

Bread of Life Community Development Corporation of Louisiana

Oakdale, Louisiana

Financial Statements

December 31, 2025

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A Professional Accounting Corporation

John E. Theriot II, CPA, CGMA
Stephanie R. Lemoine, CPA

Independent Accountants' Review Report

Board of Directors
Bread of Life Community Development Corporation of Louisiana
Oakdale, Louisiana

We have reviewed the accompanying financial statements of Bread of Life Community Development Corporation of Louisiana (a nonprofit organization), which comprise the statement of financial position as of December 31, 2025, and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Bread of Life Community Development Corporation of Louisiana and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

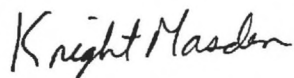
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Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Supplementary Information

The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information is the representation of management. We have reviewed the information, and based on our review, we are not aware of any material modification that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. We have not audited the supplementary information and, accordingly, do not express an opinion on such information.



KnightMadden
Alexandria, Louisiana
May 14, 2026



Bread of Life Community Development Corporation of Louisiana
Statement of Financial Position
December 31, 2025

Assets	
Current Assets	
Cash and cash equivalents	\$ 344,816
Notes receivable - current portion	20,859
Inventory	<u>280,912</u>
Total Current Assets	646,587
Plant, Property and Equipment, net	<u>344,941</u>
Other Assets	
Right of use asset	161,760
Restricted cash	149,266
Notes receivable - net of current portion	<u>154,035</u>
Total Other Assets	<u>465,061</u>
Total Assets	<u><u>\$ 1,456,589</u></u>
Liabilities and Net Assets	
Current Liabilities	
Payroll liabilities	\$ 2,482
Lease payable - current portion	<u>6,478</u>
Total Current Liabilities	8,960
Lease payable, net of current portion	<u>155,282</u>
Total Liabilities	164,241
Net Assets	
without Donor Restriction	931,919
with Donor Restriction	<u>360,429</u>
Total Net Assets	<u>1,292,348</u>
Total Liabilities and Net Assets	<u><u>\$ 1,456,589</u></u>

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

Bread of Life Community Development Corporation of Louisiana
Statement of Activities
For the Year Ended December 31, 2025

	without Donor <u>Restrictions</u>	with Donor <u>Restrictions</u>	<u>Total</u>
Revenues			
Contributions, gifts and grants	\$ 348,795	\$ -	\$ 348,795
Investment income	91	-	91
Program service income	8,753	146,557	155,310
Other income	285	-	285
Total Revenues	<u>357,924</u>	<u>146,557</u>	<u>504,481</u>
Net Assets released from restrictions	145,055	(145,055)	-
Functional Expenses			
Subdivision lots	302,463	-	302,463
Management and general	141,455	-	141,455
Total Functional Expenses	<u>443,918</u>	<u>-</u>	<u>443,918</u>
Change in Net Assets	59,061	1,502	60,563
Net Assets - Beginning	<u>872,858</u>	<u>358,927</u>	<u>1,231,785</u>
Net Assets - Ending	<u>\$ 931,919</u>	<u>\$ 360,429</u>	<u>\$ 1,292,348</u>

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

Bread of Life Community Development Corporation of Louisiana
Statement of Cash Flows
For the Year Ended December 31, 2025

Cash Flows from Operating Activities	
Change in Net Assets	\$ 60,563
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities	
Depreciation	14,572
Forgiveness of mortgage receivable	19,238
(Increase) decrease in inventory	(244,314)
Increase (decrease) in payroll liabilities	<u>(385)</u>
Net Cash Provided/(Used) by Operating activities	<u>(150,326)</u>
Cash flows from Investing Activities	
Payments for notes receivable	(16,206)
Purchase of plant, property and equipment	<u>(14,448)</u>
Net Cash Provided/(Used) by Investing Activities	(30,654)
Net Increase (Decrease) in Cash and Cash Equivalents	(180,980)
Cash and Cash Equivalents - Beginning	<u>675,060</u>
Cash and Cash Equivalents - Ending	<u>\$ 494,080</u>
Consisting of:	
Cash and cash equivalents	\$ 344,816
Restricted cash	<u>149,266</u>
Total	<u>\$ 494,082</u>

Bread of Life Community Development Corporation of Louisiana
Statement of Functional Expenses
For the Year Ended December 31, 2025

	<u>Real Estate Activities</u>	<u>Management and General</u>	<u>Total Expenses</u>
Office supplies	\$ -	\$ 9,834	\$ 9,834
Payroll expenses	35,000	70,637	105,637
Telephone	-	1,537	1,537
Insurance	1,145	12,125	13,270
Repairs and maintenance	-	5,068	5,068
Legal and professional	-	11,658	11,658
Depreciation	14,241	331	14,572
Contract labor	2,500	5,325	7,825
Rent	-	13,035	13,035
Miscellaneous	-	11,905	11,905
Direct program cost	<u>249,577</u>	<u>-</u>	<u>249,577</u>
	<u>\$ 302,463</u>	<u>\$ 141,455</u>	<u>\$ 443,918</u>

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

Bread of Life Community Development Corporation of Louisiana
Notes to the Financial Statements
For the Year Ended December 31, 2025

Note 1 – Nature of Activities and Significant Accounting Policies

Nature of Activities

Bread of Life Community Development Corporation of Louisiana (the Corporation) is a not-for-profit organization formed under the laws of the State of Louisiana. The purpose of the Corporation is to provide assistance and educational material with respect to the development, operation and maintenance of affordable, safe, sanitary, and decent housing, educational and vocational training, health care and transportation services in the State of Louisiana.

The Corporation's funding sources consist of contributions and grants from foundations and federal, state and local governments. The corporation develops and rehabilitates single family housing to sell to low-income individuals and families.

Use of Estimates

The preparation of 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 and disclosures of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting period. Actual results could differ from those estimates.

Basis of Presentation

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

Net Assets without Donor Restrictions - Net assets not subject to donor-imposed stipulations.

Net Assets with Donor Restrictions - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Corporation and/or the passage of time or be permanently maintained by the Corporation. When a restriction expires, net assets with donor restrictions are reclassified to net asset without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Cash and Cash Equivalents

The Corporation considers all demand deposits and highly liquid investments with an initial maturity of three months or less to be cash equivalents. Cash and cash equivalents include monies designated for specific programs or held for others.

Bread of Life Community Development Corporation of Louisiana
Notes to the Financial Statements
For the Year Ended December 31, 2025

Note 1 – Nature of Activities and Significant Accounting Policies (Continued)

Contributions and Grants

Contributions and grants are recorded as received. Unconditional promises to give are recorded as they are made. Conditional promises to give are recognized as revenue when the necessary conditions are fulfilled.

Inventory

Inventory consists of single-family homes and lots for single-family homes to be constructed on. Interest on construction line of credit is capitalized into the value of the inventory. Inventory is stated at cost using the specific identification method.

Property, Equipment, and Depreciation

Property and equipment are stated at cost if purchased, or fair value at the date of donation, if contributed to the Corporation, less accumulated depreciation. Depreciation is computed on depreciable assets on a straight-line basis over the estimated useful lives of the assets. The cost of maintenance and repairs is expensed as incurred; however, significant renewals and improvements are capitalized.

Income Taxes

The Corporation is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. Furthermore, the Corporation is not classified as a “private foundation” by the Internal Revenue Service. Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the organization and recognize a tax liability (or asset) if the organization has undertaken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by the organization, and has concluded that as of December 31, 2025, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or assets) or disclosure in the financial statements.

Leases

In February 2016, FASB issued ASU 2016-02, Leases (Topic 842), which among other things, requires the recognition of right-of-use lease assets and lease liabilities on the balance sheet of lessees for operating leases, along with the disclosure of key information about leasing arrangements. A lessee is required to record lease assets and lease liabilities for all leases with a term of greater than 12 months. Leases with a term of 12 months or less will be accounted for in a manner similar to existing guidance for operating leases today.

Bread of Life Community Development Corporation of Louisiana
Notes to the Financial Statements
For the Year Ended December 31, 2025

Note 2 – Inventory

The Corporation owns several undeveloped lots and homes in various stages of development. The sites will be developed into housing for low-income individuals and families. The sites are recorded at a cost of \$280,912.

Note 3 – Fair Value Measurement

FASB ACS 820-10, Fair Value Measurement, defines fair value, establishes a framework for measuring fair value, establishes a three-level valuation hierarchy for disclosure of fair value measurement and enhances disclosure requirements for fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of the fair value of an asset or liability as of the measurement date. The three levels are defined as follows:

Level 1 – Represented by quoted prices that are available in an active market. Level 1 securities include cash, checking and savings accounts, certificate of deposit, highly liquid government bonds, treasury securities, mortgage products and exchange traded equities.

Level 2 – Represented by assets and liabilities similar to Level 1 where quoted prices are not available, but observable, either directly or indirectly through corroboration with observable market data and estimated using pricing models or discounted cash flows. Level 2 securities would include U.S. agency securities, mortgage-backed agency securities, obligations of states and political subdivisions, and certain corporate, asset backed securities, and swap agreements.

Level 3 – Represented by financial instruments where there is limited activity or unobservable market prices and pricing models significant to determining the fair value measurement include the reporting entity's own assumptions about market risk. Level 3 securities would include hedge funds, private equity securities, and private investments in public entities.

Fair value of assets measured on a recurring basis at December 31, 2025 are as follows:

<u>Fair Value Measurement at December 31, 2025</u>				
<u>Description</u>	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Cash	\$344,816	\$344,816	-	-
Restricted Cash	\$149,266	\$149,266	-	-

Note 4 – Restricted Cash

The Corporation maintains a separate bank account to hold the proceeds from the sales of houses sold through the HOME Program. These funds are restricted for the purpose of providing housing for low-income families. The balance in this account at December 31, 2025 is \$149,266.

Bread of Life Community Development Corporation of Louisiana
Notes to the Financial Statements
For the Year Ended December 31, 2025

Note 5 – Notes Receivable

The Corporation received multiple grants from the Louisiana Housing Finance Agency (Soft Seconds) to aid qualified buyers in the purchase of the low income housing constructed by the Corporation. The aid is in the form of a mortgage that is forgiven over a period of ten to fifteen years depending on the amount of aid awarded to the individual, as long as the homeowner abides by the covenants in the agreement signed with the Corporation. In 2025, \$19,238 of the receivable balance was forgiven.

At December 31, 2025, notes receivable balances were:

	<u>Current</u>	<u>Long-term</u>	<u>Total</u>
Soft Seconds	\$20,859	\$154,035	\$174,893

Note 6 – Property and Equipment

At December 31, 2025, property and equipment consisted of the following:

	<u>Life</u>	<u>Carrying Value</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Rental Property	27.5 years	\$391,615	\$60,791	\$330,824
Leasehold Improve	15 years	14,448	331	14,117
Equipment	5 years	<u>6,014</u>	<u>6,014</u>	<u>-</u>
	Total	<u>\$412,077</u>	<u>\$67,136</u>	<u>\$344,941</u>

Depreciation expense for the current year was \$14,572.

Note 7 – Lease Expense

On April 9, 2015 the Corporation entered into a 30-year building lease. The agreement calls for monthly lease payments of \$1,000. At December 31, 2025, the right-to-use asset has a balance of \$161,760, as shown in noncurrent assets on the statement of financial position; the lease liability included in current liabilities is \$6,478 and long-term liabilities is \$155,282. Any renewal options were not considered when assessing the value of the right-to-use asset because the Corporation is not reasonably certain that it will exercise its option to renew the lease. The total lease payments made during the year ended December 31, 2025 was \$12,000 and reported on the Statement of Functional Expenses.

Bread of Life Community Development Corporation of Louisiana
Notes to the Financial Statements
For the Year Ended December 31, 2025

Note 7 – Lease Expense (continued)

Future minimum lease payments consist of:

2026	\$12,000
2027	\$12,000
2028	\$12,000
2029	\$12,000
2030	\$12,000

Note 8 – Lease Revenue

The Corporation has three rental units it began renting at the end of 2021. The units must be rented out to low income tenants to comply with the grant used to rehabilitate the units. Monthly rental payments are determined by the income of the tenants. Tenants are required to sign a 12 month lease. As of December 31, 2025 all three units were rented with leases expiring the end of August and October 2026.

Future minimum lease receipts consist of:

2026	\$24,960
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Note 9 – Notes Payable

On January 8, 2025, the Corporation entered into an agreement with Louisiana Housing Corporation to rehabilitate a single-family dwelling. Louisiana Housing Corporation reimbursed the Corporation for all expenses related to the project. The reimbursements are in the form of a forgivable loan. The loan will be forgiven as dwellings are sold to a qualifying family. During 2025, the Corporation finished the project and sold the dwelling. The entire amount of \$200,000 drawn in 2025 was forgiven in 2025.

Note 10 – Income Taxes

As of December 31, 2025, tax years 2022 and subsequent were still within the prescription period for examination by taxing authorities. As of the date of the report, the 2025 tax return has not been filed.

Note 11 – Restricted Net Assets

As of December 31, 2025, net assets with donor restrictions consisted of the following:

Soft Second Mortgages	\$182,457
Low Income Housing	<u>177,971</u>
Total	<u>\$360,429</u>

Bread of Life Community Development Corporation of Louisiana
Notes to the Financial Statements
For the Year Ended December 31, 2025

Note 13 – Contributed Services

The Board of Directors is a voluntary board. These volunteers have made significant contributions of their time to the Corporation. The value of the contributed time is not reflected in these statements since it is not susceptible to an objective measurement or valuation.

Note 14 – Liquidity and Availability of Financial Assets

Financial assets, consisting of cash, that are available for general expenditure, that is, without donor or other restrictions limiting their use, amounted to \$344,816 at December 31, 2025. The Corporation has a goal to maintain sufficient financial resources on hand to meet sixty days of normal operating expenses.

Note 15 – Subsequent Events

The Corporation has no material subsequent events that would require disclosure. Subsequent events have been evaluated through May 14, 2026, which is also the date the financial statements were available to be issued.

Supplementary Information

Bread of Life Community Development Corporation of Louisiana
Schedule of Compensation, Benefits and Other Payments to Stephanie McKay,
Executive Director
For the Year Ended December 31, 2025

<u>Purpose</u>	<u>Amount</u>
Salary	<u>\$ 60,000</u>
	<u>\$ 60,000</u>

Agreed Upon Procedures



**Independent Accountants' Report on Applying Agreed-Upon Procedures
on Federal, State, and Local Awards**

Board of Directors
Bread of Life Community Development Corporation of Louisiana
Oakdale, Louisiana

We have performed the procedures enumerated below on the Agency's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended December 31, 2025, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*. The Agency's management is responsible for its financial records and compliance with applicable laws and regulations.

The Agency has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the Agency's compliance with the laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the year ended December 31, 2025. Additionally, the Louisiana Legislative Auditor has agreed to and acknowledged that the procedures performed are appropriate for its purposes. The 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 and associated findings are as follows:

Federal, State, and Local Awards

1. Obtain the list of federal, state, and local government grant award expenditures for the fiscal year, by grant and grant year, from the Agency's management.

The Agency provided us with the following list of expenditures made for federal grant awards received during the fiscal year ended December 31, 2025:

Federal, State, or Local Grant Name	Grant Year	AL No. (if applicable)	Amount
LHC Helping Hands IV	2025		\$200,000
LHC CHDO Operating	2025		\$46,674
Rural Development	2025		\$39,750
Total Expenditures			\$286,424

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2. For each federal, state, and local grant award, randomly select six disbursements from each grant administered during the fiscal year, provided that no more than 30 disbursements are selected.

Disbursements were selected.

3. Obtain documentation for the disbursements selected in Procedure 2. Compare the selected disbursements to supporting documentation, and report whether the disbursements agree to the amount and payee in the supporting documentation.

All selected disbursements agreed to the amount and payee in the supporting documentation.

4. Report whether the selected disbursements were coded to the correct fund and general ledger account.

All selected disbursements were coded to the correct general ledger account.

5. Report whether the selected disbursements were approved in accordance with the Agency's policies and procedures.

All selected disbursements were approved following the agency's policies and procedures.

6. For each selected disbursement made for federal grant awards, obtain the *Compliance Supplement* for the applicable federal program. For each disbursement made for a state or local grant award, or for a federal program not included in the *Compliance Supplement*, obtain the grant agreement. Compare the documentation for each disbursement to the program compliance requirements or the requirements of the grant agreement relating to activities allowed or unallowed, eligibility, and reporting; and report whether the disbursements comply with these requirements.

Activities allowed or unallowed

We compared documentation for each of the selected disbursements with program compliance requirements related to services allowed or not allowed. All selected disbursements met activities allowed or unallowed requirements.

Eligibility

We compared documentation for each of the selected disbursements with program compliance requirements related to eligibility. The eligibility requirements do not apply to disbursement in the grants.

Reporting

We compared documentation for each of the selected disbursements with program compliance requirements related to reporting. All selected disbursements could be traced to a *Request for Advance or Reimbursement Report*.

7. Obtain the close-out reports, if required, for any program selected in Procedure 2 that was closed out during the fiscal year. Compare the close-out reports, if applicable, with the Agency's financial records; and report whether the amounts in the close-out reports agree with the Agency's financial records.

LHC Helping Hands IV grant was closed out. Close out reports agree with agency's financial records.

Open Meetings

8. Obtain evidence from management that agendas for meetings recorded in the minute book were posted as required by Louisiana Revised Statute 42:11 through 42:28 (the open meetings law), and report whether there are any exceptions. Note: Please refer to Attorney General Opinion No. 13-0043 and the guidance in the publication "Open Meetings Law" available on the Legislative Auditor's website at [https://app.la.state.la.us//lala.nsf/BAADB2991272084786257AB8006EE827/\\$FILE/Open%20Meetings%20Law%20FAQ.pdf](https://app.la.state.la.us//lala.nsf/BAADB2991272084786257AB8006EE827/$FILE/Open%20Meetings%20Law%20FAQ.pdf), to determine whether a non-profit agency is subject to the open meetings law.

Entity is a non-profit and not subject to Louisiana Revised Statute 42:11 through 42:28.

Budget

9. For each grant exceeding five thousand dollars, obtain the comprehensive grant budgets that the agency provided to the applicable federal, state or local grantor agency. Report whether the budgets for federal, state and local grants included the purpose and duration of the grants; and whether budgets for state grants also included specific goals, objectives, and measures of performance.

The Agency provided documentation that comprehensive budgets were submitted to the applicable federal grantor agency for the grants exceeding five thousand dollars. These budgets included the purpose and duration of the grant program.

State Audit Law

10. Report whether the agency provided for a timely report in accordance with R.S. 24:513.

The agency's report was submitted to the Legislative Auditor before the statutory due date of June 30, 2026.

11. Inquire of management and report whether the agency entered into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

The Agency's management represented that the Agency did not enter into any contracts during the fiscal year that were subject to the public bid law.

Prior-Year Comments

12. Obtain and report management's representation as to whether any prior year suggestions, exceptions, recommendations, and/or comments have been resolved.

No prior year suggestions, exceptions, recommendations or comments.

We were engaged by the Agency to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. 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 the Agency's compliance with the foregoing matters. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the agency and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on the Agency's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, 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 Louisiana Legislative Auditor as a public document.

KnightMadden
Alexandria, Louisiana
May 14, 2026



KnightMadden

A Professional Accounting Corporation