893,464	\$ 2,613,838	\$ 3,507,302
Investment gains	201,291	202,441	403,732
Contributions	-	2,649,488	2,649,488
Endowed net assets – September 30, 2024	<u>\$ 1,094,755</u>	<u>\$ 5,465,767</u>	<u>\$ 6,560,522</u>
Investment gains	93,029	79,650	238,599
Cash received on pledge	-	33,000	-
Endowed net assets – September 30, 2025	<u>\$ 1,187,784</u>	<u>\$ 5,578,417</u>	<u>\$ 6,766,201</u>

BRF has established prudent investments and spending policies with the objective of maintaining the purchasing power of its endowed net assets in perpetuity and to provide a stable level of support. In an effort to achieve this objective, BRF’s asset allocation strategy is periodically reviewed and adjusted to maximize return while limiting risk. During the year ended September 30, 2025, the Board of Directors approved the spending rate to stay the same 4.0% from prior year.

A portion of restricted cash and cash equivalents at September 30, 2025 and 2024, has been restricted for endowment purposes.

11. Related party transactions

Certain members of the Board of Directors and senior staff may be affiliated with organizations that provide services to BRF and its affiliates. BRF has a policy and procedures for identifying potential conflicts of interest and of periodically obtaining documentation and independent reviews of its insurance program, maintaining banking relationships with multiple financial institutions, and obtaining formal bids on all significant purchases to ensure that all transactions with related parties are at fair market value.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

11. Related party transactions (continued)

At September 30, 2024, the Foundation owed BRF \$110,084 for expenses paid by BRF on the Foundation's behalf. These amounts are presented in the consolidated statements of financial position as due from related party. At September 30, 2024, BRF owed the Foundation \$27,098,431 for funds that have been transferred to BRF for the purpose of investment management and supporting the operations of BRF, as well as \$5,574 to Omicron Technology Solutions, which is a wholly owned subsidiary of the Foundation. These amounts due have no set repayment terms. These amounts are presented in the consolidated statements of financial position as due to related party.

At September 30, 2025, the Foundation owed BRF \$110,084 for expenses paid by BRF on the Foundation's behalf. At September 30, 2025, Omicron Technology Solutions, which is a wholly owned subsidiary of the Foundation, owed BRF \$5,534. These amounts are presented in the consolidated statements of financial position as due from related party. At September 30, 2025, BRF owed the Foundation \$27,098,431 for funds that have been transferred to BRF for the purpose of investment management and supporting the operations of BRF. These amounts due have no set repayment terms. These amounts are presented in the consolidated statements of financial position as due to related party.

12. Rental revenues

Effective October 1, 2013, BRF and the Board of Supervisors of Louisiana State University (LSU) entered into a lease agreement for the Virginia K. Shehee Biomedical Research Institute. The lease agreement, which encompasses the entire Virginia K. Shehee Biomedical Research Institute as well as some additional square footage of the central plant building, is for a term of 30 years and contains an additional 10-year option. The lease requires minimum monthly payments plus reimbursement for operating expenses. The fixed minimum rent will be adjusted upon each second anniversary of the lease date for changes in the consumer price index and may be adjusted every fifth year based on the then fair market value of the leased premises; however, there will be no adjustments below the fixed minimum rent established at the initial lease date. Effective October 2023, the effective monthly payments were \$667,657 less \$2,419 for premises leased back to BRF, or \$665,238. Effective October 2025, the effective monthly payments are \$707,204 less \$2,546 for premises leased back to BRF, or \$704,658.

In addition to the lease with LSU, BRF has entered into approximately eighteen additional agreements for the leasing of its properties. The leases have terms ranging from month-to-month to five years and require payments ranging from \$291 / month to \$63,422 / month.

In accordance with the terms of these agreements, BRF recorded rental revenues of approximately \$11,989,661 and \$11,144,260 during the years ended September 30, 2025 and 2024, respectively.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

12. Rental revenues (continued)

The future minimum lease payments expected to be received from the lease with LSU as well as additional operating leases for office and laboratory facilities and real property, during the next five years is as follows:

<u>Year ending</u> <u>September 30<sup>th</sup></u>	<u>Amount</u>
2026	\$ 9,991,642
2027	9,993,512
2028	9,771,000
2029	9,589,823
2030	<u>9,176,322</u>
	<u>\$ 48,522,299</u>

13. Cooperative endeavor agreements

BRF has entered into a cooperative endeavor agreement with the State of Louisiana and the Louisiana Department of Economic Development to provide funding to expand CMITLA for Molecular Imaging & Therapy and retain, create and maintain jobs and payroll and capital investments. No revenues have been recognized relating to this agreement to date.

During the fiscal year ended September 30, 2022, BRF entered into a cooperative endeavor agreement with the Louisiana Department of Economic Development to provide funding to provide and promote the Digital Media Institute across the state of Louisiana. BRF recognized revenues relating to this agreement of approximately \$0 and \$87,000 during the years ended September 30, 2025 and 2024, respectively.

During the fiscal year ended September 30, 2024, CMIT received \$2,000,000 of federal funds from the Health Resources and Services Administration to assist the Organization in acquiring healthcare equipment to be used in research and clinical trials. The revenue is reflected in government grants and contracts in the accompanying consolidated financial statements.

14. Retirement benefit plan

BRF has a defined contribution plan under IRS Code Section 401(k) that covers substantially all full-time employees who are over the age of twenty-one and who have met eligibility requirements. Discretionary contributions by BRF include matching contributions to the employee 401(k) plan up to certain limits of compensation. Total expenses were \$261,131 and \$246,117 for the years ended September 30, 2025 and 2024, respectively. Total combined employer and employee contributions were \$587,986 and \$556,700 for the years ended September 30, 2025 and 2024, respectively.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

15. Business and credit concentrations

Financial instruments which potentially subject BRF to concentrations of credit risk consist principally of unsecured accounts receivable and temporary cash investments.

BRF maintains its cash investments with regional and national financial institutions. The balances, at times, may exceed federally insured limits. Management believes the credit risk associated with these deposits is minimal.

BRF grants credit to patients, substantially all of whom are regional residents. BRF generally does not require collateral or other security in extending credit to patients; however, it routinely obtains assignment of (or is otherwise entitled to receive) patients' benefits payable under their health insurance programs, plans, or policies (e.g., Medicare, Medicaid, and commercial insurance policies).

The mix of revenues from patients and third-party payors for the years ended September 30, 2025 and 2024, was as follows:

	<u>2025</u>	<u>2024</u>
Medicare	53.77%	49.19%
Medicaid	4.08%	8.70%
Commercial insurance and managed care organizations	38.57%	34.43%
Self-pay patients and other	<u>3.58%</u>	<u>7.68%</u>
	<u>100.00%</u>	<u>100.00%</u>

The mix of receivables from patients and third-party payors at September 30, 2025 and 2024, was as follows:

	<u>2025</u>	<u>2024</u>
Medicare	45.12%	64.88%
Medicaid	3.91%	4.18%
Commercial insurance and managed care organizations	46.35%	22.75%
Self-pay patients and other	<u>4.62%</u>	<u>8.19%</u>
	<u>100.00%</u>	<u>100.00%</u>

16. Fair value of financial instruments

In accordance with the *Fair Value Measurements and Disclosures* topic of FASB ASC, disclosure of fair value information about financial instruments, whether or not recognized in the statements of financial position, is required. Fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is best determined based upon quoted market prices. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the instruments; therefore, the aggregate fair value amounts presented do not represent the underlying value to BRF.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

16. Fair value of financial instruments (continued)

The fair value guidance provides a consistent definition of fair value, which focuses on exit price in an orderly transaction (that is, not a forced liquidation or distressed sale) between market participants at the measurement date under current market conditions. If there has been a significant decrease in the volume and level of activity for the asset or liability, a change in valuation technique or the use of multiple valuation techniques may be appropriate. In such instances, determining the price at which willing market participants would transact at the measurement date under current market conditions depends on the facts and circumstances and requires use of significant judgment. The fair value is a reasonable point within the range that is most representative of fair value under current market conditions.

*The Fair Value Measurements and Disclosures* topic of the FASB ASC 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 the framework are described as follows:

- Level 1 - inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that BRF has the 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.
- Level 3 - inputs to the valuation methodology are unobservable and significant to the fair value measurement determined using model-based techniques that include option pricing models, discounted cash flow models, and similar techniques.

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.

The following methods and assumptions were used by BRF in estimating its fair value disclosures for financial instruments:

*Cash and cash equivalents and certificates of deposit* - the carrying amounts approximate fair values because of the short maturity of these instruments.

*Limited partnerships and preferred stock* - limited partnership interests are valued using inputs which may include current and historical financial results of the issuer as well as sales, debt and stock price data of similar public companies.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

16. Fair value of financial instruments (continued)

*Mutual funds* - valued at the daily closing price as reported by the mutual fund. Mutual funds held by BRF are open-ended mutual funds that are registered with the SEC. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by BRF are deemed to be actively traded.

*Exchange traded funds* - valued at the closing price reported on the active market on which the individual securities are traded.

*Long-term debt* - the carrying amount of BRF's long-term debt approximates its fair value.

Investments classified within Level 3 have significant unobservable inputs, as they trade infrequently or not at all. Management typically uses the market approach for which sufficient and reliable data is available. The use of the market approach generally consists of using recent or similar market transactions.

Fair value estimates are made at a specific point in time, based on relevant market information about the financial instruments. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

The following table presents the fair-value hierarchy level of BRF's financial assets and liabilities that are measured at fair value on a recurring basis:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<i>September 30, 2025:</i>				
Limited partnerships	\$ -	\$ -	\$ 846,695	\$ 846,695
Preferred stock	-	-	2,480,213	2,480,213
Certificates of deposit	267,038	-	-	267,038
Mutual funds - equities	10,810,513	-	-	10,810,513
Exchange traded funds	11,467,428	-	-	11,467,428
	<u>\$ 22,544,979</u>	<u>\$ -</u>	<u>\$ 3,326,908</u>	<u>\$ 25,871,887</u>

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<i>September 30, 2024:</i>				
Limited partnerships	\$ -	\$ -	\$ 1,155,121	\$ 1,155,121
Preferred stock	-	-	2,380,364	2,380,364
Certificates of deposit	266,788	-	-	266,788
Mutual funds - equities	9,204,489	-	-	9,204,489
Exchange traded funds	10,509,646	-	-	10,509,646
	<u>\$ 19,980,923</u>	<u>\$ -</u>	<u>\$ 3,535,485</u>	<u>\$ 23,516,408</u>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

16. Fair value of financial instruments (continued)

The following table presents the changes in fair value for the years ended September 30, 2025 and 2024, in Level 3 instruments that are measured at fair value on a recurring basis:

	<u>2025</u>	<u>2024</u>
Balance - beginning of the year	\$ 3,535,485	\$ 3,945,157
Purchases	700,000	177,050
Unrealized gains (losses) on investments	(1,138,788)	(586,722)
Conversion of promissory notes	230,211	-
Proceeds from sale of investments	-	-
Loss from equity investment	-	-
Balance - end of the year	<u>\$ 3,326,908</u>	<u>\$ 3,535,485</u>

17. Commitments and contingencies

BRF receives a portion of its revenues from government grants and contracts which are subject to audit. The ultimate determination of amounts received under these programs generally is based upon allowable costs reported to and subject to audit by the government. Until such audits have been completed and final settlement reached, there exists a contingency to refund any amount received in excess of allowable costs. Management is of the opinion that no material liability will result from such audits.

BRF receives, directly or indirectly, a portion of its revenues from government ad valorem tax millages which are set to expire in 2032 if not renewed. BRF does not anticipate a material change in these revenues.

In management's opinion, environmental issues will not have a material impact on the net assets of BRF. Liabilities related to the cost of future investigation and remediation of environmental issues and the amounts of any grants that might be available to offset those costs cannot be readily determined at this time and as such no accrual for them has been made in these consolidated financial statements.

BRF is involved in various legal actions and claims that arose as a result of events that occurred in the normal course of operations. The ultimate resolution of these matters is not ascertainable at this time; however, management is of the opinion that any liability or loss in excess of insurance coverage resulting from such litigation will not have a material effect upon the financial position of BRF.

On March 2, 2021, a related party of BRF entered into a note payable with a regional financial institution in order to acquire and relocate assets to promote job creation in Northwest Louisiana. BRF and the Foundation agreed to guarantee the note payable if certain conditions were not met by the related party, and BRF and the Foundation agreed to maintain a sufficient level of liquidity to cover the remaining outstanding portion of the note payable. As of September 30, 2025 and 2024, all conditions were met by the related party, therefore no liability was accrued. BRF and the Foundation's maximum potential exposure as of September 30, 2025 and 2024 was \$2,038,006 and \$2,309,275 respectively.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

18. Composite score calculation

As part of the Digital Media Institute’s Council on Occupational Education accreditation process and to participate in federal student aid programs, it must submit audited financial statements demonstrating its fiscal responsibility by maintaining a minimum composite score (defined by the U.S Department of Education) of 1.5. BRF’s composite score using the standards of financial responsibility is 3.0 as of September 30, 2025. The components and ratios used to compute this amount are presented below.

<u>September 30, 2025</u>						
(1)	Expendable net assets	\$ 27,422,676		(4)	Modified assets	\$ 126,235,684
(2)	Total expenses	24,269,278		(5)	Change in unrestricted net assets	2,145,516
(3)	Modified net assets	74,413,443		(6)	Total unrestricted revenues	26,396,756
	Primary reserve	1.2	Equity	1.2	Net Income	0.6

19. Subsequent events

Management has evaluated subsequent events through the date that the consolidated financial statements were available to be issued, March 16, 2026, and determined that there were no events that occurred requiring additional disclosure. No events occurring after this date have been evaluated for inclusion in these consolidated financial statements.

**SUPPLEMENTARY INFORMATION**

**SCHEDULE OF COMPENSATION, BENEFITS AND OTHER**  
**PAYMENTS TO CHIEF EXECUTIVE OFFICER**

R.S. 24:513 (A) (3) requires reporting of the total compensation, reimbursements, and benefits paid to the agency head or chief executive officer. This law was further amended by Act 462 of the 2015 Regular Session which clarified that nongovernmental or not for profit local auditees are required to report only the compensation, reimbursements, and benefits paid to the agency head or chief executive officer paid from public funds.

This organization is not required to report the total compensation, reimbursements, and benefits paid to the agency head as these costs are supported by private funds.

**BRF, LLC**  
**SHREVEPORT, LOUISIANA**

**DIGITAL MEDIA INSTITUTE**  
**SCHEDULE OF REVENUES AND EXPENSES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2025**

**Revenues**

Tuition	\$ 152,981
Grants	31,976
Other	13,959
Total revenues	<u>198,916</u>

**Expenses**

Salaries and benefits	484,321
Professional services	143,059
Insurance	4,148
Travel	21,430
Registration and conference fees	37,963
Taxes and Licenses	125
Payroll Tax Expense	29,238
Advertising	135,448
Lease payments	1,788
Information systems	48,002
Bad debt	(5,952)
Bank fees	5,639
Class and student supplies	7,855
Project development	40,176
Other	197
Total expenses	<u>953,437</u>
Excess of expenses over revenues	<u>\$ (754,521)</u>

**BRF, LLC**  
**SHREVEPORT, LOUISIANA**

**CONSOLIDATING STATEMENT OF FINANCIAL POSITION**  
**SEPTEMBER 30, 2025**

	<u>InterTech Venture Fund</u>	<u>CMIT Louisiana, LLC</u>	<u>Collaboration Link, LLC</u>	<u>BRF, LLC</u>
<b><u>ASSETS</u></b>				
Cash and cash equivalents	\$ 4,280	\$ 147,361	77,431	\$ 14,204,930
Restricted cash and cash equivalents	-	410,165	-	1,653,474
Accounts receivable, net of allowances for credit losses	-	878,585	17,918	2,575,383
Unconditional promises to give	-	-	-	125,792
Prepaid expenses	-	127,580	-	388,238
Inventory	-	-	-	1,568
Investments	430,991	-	-	26,027,443
Notes receivable and accrued interest	269,096	-	-	18,518,886
Property and equipment, net	-	19,382,232	-	43,342,676
Due from related party	170,409	-	-	202,805
Total assets	<u>\$ 874,776</u>	<u>\$ 20,945,923</u>	<u>\$ 95,349</u>	<u>\$ 107,041,195</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>				
<b><u>LIABILITIES</u></b>				
Accounts payable and accrued expenses	\$ -	\$ 2,046,185	\$ 48,051	\$ 2,521,383
Note payable - short term	-	220,865	-	206,166
Note payable - long term	-	17,883,102	-	3,002,425
Deferred revenue	-	-	-	237,435
Due to related party	-	57,735	29,452	27,268,840
Asset retirement liability	-	226,449	-	93,547
Total liabilities	<u>-</u>	<u>20,434,336</u>	<u>77,503</u>	<u>33,329,796</u>
<b><u>NET ASSETS</u></b>				
Without donor restrictions	874,776	511,587	17,846	67,486,084
With donor restrictions	-	-	-	6,225,315
Total net assets	<u>874,776</u>	<u>511,587</u>	<u>17,846</u>	<u>73,711,399</u>
Total liabilities and net assets	<u>\$ 874,776</u>	<u>\$ 20,945,923</u>	<u>\$ 95,349</u>	<u>\$ 107,041,195</u>

(continued)

Elimination Entries		BRF, LLC
DR	CR	Consolidated
\$ -	\$ -	\$ 14,434,002
-	-	2,063,639
-	1,761,724	1,710,162
-	-	125,792
-	74	515,744
-	-	1,568
-	586,547	25,871,887
-	-	18,787,982
-	-	62,724,908
-	257,596	115,618
		<u>\$ 126,351,302</u>

\$ 1,761,724	\$ -	\$ 2,853,895
-	-	427,031
-	-	20,885,527
74	-	237,361
257,596	-	27,098,431
-	-	319,996
		<u>51,822,241</u>

586,547	-	68,303,746
-	-	6,225,315
		<u>74,529,061</u>
		<u>\$ 126,351,302</u>

(concluded)

**BRF, LLC**  
**SHREVEPORT, LOUISIANA**

**CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**YEAR ENDED SEPTEMBER 30, 2025**

	InterTech Venture Fund	CMIT Louisiana, LLC	Collaboration Link, LLC	BRF, LLC
<b>REVENUES AND SUPPORT:</b>				
Net patient service revenue	\$ -	\$ 5,491,011	\$ -	\$ -
Support - philanthropic	-	-	-	31,038
Rental revenues	-	-	-	11,989,661
Local government operating revenue	-	-	-	3,450,001
Government grants and contracts	-	-	375,000	744,083
Investment revenues (losses)	260,277	-	-	977,686
Interest revenues	13,802	-	-	1,740,385
Radiopharmaceutical sales	-	914,213	-	-
Tuition revenues	-	-	-	152,981
Management fees	-	-	-	390,800
Other revenues	-	100,682	128,235	2,526,620
<b>Total revenues and support</b>	<b>274,079</b>	<b>6,505,906</b>	<b>503,235</b>	<b>22,003,255</b>
<b>EXPENSES:</b>				
Program services:				
Center for Molecular Imaging and Therapy	-	9,378,093	-	1,845,091
Collaboration Link	-	-	485,389	470,013
Entrepreneurial Accelerator Program	-	-	-	1,449,803
Digital Media Institute	-	-	-	953,438
Real Estate Management and Development	-	-	-	7,680,459
Shreveport Next	-	-	-	366,855
Other sponsored projects	-	-	-	6,070
<b>Total program services</b>	<b>-</b>	<b>9,378,093</b>	<b>485,389</b>	<b>12,771,729</b>
Support services:				
Management and general	-	-	-	3,952,415
Fund-raising	-	-	-	386,820
<b>Total support services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,339,235</b>
<b>Total expenses</b>	<b>-</b>	<b>9,378,093</b>	<b>485,389</b>	<b>17,110,964</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>				
Gain (loss) on disposal of fixed assets	-	-	-	18,038
Gain on asset retirement obligation	-	-	-	-
<b>Total nonoperating revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,038</b>
<b>CHANGE IN NET ASSETS</b>	<b>274,079</b>	<b>(2,872,187)</b>	<b>17,846</b>	<b>4,910,329</b>
Capital distribution to Parent	-	155,548	-	-
Capital contribution from Subsidiary	-	-	-	(155,548)
Net assets - beginning of year	600,697	3,228,226	-	68,956,618
<b>Net assets - end of year</b>	<b>\$ 874,776</b>	<b>\$ 511,587</b>	<b>\$ 17,846</b>	<b>\$ 73,711,399</b>

(continued)

Elimination Entries		BRF, LLC
DR	CR	Consolidated
\$ -	\$ -	\$ 5,491,011
-	-	31,038
-	-	11,989,661
-	-	3,450,001
-	-	1,119,083
-	-	1,237,963
-	-	1,754,187
-	-	914,213
-	-	152,981
390,800	-	-
2,314,368	-	441,169
		<u>26,581,307</u>
-	2,245,606	8,977,578
-	459,562	495,840
-	-	1,449,803
-	-	953,438
-	-	7,680,459
-	-	366,855
-	-	6,070
		<u>19,930,043</u>
-	-	3,952,415
-	-	386,820
		<u>4,339,235</u>
		<u>24,269,278</u>
-	-	18,038
-	-	-
		<u>18,038</u>
		2,330,067
-	-	155,548
-	-	(155,548)
586,547	-	72,198,994
		<u>\$ 74,529,061</u>

(concluded)

**BRF, LLC**  
**SHREVEPORT, LOUISIANA**

**FINANCIAL RESPONSIBILITY SUPPLEMENTAL SCHEDULE**  
**SEPTEMBER 30, 2025**

**Primary Reserve Ratio**

Lines		<b>Expendable Net Assets:</b>	
p. 4, line 18	Consolidated Statement of Financial Position - Net assets without donor restrictions	Net assets without donor restrictions	\$ 68,303,746
p. 4, line 19	Consolidated Statement of Financial Position - Net assets with donor restrictions	Net assets with donor restrictions	\$ 6,225,315
p. 4, line 10, p. 30, Note 11	Consolidated Statement of Financial Position - Related party receivable	Secured and Unsecured related party receivable	\$ 115,618
p. 4, line 10, p. 30, Note 11	Consolidated Statement of Financial Position - Related party receivable	Unsecured related party receivable	\$ 115,618
p. 4, line 9	Consolidated Statement of Financial Position - Property, Plant, & Equipment, net	Property, Plant, & Equipment, net - including construction-in-progress	\$ 62,724,908
p. 45, Note for Page 4, Line 9	Note of the Financial Statements - Consolidated Statement of Financial Position - Property, Plant, and Equipment, net - pre-implementation	Property, Plant, & Equipment, net - pre-implementation less any construction-in-progress	\$ 34,092,345
p. 45, Note for Page 4, Line 9	Note of the Financial Statements - Consolidated Statement of Financial Position - Property, Plant, and Equipment, net - post-implementation with outstanding debt for original purchase	Property, Plant, & Equipment, net - post-implementation less any construction-in-progress with outstanding debt for original purchase with debt	\$ 3,819,669
p. 45, Note for Page 4, Line 9	Note of the Financial Statements - Consolidated Statement of Financial Position - Property, Plant, and Equipment, net - post-implementation without outstanding debt for original purchase	Property, Plant, & Equipment, net - post-implementation less any construction-in-progress without outstanding debt for original purchase	\$ 24,192,277
p. 45, Note for Page 4, Line 9	Note of the Financial Statements - Consolidated Statement of Financial Position - Construction in process	Construction in process	\$ 620,617
p. 4, line 13, p. 27, Note 8, p. 45, Note for Page 4, Line 13	Consolidated Statement of Financial Position - Notes payable (both current and long-term)	Long-term debt for long-term purposes	\$ 21,312,558
p. 4, line 13, p. 27, Note 8, p. 45, Note for Page 4, Line 13	Consolidated Statement of Financial Position - Notes payable (both current and long-term)	Long-term debt for long-term purposes pre-implementation	\$ -
p. 4, line 13, p. 27, Note 8, p. 45, Note for Page 4, Line 13	Consolidated Statement of Financial Position - Notes payable (both current and long-term)	Long-term debt for long-term purposes post-implementation	\$ 4,701,188
p. 4, line 13, p. 27, Note 8, p. 45, Note for Page 4, Line 13	Consolidated Statement of Financial Position - Notes payable (both current and long-term)	Long-term debt for construction in process	\$ -

(continued)

**BRF, LLC**  
**SHREVEPORT, LOUISIANA**

**FINANCIAL RESPONSIBILITY SUPPLEMENTAL SCHEDULE**  
**SEPTEMBER 30, 2025**

p. 28, Note 10	Note of the Financial Statements - Consolidated Statement of Financial Position - Net assets with donor restrictions: endowments	Net assets with donor restrictions: endowments	\$ 5,578,417
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**Total Expenses:**

p. 5, line 46	Consolidated Statement of Activities and Changes in Net Assets - Total expenses	Total expenses without donor restrictions - taken directly from Statement of Activities	\$ 24,269,278
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**Equity Ratio**

Lines		Modified Net Assets:	
p. 4, line 18	Consolidated Statement of Financial Position - Net assets without donor restrictions	Net assets without donor restrictions	\$ 68,303,746
p. 4, line 19	Consolidated Statement of Financial Position - Net assets with donor restrictions	Net assets with donor restrictions	\$ 6,225,315
p. 4, line 10, p. 30, Note 11	Consolidated Statement of Financial Position - Related party receivable	Secured and Unsecured related party receivable	\$ 115,618
p. 4, line 10, p. 30, Note 11	Consolidated Statement of Financial Position - Related party receivable	Unsecured related party receivable	\$ 115,618
p. 4, line 11	Consolidated Statement of Financial Position - Total Assets	Total Assets	\$ 126,351,302
p. 4, line 10, p. 30, Note 11	Consolidated Statement of Financial Position - Related party receivable	Secured and Unsecured related party receivable	\$ 115,618
p. 4, line 10, p. 30, Note 11	Consolidated Statement of Financial Position - Related party receivable	Unsecured related party receivable	\$ 115,618

**Modified Assets:**

**Net Income Ratio**

Lines			
p. 5, line 49	Consolidated Statement of Activities and Changes in Net Assets without donor restrictions	<b>Change in Net Assets Without Donor Restrictions</b>	\$ 2,145,516
p. 5, line 34	Consolidated Statement of Activities and Changes in Net Assets - Total revenues without restrictions	<b>Total Revenues Without Donor Restrictions</b>	\$ 26,396,756

(concluded)

**BRF, LLC**  
**SHREVEPORT, LOUISIANA**

**NOTES TO FINANCIAL RESPONSIBILITY SUPPLEMENTAL SCHEDULE**  
**SEPTEMBER 30, 2025**

**Note for Page 4, Line 9 - Net Property, Plant, and Equipment**

A	Pre-Implementation Property, Plant, and Equipment	\$ 34,092,345
B	Post-Implementation Property, Plant, and Equipment	3,819,669
C	Construction-in-progress	620,617
D	Post-Implementation Property, Plant, and Equipment	24,192,277
	<b><u>Total</u></b>	<b><u>\$ 62,724,908</u></b>

- 
- A This is the ending balance on the last financial statement submission prior to the implementation of the regulations - less any depreciation or disposals.
- B This is the balance of assets purchased after the implementation of the regulations that was purchased by obtaining debt.
- C Asset value of the construction-in-progress.
- D Post-implementation Property, Plant, and Equipment with no outstanding debt.

**Note for Page 4, Line 13 - Long-term debt for long-term purposes**

A	Pre-Implementation Long-Term Debt	\$ -
B	Allowable Post-Implementation Long-Term Debt	4,701,188
C	Construction-in-progress debt	-
D	Long-term debt not for the purchase of Property, Plant, and Equipment or liability greater than assets value	16,611,370
	<b><u>Total</u></b>	<b><u>\$ 21,312,558</u></b>

- 
- A This is the ending balance on the last financial statement submission prior to the implementation of the regulations - less in repayments.
- B This is the lessor of actual outstanding debt of each asset or the value of the asset.
- C All debt associated with construction-in-progress up to the asset value for construction-in-progress is included.
- D Long-term debt not for the purchase of Property, Plant, and Equipment.

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

To the Board of Directors  
Biomedical Research Foundation of Northwest Louisiana  
Managing Member of BRF, LLC

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the consolidated financial statements of BRF, LLC and its subsidiaries (BRF), which comprise the consolidated statement of financial position as of September 30, 2025, and the related consolidated statements of activities and changes in net assets, functional expenses by nature and class, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 16, 2026.

### **Report on Internal Control Over Financial Reporting**

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

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

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether BRF'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 financial statements. 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.

*EisnerAmper LLP*

EISNERAMPER LLP  
Baton Rouge, Louisiana  
March 16, 2026

EISNERAMPER  
LLP



**SCHEDULE OF FINDINGS**  
**YEAR ENDED SEPTEMBER 30, 2025**

**A. Summary of Auditors' Results**

*Consolidated Financial Statements*

Type of auditor's report issued: *Unmodified*

Internal Control over Financial Reporting:

- Material weakness(es) identified?                     yes         no
- Significant deficiency(ies) identified that are  
not considered to be material weaknesses?                     yes         none reported

**B. Findings - Financial Statement Audit**

None.

**BRF, LLC**  
**SHREVEPORT, LOUISIANA**

**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS**  
**YEAR ENDED SEPTEMBER 30, 2025**

**B. Findings - Financial Statement Audit**

None.

**EISNERAMPER**

**BRF, LLC**

**REPORT ON STATEWIDE  
AGREED-UPON PROCEDURES on COMPLIANCE  
and CONTROL AREAS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2025**



## **TABLE OF CONTENTS**

	<u>Page</u>
Independent Accountants' Report on Applying Agreed-Upon Procedures	1
Schedule A: Agreed-Upon Procedures Performed and Associated Findings	2 - 15
Schedule B: Management's Response and Corrective Action Plan	16

## **INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES**

To the Board of Directors of Biomedical Research Foundation of Northwest Louisiana,  
Managing Member of BRF, LLC, and the Louisiana Legislative Auditor

We have performed the procedures enumerated in Schedule A on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) of BRF, LLC (BRF or the Entity) for the fiscal period October 1, 2024 through September 30, 2025. BRF, LLC's management is responsible for those C/C areas identified in the SAUPs.

BRF, LLC has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of performing specified procedures on the C/C areas identified in the LLA's SAUPs for the fiscal period October 1, 2024 through September 30, 2025. Additionally, the 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.

The procedures we performed, and the associated findings are summarized in the attached Schedule A, which is an integral part of this report.

We were engaged by BRF, LLC to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the AICPA and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. 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 C/C areas identified in the SAUPs of BRF, LLC for the fiscal period October 1, 2024 through September 30, 2025. 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 BRF, LLC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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



EISNERAMPER LLP  
Baton Rouge, Louisiana  
March 16, 2026

**BRF, LLC  
AGREED-UPON PROCEDURES AND ASSOCIATED FINDINGS  
SEPTEMBER 30, 2025**

Schedule A

The procedures performed and the results thereof are set forth below. The procedure is stated first, followed by the results of the procedure presented in italics. If the item being subjected to the procedures is positively identified or present, then the results will read *“no exception noted”* or for step 13 *“we performed the procedure and discussed the results with management”*. If not, then a description of the exception ensues.

**1) *Written Policies and Procedures***

---

A. Obtain and inspect the entity’s written policies and procedures and observe whether they address each of the following categories and subcategories (if applicable to public funds and the entity’s operations):

i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

*No exception noted.*

ii. ***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.

*No exception noted. The Entity is not subject to Public Bid Law. Thus, attributes (4) and (5) are not applicable.*

iii. ***Disbursements***, including processing, reviewing, and approving.

*No exception noted.*

iv. ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management’s actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

*No exception noted.*

v. ***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 rates of pay or approval and maintenance of pay rate schedules.

*No exception noted.*

**BRF, LLC  
AGREED-UPON PROCEDURES AND ASSOCIATED FINDINGS  
SEPTEMBER 30, 2025**

Schedule A

- vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

*No exception noted.*

- vii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

*The Entity has a written policy for Travel and Expense Reimbursement; however, the policy does not specifically address attribute (2) dollar thresholds by category of expense. The remaining attributes are properly addressed.*

- viii. **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).

*No exception noted.*

- ix. **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.

*The Entity is a non-profit. Thus, this procedure is not applicable.*

- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

*The Entity is a non-profit. Thus, this procedure is not applicable.*

- xi. **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.

*Any omitted attributes have been discussed with management.*

- xii. **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.

*The Entity is a non-profit. Thus, this procedure is not applicable.*

**2. Board or Finance Committee**

---

A. 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:

- i. Observe whether 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.

*Procedures were not performed in the current year (Year 2) in accordance with LLA guidelines.*

- ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual comparisons, at a minimum, on all proprietary funds, and semi-annual budget-to-actual comparisons, at a minimum, on all special revenue funds. *Alternatively, 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.*

*Procedures were not performed in the current year (Year 2) in accordance with LLA guidelines.*

- iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned 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 unassigned fund balance in the general fund.

*The Entity is a non-profit. Thus, this procedure is not applicable.*

- iv. 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.

*Procedures were not performed in the current year (Year 2) in accordance with LLA guidelines.*

**3. Bank Reconciliations**

---

A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

*Procedures were not performed in the current year (Year 2) in accordance with LLA guidelines.*

- i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

*Procedures were not performed in the current year (Year 2) in accordance with LLA guidelines.*

**BRF, LLC**  
**AGREED-UPON PROCEDURES AND ASSOCIATED FINDINGS**  
**SEPTEMBER 30, 2025**

Schedule A

- ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated, electronically logged); and

*Procedures were not performed in the current year (Year 2) in accordance with LLA guidelines.*

- iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

*Procedures were not performed in the current year (Year 2) in accordance with LLA guidelines.*

**4. Collections (excluding electronic funds transfers)**

---

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

*Procedures were not performed in the current year (Year 2) in accordance with LLA guidelines.*

- B. 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 (e.g. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

*Procedures were not performed in the current year (Year 2) in accordance with LLA guidelines.*

- i. Employees responsible for cash collections do not share cash drawers/registers;

*Procedures were not performed in the current year (Year 2) in accordance with LLA guidelines.*

- ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit;

*Procedures were not performed in the current year (Year 2) in accordance with LLA guidelines.*

- iii. Each employee responsible for collecting cash is not also 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

*Procedures were not performed in the current year (Year 2) in accordance with LLA guidelines.*

**BRF, LLC**  
**AGREED-UPON PROCEDURES AND ASSOCIATED FINDINGS**  
**SEPTEMBER 30, 2025**

Schedule A

- iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or custodial fund additions, is (are) not also responsible for collecting cash, unless another employee verifies the reconciliation.

*Procedures were not performed in the current year (Year 2) in accordance with LLA guidelines.*

- C. 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.

*Procedures were not performed in the current year (Year 2) in accordance with LLA guidelines.*

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

*Procedures were not performed in the current year (Year 2) in accordance with LLA guidelines.*

- i. Observe that receipts are sequentially pre-numbered.

*Procedures were not performed in the current year (Year 2) in accordance with LLA guidelines.*

- ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

*Procedures were not performed in the current year (Year 2) in accordance with LLA guidelines.*

- iii. Trace the deposit slip total to the actual deposit per the bank statement.

*Procedures were not performed in the current year (Year 2) in accordance with LLA guidelines.*

- iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

*Procedures were not performed in the current year (Year 2) in accordance with LLA guidelines.*

- v. Trace the actual deposit per the bank statement to the general ledger.

*Procedures were not performed in the current year (Year 2) in accordance with LLA guidelines.*

**BRF, LLC  
AGREED-UPON PROCEDURES AND ASSOCIATED FINDINGS  
SEPTEMBER 30, 2025**

Schedule A

**5. *Non-payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases)***

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

*The listing of locations that process payments for the fiscal period was provided, with one location noted. No exceptions were noted as a result of performing this procedure.*

*From the listing provided, we selected the single location and performed the procedures below.*

- B. For each location selected under #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that:

*The listing of employees involved with non-payroll purchasing and payment functions at the single payment processing location noted in procedure #5A was provided. No exceptions were noted as a result of performing this procedure.*

*Review of the Entity's written policies and procedures or inquiry with employee(s) regarding job duties was performed in order to perform the procedures below.*

- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;

*No exception noted.*

- ii. At least two employees are involved in processing and approving payments to vendors;

*No exception noted.*

- iii. 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;

*No exception noted.*

- iv. 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

*The employee responsible for processing payments is responsible for mailing signed checks. This is considered an exception.*

- v. 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.

*The Controller who is not authorized to sign checks can approve the electronic disbursement (release) of funds. This is considered an exception.*

**BRF, LLC**  
**AGREED-UPON PROCEDURES AND ASSOCIATED FINDINGS**  
**SEPTEMBER 30, 2025**

Schedule A

- C. For each location selected under #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and

*A listing of non-payroll disbursements for the single payment processing location noted in procedure #5A was provided related to the reporting period. No exceptions were noted as a result of performing this procedure.*

*From each of the listings provided, we randomly selected 5 disbursements and performed the procedures below.*

- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice, and that supporting documentation indicates that deliverables included on the invoice were received by the entity, and

*No exceptions noted.*

- ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

*The employee responsible for processing payments is responsible for mailing signed checks. This is considered an exception.*

- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

*No exception noted.*

**6. Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)**

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

*Procedures were not performed in the current year (Year 2) in accordance with LLA guidelines.*

**BRF, LLC  
AGREED-UPON PROCEDURES AND ASSOCIATED FINDINGS  
SEPTEMBER 30, 2025**

Schedule A

- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and

*Procedures were not performed in the current year (Year 2) in accordance with LLA guidelines.*

- i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported; and

*Procedures were not performed in the current year (Year 2) in accordance with LLA guidelines.*

- ii. Observe that finance charges and late fees were not assessed on the selected statements.

*Procedures were not performed in the current year (Year 2) in accordance with LLA guidelines.*

- C. Using the monthly statements or combined statements selected under procedure #6B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

*Procedures were not performed in the current year (Year 2) in accordance with LLA guidelines.*

**7. Travel and Travel-Related Expense Reimbursements (excluding card transactions)**

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements, and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

*Procedures were not performed in the current year (Year 2) in accordance with LLA guidelines.*

- i. 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](http://www.gsa.gov));

*Procedures were not performed in the current year (Year 2) in accordance with LLA guidelines.*

**BRF, LLC  
AGREED-UPON PROCEDURES AND ASSOCIATED FINDINGS  
SEPTEMBER 30, 2025**

Schedule A

- ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;

*Procedures were not performed in the current year (Year 2) in accordance with LLA guidelines.*

- iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by “Written Policies and Procedures”, procedure #1A(vii); and

*Procedures were not performed in the current year (Year 2) in accordance with LLA guidelines.*

- iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

*Procedures were not performed in the current year (Year 2) in accordance with LLA guidelines.*

**8. Contracts**

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- A. 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. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management’s representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner’s contract, and

*Procedures were not performed in the current year (Year 2) in accordance with LLA guidelines.*

- i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;

*The Entity is not subject to Louisiana Public Bid Law. Thus, this procedure is not applicable.*

- ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter);

*The Entity’s contracts are not required to be approved by the governing body/board by policy or law. Thus, this procedure is not applicable.*

- iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and

*Procedures were not performed in the current year (Year 2) in accordance with LLA guidelines.*

**BRF, LLC  
AGREED-UPON PROCEDURES AND ASSOCIATED FINDINGS  
SEPTEMBER 30, 2025**

Schedule A

- iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

*Procedures were not performed in the current year (Year 2) in accordance with LLA guidelines.*

**9. Payroll and Personnel**

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- A. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

*Procedures were not performed in the current year (Year 2) in accordance with LLA guidelines.*

- B. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and

*Procedures were not performed in the current year (Year 2) in accordance with LLA guidelines.*

- i. Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);

*Procedures were not performed in the current year (Year 2) in accordance with LLA guidelines.*

- ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;

*Procedures were not performed in the current year (Year 2) in accordance with LLA guidelines.*

- iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and

*Procedures were not performed in the current year (Year 2) in accordance with LLA guidelines.*

- iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

*Procedures were not performed in the current year (Year 2) in accordance with LLA guidelines.*

**BRF, LLC  
AGREED-UPON PROCEDURES AND ASSOCIATED FINDINGS  
SEPTEMBER 30, 2025**

Schedule A

- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.

*Procedures were not performed in the current year (Year 2) in accordance with LLA guidelines.*

- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

*Procedures were not performed in the current year (Year 2) in accordance with LLA guidelines.*

**10. Ethics**

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- A. Using the 5 randomly selected employees/officials from procedure "Payroll and Personnel" procedure #9A, above obtain ethics documentation from management, and
- i. 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

*The Entity is a non-profit. Thus, this procedure is not applicable.*

- ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

*The Entity is a non-profit. Thus, this procedure is not applicable.*

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

*The Entity is a non-profit. Thus, this procedure is not applicable.*

**11. Debt Service**

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- A. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued as required by Article VII, Section 8 of the Louisiana Constitution.

*The Entity is a non-profit. Thus, this procedure is not applicable.*

**BRF, LLC  
AGREED-UPON PROCEDURES AND ASSOCIATED FINDINGS  
SEPTEMBER 30, 2025**

Schedule A

- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

*The Entity is a non-profit. Thus, this procedure is not applicable.*

**12. Fraud Notice**

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- A. 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.

*Procedures were not performed in the current year (Year 2) in accordance with LLA guidelines.*

- B. 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.

*Procedures were not performed in the current year (Year 2) in accordance with LLA guidelines.*

**13. Information Technology Disaster Recovery/Business Continuity**

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Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**

- A. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

*Procedures were not performed in the current year (Year 2) in accordance with LLA guidelines.*

- B. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

*Procedures were not performed in the current year (Year 2) in accordance with LLA guidelines.*

- 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 5 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.

*Procedures were not performed in the current year (Year 2) in accordance with LLA guidelines.*

**BRF, LLC  
AGREED-UPON PROCEDURES AND ASSOCIATED FINDINGS  
SEPTEMBER 30, 2025**

Schedule A

- D. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in Payroll and Personnel procedure #9C. Observe evidenced that the selected terminated employees have been removed or disabled from the network.

*Procedures were not performed in the current year (Year 2) in accordance with LLA guidelines.*

- E. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:12671. The requirements are as follows:

- a. Hired before June 9, 2020 - completed the training; and
- b. Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

*Procedures were not performed in the current year (Year 2) in accordance with LLA guidelines.*

***F. Prevention of Sexual Harassment***

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- A. Using the 5 randomly selected employees/officials from "Payroll and Personnel" procedure #9A, 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.

*The Entity is a non-profit. Thus, this procedure is not applicable.*

- B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

*The Entity is a non-profit. Thus, this procedure is not applicable.*

- C. 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 the report includes the applicable requirements of R.S. 42:344:

- i. Number and percentage of public servants in the agency who have completed the training requirements;

*The Entity is a non-profit. Thus, this procedure is not applicable.*

- ii. Number of sexual harassment complaints received by the agency;

*The Entity is a non-profit. Thus, this procedure is not applicable.*

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<sup>1</sup> While it appears to be a good practice for charter schools to ensure its employees are trained to keep their information technology assets safe from cyberattack, charter schools do not appear required to comply with 42:1267. An individual charter school, though, through specific provisions of its charter, may mandate that all employees/officials receive cybersecurity training.

**BRF, LLC  
AGREED-UPON PROCEDURES AND ASSOCIATED FINDINGS  
SEPTEMBER 30, 2025**

Schedule A

- iii. Number of complaints which resulted in a finding that sexual harassment occurred;

*The Entity is a non-profit. Thus, this procedure is not applicable.*

- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

*The Entity is a non-profit. Thus, this procedure is not applicable.*

- v. Amount of time it took to resolve each complaint.

*The Entity is a non-profit. Thus, this procedure is not applicable.*

**BRF, LLC  
AGREED-UPON PROCEDURES  
MANAGEMENT'S RESPONSE AND CORRECTIVE ACTION PLAN  
SEPTEMBER 30, 2025**

Schedule B

The management of BRF, LLC provided a response and corrective action plan for the exceptions noted in Schedule A and are set forth below.

***Written Policies and Procedures***

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1.A.vii BRF's travel policy does have a dollar threshold for meals and incidentals. The policy is the federal governments' maximum per diem and incidental expense rates based on the city in which the expenses were incurred. The policy states employees should generally choose travel schedules which maximize work time and minimize the total cost to BRF (including the cost associated with the employee's time). BRF believes this policy to be adequate.

***Non-Payroll Disbursements***

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5.B.iv The individual responsible for processing payments is responsible for mailing signed checks. BRF has the following mitigating factors to reduce the risk: The CFO or controller reviews all disbursements. The CFO opens the bank statement and reviews it. The bank reconciliation is reviewed by the Controller each month.

5.B.v. The Controller can approve electronic disbursements (release) of funds during the fiscal year in accordance with internal policies. The authority has been delegated to her by the organization and its policies and procedures.

5.C.ii The individual responsible for processing payments is responsible for mailing signed checks. BRF has the following mitigating factors to reduce the risk: The CFO or controller reviews all disbursements. The CFO opens the bank statement and reviews it. The bank reconciliation is reviewed by the Controller each month.