

HOLY ROSARY REDEVELOPMENT
Lafayette, Louisiana

Financial Report

Years Ended December 31, 2025 and 2024

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Holy Rosary Redevelopment
Lafayette, Louisiana

Opinion

We have audited the accompanying financial statements of Holy Rosary Redevelopment, (a nonprofit organization) which comprise the statement of financial position as of December 31, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Holy Rosary Redevelopment, as of December 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

As discussed in Note 2 to the financial statements, the Organization restated its December 31, 2024 financial statements to correct an error related to the accounting for redevelopment expenditures. Our opinion is not modified with respect to this matter.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 Holy Rosary Redevelopment's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Holy Rosary Redevelopment'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 Holy Rosary Redevelopment'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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 4, 2026, on our consideration of the Organization'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 the 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 the Organization'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 the Organization's internal control over financial reporting and compliance.

Darnall, Sikes & Frederick

A Corporation of Certified Public Accountants

Eunice, Louisiana
September 4, 2026

HOLY ROSARY REDEVELOPMENT

Statement of Financial Position December 31, 2025 and 2024

	2025	(Restated) 2024
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents:		
Operating	\$ 54,739	\$ 32,606
Construction	1,034	340,580
Prepaid insurance	-	4,343
Due from State of Louisiana	208,352	352,613
Total current assets	<u>264,125</u>	<u>730,142</u>
NON-CURRENT ASSETS		
Capital Assets		
Construction in progress	-	2,833,889
Property and equipment, net of accumulated depreciation	3,690,115	-
Net capital assets	<u>3,690,115</u>	<u>2,833,889</u>
Total noncurrent assets	<u>3,690,115</u>	<u>2,833,889</u>
TOTAL ASSETS	<u>\$ 3,954,240</u>	<u>\$ 3,564,031</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 69,486	\$ 697,871
Retainage payable	138,866	119,801
Total current liabilities	<u>208,352</u>	<u>817,672</u>
NET ASSETS		
Without donor restrictions	3,745,888	2,746,359
With donor restrictions	-	-
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 3,954,240</u>	<u>\$ 3,564,031</u>

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

HOLY ROSARY REDEVELOPMENT

Statement of Activities Year Ended December 31, 2025

	Year Ended December 31, 2025		
	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS AND OTHER SUPPORT			
Fundraising	\$ 40,722	\$ -	\$ 40,722
State of Louisiana appropriation	-	1,009,560	1,009,560
Lease income	38,580	-	38,580
Other income	15,206	-	15,206
Total revenues and gains	<u>94,508</u>	<u>1,009,560</u>	<u>1,104,068</u>
Net assets released from restrictions:			
Satisfaction of program restrictions	<u>1,009,560</u>	<u>(1,009,560)</u>	<u>-</u>
Total net assets released from restrictions	<u>1,009,560</u>	<u>(1,009,560)</u>	<u>-</u>
Total revenues, gains, and other support	<u>1,104,068</u>	<u>-</u>	<u>1,104,068</u>
EXPENSES			
Program services	33,547	-	33,547
Supporting services:			
Management and general	57,657	-	57,657
Fundraising	13,335	-	13,335
Total expenses	<u>104,539</u>	<u>-</u>	<u>104,539</u>
CHANGE IN NET ASSETS	999,529	-	999,529
NET ASSETS, BEGINNING OF YEAR	<u>2,746,359</u>	<u>-</u>	<u>2,746,359</u>
NET ASSETS, END OF YEAR	<u>\$ 3,745,888</u>	<u>\$ -</u>	<u>\$ 3,745,888</u>

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

HOLY ROSARY REDEVELOPMENT

Statement of Activities Year Ended December 31, 2024 (Restated)

	(Restated) Year Ended December 31, 2024		
	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS AND OTHER SUPPORT			
Fundraising	\$ 19,778	\$ -	\$ 19,778
State of Louisiana Grants	-	2,544,021	2,544,021
Other income	19,564	-	19,564
Total revenues and gains	39,342	2,544,021	2,583,363
Net assets released from restrictions:			
Satisfaction of program restrictions	2,544,021	(2,544,021)	-
Total net assets released from restrictions	2,544,021	(2,544,021)	-
Total revenues, gains, and other support	2,583,363	-	2,583,363
EXPENSES			
Program services	-	-	-
Supporting services:			
Management and general	19,820	-	19,820
Fundraising	7,859	-	7,859
Total expenses	27,679	-	27,679
CHANGE IN NET ASSETS	2,555,684	-	2,555,684
NET ASSETS, BEGINNING OF YEAR (SEE NOTE 2)	190,675	-	190,675
NET ASSETS, END OF YEAR	\$ 2,746,359	\$ -	\$ 2,746,359

The accompanying notes are an integral part of these financial statements

HOLY ROSARY REDEVELOPMENT

Statement of Functional Expenses by Department Year Ended December 31, 2025 and 2024

Year Ended December 31, 2025

	Program Services	Supporting Services		Total Supporting Services	Total Expenses
		Management and General	Fundraising		
Bank fees	\$ -	\$ 24	\$ -	\$ 24	\$ 24
Depreciation	33,547	-	-	-	33,547
Insurance	-	4,344	-	4,344	4,344
Miscellaneous	-	851	-	851	851
Office and supplies	-	-	13,335	13,335	13,335
Postage and printing	-	192	-	192	192
Professional fees	-	27,720	-	27,720	27,720
Grounds maintenance	-	14,206	-	14,206	14,206
Utilities	-	10,320	-	10,320	10,320
Total	<u>\$ 33,547</u>	<u>\$ 57,657</u>	<u>\$ 13,335</u>	<u>\$ 70,992</u>	<u>\$ 104,539</u>

(Restated)

Year Ended December 31, 2024

	Program Services	Supporting Services		Total Supporting Services	Total Expenses
		Management and General	Fundraising		
Bank fees	\$ -	\$ 15	\$ -	\$ 15	\$ 15
Insurance	-	8,356	-	8,356	8,356
Office and supplies	-	313	7,859	8,172	8,172
Postage and printing	-	182	-	182	182
Professional fees	-	5,000	-	5,000	5,000
Internet and security	-	2,149	-	2,149	2,149
Utilities	-	3,805	-	3,805	3,805
Total	<u>\$ -</u>	<u>\$ 19,820</u>	<u>\$ 7,859</u>	<u>\$ 27,679</u>	<u>\$ 27,679</u>

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

HOLY ROSARY REDEVELOPMENT

Statement of Cash Flows Year Ended December 31, 2025 and 2024

	<u>2025</u>	(Restated) <u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 999,529	\$ 2,555,684
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
(Increase) decrease in operating assets :		
Due from Department of Treasury	144,261	(346,013)
Prepaid insurance	4,343	(332)
(Decrease) increase in operating liabilities:		
Accounts payable	(628,385)	691,271
Retainage payable	19,065	119,801
Total adjustments	<u>(427,169)</u>	<u>464,727</u>
Net cash provided (used) by operating activities	<u>572,360</u>	<u>3,020,411</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	<u>(889,773)</u>	<u>(2,662,268)</u>
Net cash used by investing activities	<u>(889,773)</u>	<u>(2,662,268)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(317,413)	358,143
CASH AND CASH EQUIVALENTS, beginning of year	<u>373,186</u>	<u>15,043</u>
CASH AND CASH EQUIVALENTS, end of year	<u><u>\$ 55,773</u></u>	<u><u>\$ 373,186</u></u>
Operating	54,739	32,606
Construction	1,034	340,580
Total	<u><u>\$ 55,773</u></u>	<u><u>\$ 373,186</u></u>

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

HOLY ROSARY REDEVELOPMENT

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Holy Rosary Redevelopment (hereafter referred to as the Organization), a Louisiana non-profit corporation, was created in 2019 through designation by the Lafayette City – Parish Council with the intention of spurring economic and community development within the district's boundaries. The Organization operates exclusively for religious, charitable, scientific, literary, or educational purposes, within the meaning of Section 501(c)(3) of the Internal Revenue Code for 1986. The Organization's current primary focus is that of a three-phase project to restore and revitalize the Holy Rosary Institute facility.

Income Tax Status

The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, therefore, has no provision for federal income taxes. In addition, the Organization has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the code. 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 there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Organization is subject to routine audit by taxing jurisdictions, however, there are currently no audits for any tax periods in progress.

Financial Statement Presentation

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

Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. Those net assets may be used at the discretion of the Organization's management and board of directors.

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

HOLY ROSARY REDEVELOPMENT

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid interest-bearing deposits with a maturity of three months or less when purchased to be cash equivalents.

Receivables

The financial statements of the Organization do not contain an allowance for uncollectible receivables because management believes all amounts will be collected. However, if management becomes aware of information that would change its assessment about the collectability of any receivable, management would write off the receivable as bad debt at that time.

Property and Equipment

Property and equipment are stated at cost. Expenditures for major improvements, renovations, and restoration projects that provide future economic benefit are capitalized. Ordinary repairs and maintenance are charged to expense as incurred.

Costs incurred for assets that are not substantially complete or not yet ready for their intended use are recorded as construction in progress. Construction in progress is not depreciated until the related assets are substantially complete and placed into service.

Leasehold improvements are depreciated using the straight-line method over the shorter of their estimated useful lives or the remaining lease term.

Rental Income and Leases

The Organization leases portions of its facilities to third parties under operating lease arrangements. Rental income is recognized on a straight-line basis over the lease term when collectability is probable. Amounts received in advance are recorded as deferred revenue and recognized as revenue over the applicable lease term.

The Organization evaluates contracts at inception to determine whether an arrangement contains a lease in accordance with ASC 842, Leases. For leases in which the Organization is the lessor, lease income is recognized in a manner that depicts the transfer of control of the right to use the underlying asset over the lease term.

The Organization also leases the Holy Rosary campus under a long-term ground lease. Management evaluated the ground lease under ASC 842 and determined that any resulting right-of-use asset and lease liability were not material because the lease required only a one-time nominal payment at commencement and no future lease payments are due. Accordingly, no material lease asset or lease liability has been recognized.

HOLY ROSARY REDEVELOPMENT

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue and Expense Recognition

The organization recognizes revenues on the accrual basis of accounting. Expenses are recognized in the period incurred in accordance with the accrual basis of accounting.

Donated Services and Materials

The Organization recognizes donated services that (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Donated materials are valued at current market value at the time of the donation. Donated services and materials were considered to be immaterial.

Functional Allocation of Expenses

Expenses are reported by both their natural and functional classifications. Expenses that can be specifically identified with a particular program or supporting service are charged directly to that function. Certain costs, including occupancy costs, utilities, insurance, and administrative activities, benefit more than one function and are allocated among program services, management and general, and fundraising functions on a reasonable basis that is consistently applied. The Organization generally allocates such costs based on estimates of facility usage, time and effort devoted to specific functions, and other relevant measures of utilization.

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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Restatements

Certain 2024 amounts have been restated to correct the accounting for redevelopment expenditures previously charged to expense and to conform to the 2025 presentation of capital assets and related balances. The effects of the restatement are described in Note 2.

HOLY ROSARY REDEVELOPMENT

Notes to Financial Statements

NOTE 2 PRIOR PERIOD ADJUSTMENT

During 2025, management determined that certain costs incurred in connection with the restoration and redevelopment of the Holy Rosary Institute campus had been erroneously expensed in prior periods. Management concluded that these expenditures met the criteria for capitalization as construction in progress because the costs were directly associated with the renovation, restoration, and redevelopment of long-lived assets that were not substantially complete or placed into service as of December 31, 2024.

Accordingly, the Organization corrected the error by recording construction in progress of \$2,833,889 as of December 31, 2024, with a corresponding increase to net assets without donor restrictions. Because the related assets were not substantially complete or placed into service as of December 31, 2024, no depreciation expense would have been recognized in prior periods.

The correction increased construction in progress by \$2,833,889 and increased net assets without donor restrictions by \$2,833,889 as of December 31, 2024. Because the related assets were not substantially complete and had not been placed into service as of December 31, 2024, no depreciation expense was required. Management concluded that restatement of prior-period balances was necessary to properly present the Organization's financial position in accordance with accounting principles generally accepted in the United States of America.

The effect of the correction on the December 31, 2024 Statement of Financial Position was as follows:

	As Previously Reported	Adjustment	Restated
Construction in progress	\$ -	\$ 2,833,889	\$ 2,833,889
Total noncurrent assets	-	2,833,889	2,833,889
Total assets	730,142	2,833,889	3,564,031
Net assets without donor restrictions	(87,530)	2,833,889	2,746,359
Total net assets	(87,530)	2,833,889	2,746,359

The effect of the correction restatement on the Organization's Statement of Activities for the year ended December 31, 2024 was as follows:

	As Previously Reported	Adjustment	Restated
Program and project expenses	\$ 2,833,889	\$ (2,833,889)	\$ -
Total expenses	2,861,568	(2,833,889)	27,679
Change in net assets	(278,205)	2,833,889	2,555,684

The restatement did not affect the Organization's total cash and cash equivalents, total assets, liabilities, or total net increase (decrease) in cash and cash equivalents previously reported. The correction affected only the recognition and classification of certain redevelopment expenditures that should have been capitalized as construction in progress rather than expensed. As part of the restatement, comparative cash flow information was revised to reflect such expenditures as capital asset acquisitions within investing activities in accordance with generally accepted accounting principles.

HOLY ROSARY REDEVELOPMENT

Notes to Financial Statements

NOTE 3 PROPERTY AND EQUIPMENT

The Organization redevelops and operates the Holy Rosary Institute campus pursuant to a long-term Ground Lease Agreement that grants exclusive possession and redevelopment rights through February 28, 2052. The lease authorizes the Organization to construct, renovate, restore, repair, replace, and operate improvements located on the leased property. The Organization controls the use and operation of the improvements during the lease term and has determined that the redevelopment costs meet the criteria for capitalization as leasehold improvements.

Property and equipment are stated at cost. Leasehold improvements are depreciated using the straight-line method over the shorter of their estimated useful lives or the remaining lease term. Construction in progress consists of costs incurred for assets that are not substantially complete or not yet ready for their intended use and is not depreciated until placed into service.

During 2025, substantial portions of the redevelopment project were completed and placed into service, resulting in the transfer of costs from construction in progress to leasehold improvements.

Leasehold improvements are depreciated using the straight-line method over the shorter of their estimated useful lives or the remaining lease term. Estimated useful lives range from 20-40 years.

A summary of changes in property and equipment is as follows:

	Balance January 1, 2025	Additions	Disposals/ Transfers	Balance December 31, 2025
Construction in progress	\$ 2,833,889	\$ 889,773	\$ (3,723,662)	\$ -
Leasehold improvements	<u>-</u>	<u>3,723,662</u>	<u>-</u>	<u>3,723,662</u>
Total fixed assets	2,833,889	4,613,435	(3,723,662)	3,723,662
Accumulated depreciation	<u>-</u>	<u>(33,547)</u>	<u>-</u>	<u>(33,547)</u>
Net property and equipment	<u><u>2,833,889</u></u>	<u><u>4,579,888</u></u>	<u><u>(3,723,662)</u></u>	<u><u>3,690,115</u></u>

Construction-related retainage payable totaled \$138,866 at December 31, 2025. Depreciation expense for the year ended December 31, 2025 was \$33,547.

NOTE 4 GROUNDS LEASE

The Organization leases approximately 6.61 acres comprising the Holy Rosary Institute campus from Holy Rosary Land Holdings, Inc. pursuant to a Ground Lease Agreement effective March 1, 2022 and expiring February 28, 2052. The lease grants the Organization exclusive possession of the property together with redevelopment rights, easements, permits, development rights, and authority necessary to carry out redevelopment activities.

Lease consideration consisted of a one-time payment of \$10 paid at lease commencement. The lease agreement does not require future fixed lease payments during the lease term.

HOLY ROSARY REDEVELOPMENT

Notes to Financial Statements

NOTE 4 GROUND LEASE (Continued)

Management evaluated the arrangement in accordance with ASC 842, Leases, including the contractual consideration, rights conveyed under the agreement, and the absence of future lease payment obligations. Based on that evaluation, management concluded that any resulting lease liability and corresponding right-of-use asset would not be material to the accompanying financial statements. Accordingly, no lease liability or right-of-use asset has been recorded.

Management further evaluated whether the lease contains below-market terms, embedded contributions, or other provisions requiring separate recognition under ASC 842 or ASC 958. Based upon management's assessment of the lease provisions, the rights conveyed, and the absence of future lease payment obligations, no material right-of-use asset, lease liability, or contribution element was identified requiring recognition in the accompanying financial statements. Management will continue to evaluate the arrangement for modifications or changes in circumstances that could affect this conclusion.

NOTE 5 LEASE REVENUE

The Organization leases a portion of the Holy Rosary Institute campus to Prime Time, Inc. for operation of a Head Start and Early Head Start program. The lease commenced on September 1, 2024. During 2025, the tenant exercised a renewal option extending the lease through October 31, 2030.

The lease is accounted for as an operating lease. Rental income is recognized on a straight-line basis over the lease term. Rental income recognized under this agreement totaled \$32,892 for the year ended December 31, 2025

Future minimum lease payments to be received under the lease are as follows:

<u>Years Ending</u> <u>December 31,</u>	
2026	\$ 32,892
2027	32,892
2028	32,892
2029	32,892
2030	<u>27,410</u>
Total Future Minimum Lease Payments	<u>\$ 158,978</u>

The tenant is responsible for utilities, custodial services, routine maintenance, and certain other operating costs as specified in the agreement. Certain provisions of the lease contemplate future occupancy of additional renovated facilities; however, such occupancy is contingent upon future events and additional agreements. Therefore, those amounts are not included in the schedule above.

Management evaluated the lease in accordance with ASC 842 and determined that no material lease receivable, deferred rent asset, or deferred lease revenue existed at December 31, 2025.

HOLY ROSARY REDEVELOPMENT

Notes to Financial Statements

NOTE 6 STATE CAPITAL OUTLAY FUNDING

The Organization receives funding through Cooperative Endeavor Agreements and State Capital Outlay appropriations administered by the Louisiana Division of Administration, Facility Planning and Control, for the restoration and redevelopment of the Holy Rosary Institute campus. Funding is restricted to approved project expenditures in accordance with the terms of the agreements.

Revenue is recognized when qualifying expenditures are incurred and all applicable eligibility requirements have been satisfied. Amounts recognized are reported as net assets with donor restrictions because the resources are restricted by the funding agreements for specific redevelopment purposes. Such restrictions are released when qualifying expenditures are incurred and the program restrictions are satisfied.

For the years ended December 31, 2025 and 2024, the Organization recognized grant revenue of \$1,009,560 and \$2,544,021, respectively, and recognized net assets released from restrictions of the same amounts.

At December 31, 2025, amounts due from the State of Louisiana totaled \$208,352. Construction retainage payable associated with the project totaled \$138,866. Capitalized leasehold improvements associated with the redevelopment project totaled \$3,723,662 at December 31, 2025.

NOTE 7 CONCENTRATION OF CREDIT RISK

The Organization's cash is deposited in one financial institution. Cash accounts at banks are insured by the FDIC for up to \$250,000. The balances at times may exceed federally insured limits. As of December 31, 2025 and 2024, uninsured cash and cash equivalent balances were approximately \$0 and \$123,186, respectively.

NOTE 8 RISK MANAGEMENT

The Organization is exposed to risks of loss in the areas of general liability and property hazards. All of these risks are handled by purchasing commercial insurance coverage by Sisters of the Holy Family. There have been no significant reductions in insurance coverage during the year. Insurance settlements did not exceed insurance coverage.

NOTE 9 COMMITMENTS AND CONTINGENCIES

Amounts received or receivable from governmental agencies are subject to audit and adjustment by the respective funding agencies. Management believes that any adjustments, if required, would not have a material effect on the accompanying financial statements.

The Organization's redevelopment activities are conducted pursuant to Cooperative Endeavor Agreements and related State Capital Outlay requirements and are subject to compliance with applicable contractual and regulatory provisions.

HOLY ROSARY REDEVELOPMENT

Notes to Financial Statements

NOTE 10 CONCENTRATIONS

The Organization received substantially all its total revenue from the Department of Administration, State of Louisiana. The revenue received is reported on the Statement of Activities as State of Louisiana appropriation. The Organization expects that the support from this governmental agency will be project specific and the cessation of this funding could substantially affect the operations of the Organization.

NOTE 11 RELATED PARTIES

The Organization has ongoing relationships with the Sisters of the Holy Family and organizations affiliated with the congregation, including Holy Rosary Land Holdings, Inc.. Certain board members of the Organization also serve as officers, directors, or representatives of these affiliated organizations. Holy Rosary Land Holdings, Inc. is the lessor under the Ground Lease Agreement described in Note 4. Under that agreement, Holy Rosary Redevelopment has been granted long-term rights to possess, renovate, restore, operate, and maintain the Holy Rosary Institute campus through February 28, 2052. Management evaluated all related-party relationships and transactions and determined that no material related-party receivables, payables, notes, advances, guarantees, or other balances requiring separate disclosure existed at December 31, 2025 or 2024.

NOTE 12 BOARD OF DIRECTORS COMPENSATION

The members of Holy Rosary Redevelopment's Board were not compensated during the years ended December 31, 2025 and 2024.

NOTE 13 COMPENSATION OF AGENCY HEAD

Louisiana Act 706 of 2008 requires disclosure of the compensation, reimbursements, benefits, and other payments made to an agency head. The Organization's President serves as the agency head of Holy Rosary Redevelopment.

For the years ended December 31, 2025 and 2024, the President received no compensation, benefits, expense reimbursements, vehicle allowances, deferred compensation, or any other payments from Holy Rosary Redevelopment.

NOTE 14 LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization's financial assets available within one year of the balance sheet date for general expenditures as of December 31 are as follows:

Financial assets at year end	2025	2024
Cash and cash equivalents	\$ 55,773	\$ 373,186
Due from State of Louisiana	208,352	352,613
Total financial assets	264,125	725,799
Less: those unavailable for general expenditures within one year, due to:		
Purpose restrictions for project construction	(209,386)	(693,193)
Total financial assets available to meet general expenditures over the next twelve months	<u>\$ 54,739</u>	<u>\$ 32,606</u>

HOLY ROSARY REDEVELOPMENT

Notes to Financial Statements

NOTE 14 LIQUIDITY AND AVAILABILITY OF RESOURCES (Continued)

Amounts identified as unavailable for general expenditures do not represent donor-restricted net assets at year-end. Rather, such amounts represent cash resources, receivables, and other financial assets expected to be utilized for contractual construction commitments, retainage obligations, and redevelopment activities associated with the Holy Rosary Institute project. The Organization manages liquidity by monitoring anticipated construction expenditures, reimbursement requests, and operating cash needs to ensure that sufficient resources are available to meet obligations as they become due.

NOTE 15 SUBSEQUENT EVENTS

Management has evaluated subsequent events through September 4, 2026, the date the financial statements were available to be issued.

**INTERNAL CONTROL,
COMPLIANCE
AND
OTHER MATTERS**



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

To the Board Directors
Holy Rosary Redevelopment
Lafayette, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Holy Rosary Redevelopment (a nonprofit organization) (the Organization), which comprise the statement of financial position as of December 31, 2025 and 2024 and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated September 4, 2026.

Report on Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity'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 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 the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Darnall, Sikes & Frederick

A Corporation of Certified Public Accountants

Eunice, Louisiana
September 4, 2026

HOLY ROSARY REDEVELOPMENT

Schedule of Findings and Responses Year Ended December 31, 2025

Part I. Summary of Auditor's Results:

Financial Statements -

Type of auditor's report issued:

Unmodified

Internal control over financial reporting

Material weakness(es) identified?

 Yes

 X No

Significant deficiencies identified?

 Yes

 X None reported

Noncompliance material to financial
statements noted?

 Yes

 X No

Federal Awards -

This section is not applicable for the year ending December 31, 2025.

HOLY ROSARY REDEVELOPMENT

Schedule of Findings and Responses (Continued) Year Ended December 31, 2025

Part II. Findings which are required to be reported in accordance with generally accepted governmental auditing standards:

A. Internal Control Findings -
None reported.

B. Compliance Findings -
None reported.

Part III. Findings and questioned costs for major Federal awards which include audit findings as defined in 2CFR section 200 of the Uniform Guidance:

At December 31, 2025, Holy Rosary Redevelopment did not meet the requirements to have a single audit in accordance with OMB Uniform Guidance, therefore, this section is not applicable.

HOLY ROSARY REDEVELOPMENT

Schedule of Current and Prior Year Audit Findings
And Management's Corrective Action Plan

Year Ended December 31, 2025

Part I. Current Year Findings and Management's Corrective Action Plan:

A. Internal Control Over Financial Reporting

There are no internal control findings to be reported.

B. Compliance Findings -

There are no compliance findings to be reported.

Part II. Prior Year Findings:

A. Internal Control Over Financial Reporting

There were no control findings reported

B. Compliance

2024-001 Failure to File Audited Financial Statements Timely

Status: Corrected