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JEFFERSON COMMUNITY HEALTH CARE CENTERS, INC.
d/b/a INCLUSIVCARE

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2025



JEFFERSON COMMUNITY HEALTH CARE CENTERS, INC.
d/b/a INCLUSIVCARE

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Jefferson Community Health Care Centers, Inc. d/b/a InclusivCare
Jefferson Parish, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Jefferson Community Health Care Centers, Inc. d/b/a InclusivCare (the "Organization" or "InclusivCare"), which comprise the consolidated statements of financial position as of December 31, 2025 and 2024, and the related consolidated statements of activities and changes in net assets, and cash flows for each of the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of InclusivCare as of December 31, 2025 and 2024, and the consolidated changes in its net assets and its 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 InclusivCare 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 within 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 InclusivCare'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 InclusivCare'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 Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Consolidating Statement of Financial Position as of December 31, 2025, Consolidating Statement of Activities and Changes in Net Assets for the year then ended, and the Schedule of Compensation, Benefits and Other Payments to Agency Head, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 May 26, 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 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 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.

EisnerAmper LLP

EISNERAMPER LLP
Metairie, Louisiana
May 26, 2026

EISNERAMPER
LLP



JEFFERSON COMMUNITY HEALTH CARE CENTERS, INC. d/b/a
INCLUSIVCARE
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
<u>CURRENT ASSETS</u>		
Cash and cash equivalents	\$ 12,854,985	\$ 11,191,645
Investments	1,648,527	1,545,972
Grant and program receivable	37,127	234,395
Patient receivables	1,412,570	1,063,661
Other receivables	141,889	337,226
Other current assets	361,430	369,912
Inventory	180,812	110,841
Total current assets	<u>16,637,340</u>	<u>14,853,652</u>
<u>NON-CURRENT ASSETS</u>		
Note receivable	5,628,800	5,628,800
Certificates of deposit, restricted	12,366	12,354
Property and equipment, net	13,259,622	13,693,104
Right of use assets, net	87,698	142,306
Total non-current assets	<u>18,988,486</u>	<u>19,476,564</u>
<u>TOTAL ASSETS</u>	<u>\$ 35,625,826</u>	<u>\$ 34,330,216</u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>CURRENT LIABILITIES</u>		
Accounts payable	\$ 182,127	\$ 36,963
Accrued expenses	1,691,531	1,334,217
Notes payable, current portion	594,742	585,135
Credit balances in patient receivables	13,157	17,924
Lease liability, current portion	62,139	24,935
Total current liabilities	<u>2,543,696</u>	<u>1,999,174</u>
<u>LONG-TERM LIABILITIES</u>		
Notes payable, long-term portion	13,271,857	13,796,232
Lease liability, long-term portion	25,698	117,371
Total long-term liabilities	<u>13,297,555</u>	<u>13,913,603</u>
<u>TOTAL LIABILITIES</u>	<u>15,841,251</u>	<u>15,912,777</u>
<u>NET ASSETS</u>		
Without donor restriction	<u>19,784,575</u>	<u>18,417,439</u>
<u>TOTAL NET ASSETS</u>	<u>19,784,575</u>	<u>18,417,439</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$ 35,625,826</u>	<u>\$ 34,330,216</u>

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

JEFFERSON COMMUNITY HEALTH CARE CENTERS, INC. d/b/a
INCLUSIVCARE
CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
<u>OPERATING REVENUES:</u>		
Patient service fees	\$ 21,311,650	\$ 20,617,383
Federal program revenues	6,612,474	4,284,239
340B program revenues	536,708	760,213
Government contract revenues	-	83,047
Other grants	268,582	303,548
Investment income	344,020	178,075
Other income	629,992	642,038
	<u>29,703,426</u>	<u>26,868,543</u>
<u>OPERATING EXPENSES:</u>		
Program services	22,499,566	21,753,724
Support services	5,836,724	4,761,867
	<u>28,336,290</u>	<u>26,515,591</u>
<u>CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTION</u>	1,367,136	352,952
<u>NET ASSETS WITHOUT DONOR RESTRICTION</u>		
Beginning of year	<u>18,417,439</u>	<u>18,064,487</u>
End of year	<u>\$ 19,784,575</u>	<u>\$ 18,417,439</u>

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

JEFFERSON COMMUNITY HEALTH CARE CENTERS, INC. d/b/a
INCLUSIVCARE
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Change in net assets	\$ 1,367,136	\$ 352,952
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	817,360	844,900
Unrealized (gain) on investments	(102,567)	(34,422)
Non-cash amortization of prepaid insurance	286,546	220,544
Amortization of right of use assets	54,608	117,371
(Increase) decrease in operating assets:		
Grant and program receivable	197,268	(116,650)
Patient receivables	(348,909)	350,764
Other receivables	195,337	(164,068)
Other current assets and inventory	(69,971)	(15,375)
Increase (decrease) in operating liabilities:		
Accounts payable	145,164	(134,954)
Accrued expenses	357,314	41,540
Lease liability	(54,469)	(117,371)
Credit balances in patient receivables	(4,767)	(1,881)
Net cash provided by operating activities	<u>2,840,050</u>	<u>1,343,350</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase of property and equipment	(383,878)	(190,594)
Net cash used in investing activities	<u>(383,878)</u>	<u>(190,594)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Principal payments on notes payable	(792,832)	(658,945)
Net cash (used in) financing activities	<u>(792,832)</u>	<u>(658,945)</u>
<u>NET CHANGE IN CASH AND CASH EQUIVALENTS</u>	1,663,340	493,811
<u>CASH AND CASH EQUIVALENTS</u>		
Beginning of year	11,191,645	10,697,834
End of year	<u>\$ 12,854,985</u>	<u>\$ 11,191,645</u>
<u>SUPPLEMENTARY DISCLOSURES:</u>		
Interest paid	<u>\$ 292,749</u>	<u>\$ 326,073</u>
Prepaid insurance financed through notes payable	<u>\$ 278,064</u>	<u>\$ 284,843</u>

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

JEFFERSON COMMUNITY HEALTH CARE CENTERS, INC.
d/b/a INCLUSIVCARE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Organization and Summary of Significant Accounting Policies

Organization and consolidation

Jefferson Community Health Care Centers, Inc., d/b/a InclusivCare (the Organization or InclusivCare), is a nonprofit organization organized under the laws of the State of Louisiana. Its mission is to provide healthcare services, including medical, mental health, pharmacy, dental, and social services to underinsured and uninsured citizens of Jefferson Parish, Louisiana. The Organization has four (4) locations: Avondale, Marrero, Kenner, and Lafitte, Louisiana. Each location is considered a federally qualified health center. In addition, the Organization operates three (3) school-based health clinics: L.W. Higgins High School, Lincoln Elementary School, and Emmett Gilbert Elementary School.

During the fiscal year ended December 31, 2022, InclusivCare organized InclusivCare Community Investment Inc. (ICI), to construct the building and equipment related to the Early Child Care Center at the organization's Marrero campus.

The consolidated financial statements include the accounts of InclusivCare and its wholly owned subsidiary, ICI. All significant intercompany balances and transactions have been eliminated in consolidation.

Basis of Accounting

The accompanying consolidated financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Financial Statement Presentation

U.S. GAAP requires the Organization to report information regarding its financial position and activities according to the following net asset classifications:

- *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. These net assets may be used at the discretion of the Organization's management and the board of directors.
- *Net assets with donor restrictions* – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. The Organization had no restrictions that were temporary or perpetual in nature as of December 31, 2025 and 2024.

Use of Estimates

The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

The Organization considers all cash and liquid financial instruments with original maturities of three months or less to be cash and cash equivalents.

JEFFERSON COMMUNITY HEALTH CARE CENTERS, INC.
d/b/a INCLUSIVCARE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Organization and Summary of Significant Accounting Policies (continued)

Certificates of Deposit

Certificates of deposit in the amount of \$12,366 and \$12,354 as of December 31, 2025 and 2024 respectively, are held at a local bank. These certificates of deposit have original maturities greater than three months and are reported at cost, which approximates fair value.

Inventory

Inventory includes pharmacy items that are stated at the lower of cost (using the first-in, first-out method) or net realizable value.

Investments

The Organization records investment purchases at cost, or if donated at fair value on the date of donation. Thereafter, investments are reported at their fair values in the Consolidated Statements of Financial Position. Investment income is reported in the Consolidated Statements of Activities and Changes in Net Assets and consists of interest and dividend income, realized and unrealized gains and losses, less external investment expenses.

Notes Receivable

Notes receivable are recorded at the amount of the initial advance and interest is accrued based on interest rates stated in the promissory note agreements. Management considered all notes receivable to be collectible at December 31, 2025 and 2024; therefore, no allowance was recorded as of the respective dates.

Property and Equipment

Purchases of property and equipment and improvements which significantly extend the useful life or value of an asset in excess of \$1,500 are capitalized and recorded at cost. Depreciation is provided over the estimated useful lives of the respective assets using the straight-line method. Useful lives of furniture and equipment are between 5-10 years, leasehold improvements are 10 years, and buildings are 40 years. Repairs and maintenance costs are expensed as incurred.

Public Support and Revenue

Grants, Contributions and Contract Revenues

The Organization receives support in the form of grants from federal, state, and local governmental agencies, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the Consolidated Statements of Financial Position. No amounts were received in advance under the Organization's grants in 2025 or 2024.

The Organization recognizes contributions when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

JEFFERSON COMMUNITY HEALTH CARE CENTERS, INC.
d/b/a INCLUSIVCARE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Organization and Summary of Significant Accounting Policies (continued)

Grants, Contributions and Contract Revenues (continued)

Government contract revenues represent the estimated net realizable amounts due from third party payors for services rendered. Revenues are recorded during the period the services are provided based upon the estimated amounts due from payors and in accordance with third party contracts. Receivables are recorded at estimated net realizable value, based on stated contract rates with third party payors. Accounts receivable are due in full when billed. Interest is not charged on past due accounts. Accounts are written off when all reasonable internal and external collection efforts have been performed. Management has determined that there was no allowance for credit loss related to these government contracts at December 31, 2024.

The Organization has been awarded grants of approximately \$9,768,084 which were conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. As of December 31, 2025, approximately \$947,359 has not been recognized as revenue as the Organization has not yet incurred the qualifying expenditures to seek reimbursement.

Patient Service Revenue and Related Receivables

Patient service fees represent the estimated net realizable amounts from patients, third party payors, and others for services rendered. Revenues are recorded at the time the services are provided or prescriptions are dispensed. Contractual adjustments (explicit price concessions) are made based upon expected reimbursement amounts and contractual agreements. The Organization extends credit to patients, as well as to third-party intermediaries responsible for medical services provided to patients. The Organization provides discounts from gross charges to uninsured patients who do not qualify for Medicaid. The balance in patient accounts receivable is presented net of contractual adjustments (explicit price concessions) and an estimated provision for credit losses (implicit price concessions). The allowance for credit losses is based upon management of the Organization's review of aging of outstanding receivables, historical collection information, and existing economic conditions with consideration of reasonable and supportable forecasts. Patient accounts receivable are due in full when billed. Interest is not charged on past due accounts. The Organization determines its estimate of implicit price concessions based on its historical collection experience, and current economic conditions and reasonable and supportable forecasts with each financial class 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. In the absence of current economic conditions and / or forecast that may affect future credit losses, the Organization has determined that recent historical experience and cash collections 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 the Organization's estimate of patient receivables, adjusted for explicit and implicit price concessions, are expected to be fully collectible, the financial statements do not include an allowance for credit losses. Patient receivables were \$1,412,570, \$1,063,661, and \$1,414,425 at December 31, 2025, 2024 and 2023, respectively.

The Organization 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 the Organization'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.

JEFFERSON COMMUNITY HEALTH CARE CENTERS, INC.
d/b/a INCLUSIVCARE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. **Organization and Summary of Significant Accounting Policies** (continued)

Patient Service Revenue and Related Receivables (continued)

Performance obligations are determined based on the nature of the services provided by the Organization. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected (or actual) charges. The Organization 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. Performance obligations satisfied over time relate to patients receiving services in the Organization's outpatient clinics. The Organization measures the performance obligation from the commencement of an outpatient service to the point when it is no longer required to provide services to that patient, which is generally at the time of completion of the outpatient services and over a period of less than one day. Revenue for performance obligations satisfied at a point in time is generally recognized when goods are provided to patients in the Organization's pharmacy and the Organization is not required to provide additional goods or services related to that sale. For the year ended December 31, 2025, approximately 40% of the Organization's patient service fees is revenue whose performance obligations are met over time, and 60% is revenue whose performance obligations are satisfied at a point in time. For the year ended December 31, 2024, approximately 31% of the Organization's patient service fees is revenue whose performance obligations are met over time, and 69% is revenue whose performance obligations are satisfied at a point in time. The Organization does not have performance obligations that are unsatisfied or partially unsatisfied at December 31, 2025 or 2024.

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. The estimated reimbursement amounts are made on a payor-specific basis and are recorded based on the best information available regarding management's interpretation of the applicable laws, regulations, and contract terms. Management continually reviews the contractual estimation process to consider and incorporate updates to laws and regulations and the frequent changes in contractual terms resulting from contract renegotiations and renewals. Due to the complexities involved in the classification and documentation of health care services authorized and provided, the estimation of revenues earned, and the related reimbursement are often subject to interpretations that could result in payments that are different from the Organization's estimates.

340B Program Revenue

The Organization participates in the 340B Drug Pricing Program (340B Program) administered by the Office of Pharmacy Affairs of the Health Resources and Services Administration (HRSA). The Organization contracts with local retail pharmacies under the program, which results in additional revenues and discounts on outpatient prescriptions for the Organization's patients. Revenue and expenditures related to this program are recorded once the prescription drugs are transferred to the patient. Laws and regulations surrounding the 340B drug program are complex and are subject to interpretation and change.

Contributions of Nonfinancial Assets (In-Kind Contributions)

In-kind contributions are recorded as contributions based on their fair value as of the date of the contribution. There were no in-kind contributions reported in the Consolidated Statements of Activities and Changes in Net Assets for the years ended December 31, 2025 and 2024.

JEFFERSON COMMUNITY HEALTH CARE CENTERS, INC.
d/b/a INCLUSIVCARE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Organization and Summary of Significant Accounting Policies (continued)

Functional Expenses

The cost of program and supporting services has been reported on a functional basis. This requires the allocation of certain costs based on total program costs and estimates made by management. Salaries and benefits are allocated based on time and effort. Rent, leasing, and depreciation expense have been allocated based on use of space and other property and equipment. Other expenses have been allocated based on actual direct expenses.

The cost of program and supporting services has been reported on a functional basis, and is presented in Note 11 by function and natural classification.

Income Taxes

The Organization is a nonprofit corporation organized under the laws of the State of Louisiana. It is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code and is also exempt from Louisiana income tax under the authority of R.S.47:121(5).

The Organization applies a “more-likely-than-not” recognition threshold for all tax uncertainties. This approach only allows the recognition of those tax benefits or liabilities that have a greater than 50% likelihood of being sustained upon examination by the taxing authorities. As a result of implementing this approach, the Organization has reviewed its tax positions and determined there were no outstanding, or retroactive tax positions with more than a 50% likelihood of being sustained upon examination by the taxing authorities.

Advertising Expense

The Organization uses advertising to promote the operations of its clinics’ and the costs associated with advertising are expensed when incurred. Advertising and marketing expenses for the years ended December 31, 2025 and 2024 were \$657,888 and \$587,037, respectively.

Leases

The Organization determines if an arrangement is a lease at the inception of the contract. For leases with terms greater than twelve months, right of use (ROU) assets and lease liabilities are recognized at the contract commencement date based on the present value of lease payments over the lease term. ROU assets represent the Organization’s right to use the underlying asset for the lease term. Lease liabilities present the Organization’s obligation to make lease payments arising from these contracts. The Organization uses a risk-free rate, which is derived from information available at the lease commencement date, in determining the present value of lease payments.

Lease terms may include options to extend or terminate the lease when it is reasonably certain that such options will be exercised. The estimated useful life of ROU assets is limited by the expected lease term unless there is a transfer of title or purchase option reasonably certain of exercise. The Organization’s lease agreements generally do not contain any material residual value guarantees, restrictions or covenants.

JEFFERSON COMMUNITY HEALTH CARE CENTERS, INC.
d/b/a INCLUSIVCARE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Organization and Summary of Significant Accounting Policies (continued)

Leases (continued)

The Organization has elected to apply the short-term lease exemption to all classes of assets, primarily copiers and storage units, 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 costs during 2025 and 2024 were \$83,920 and \$69,044, respectively.

Accounting pronouncements adopted

The Organization adopted FASB ASU 2025-05, *Financial Instruments – Credit Losses (Topic 326) – Measurement of Credit Losses for Accounts Receivable and Contract Assets*, during 2025. The amendments in this update provide all entities with a practical expedient that assume that current conditions as of the balance sheet date do not change for the remaining life of the asset. Additionally, the update provides entities, other than public business entities, with an accounting policy election when estimating expected credit losses for current accounts receivable and current contract assets arising from transactions accounted for under Topic 606. This election allows entities to consider collection activity after the balance sheet date when estimating expected credit losses. The adoption and application of this standard had no material effect on these financial statements.

2. Liquidity and Availability of Financial Resources

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the Consolidated Statements of Financial Position date, comprise the following at December 31:

	<u>2025</u>	<u>2024</u>
Cash	\$ 12,854,985	\$ 11,191,645
Investments	1,648,527	1,545,972
Grants and program receivable	37,127	234,395
Patient receivables	1,412,570	1,063,661
Other receivables	141,889	337,226
Certificates of deposit	12,366	12,354
Financial assets	<u>16,107,464</u>	<u>14,385,253</u>
Less:		
Certificates of deposit unavailable for general expenditures within one year	(12,366)	(12,354)
Cash reserved for interest payments (see Note 3)	<u>(218,533)</u>	<u>(267,483)</u>
Total financial assets available to meet general expenditures over the next twelve months	<u>\$ 15,876,565</u>	<u>\$ 14,105,416</u>

The Organization also has a line of credit available to meet short-term needs, as described in Note 10. As of December 31, 2025, \$1,000,000 remained available on the line of credit.

JEFFERSON COMMUNITY HEALTH CARE CENTERS, INC.
d/b/a INCLUSIVCARE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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 needs to 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).

In December 2022, InclusivCare organized InclusivCare Community Investment Inc. (ICI) and entered into multiple agreements to facilitate the construction of a new Day Care facility at their location in Marrero, Louisiana. InclusivCare funded the NMTC leverage loan (see Note 5) to Hancock Whitney New Markets Investor IC LLC, whose sole member is an unrelated third party to InclusivCare.

Hancock Whitney New Markets Investor IC LLC used the NMTC leveraged loan to make a qualified equity investment to PCDC Health Opportunities Fund 40 LLC, the CDE. The CDE, in turn, used the funding to originate two QLICI loans to ICI (see Note 10). In 2022, ICI reserved these funds for the construction of property and to pay professional fees associated with the NMTC transaction. Construction was completed during 2024. ICI now holds a reserve account, as required by debt covenants, for future interest payments.

The tax credits associated with the transaction are contingent on InclusivCare 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. InclusivCare 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 InclusivCare failing to qualify as a QALICB, among others.

4. Investments and Fair Value Measurements

The Organization utilizes fair value measurements to record certain assets and to determine fair value disclosures. In accordance with FASB Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurements*, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

JEFFERSON COMMUNITY HEALTH CARE CENTERS, INC.
d/b/a INCLUSIVCARE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

4. Investments and Fair Value Measurements (continued)

Level 3 – Unobservable inputs for the asset or liability. In these situations, the entity develops inputs using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not correspond to the assessment of the quality, risk, or liquidity profile of the asset or liability.

The Organization's corporate bonds are classified within Level 2 because they are valued using quoted market prices for similar assets. Brokered certificates of deposit are valued at fair value, which is reflective of cost plus accrued interest.

The following is a schedule of investments held by the Organization at December 31, 2025 including the fair value detailed by level of measurement:

	Total Fair Value	Level 1	Level 2	Level 3
Corporate bonds	\$ 1,648,527	\$ -	\$ 1,648,527	\$ -
Brokered certificates of deposit	12,366	-	12,366	-
Total	<u>\$ 1,660,894</u>	<u>\$ -</u>	<u>\$ 1,660,894</u>	<u>\$ -</u>

The following is a schedule of investments held by the Organization at December 31, 2024 including the fair value detailed by level of measurement:

	Total Fair Value	Level 1	Level 2	Level 3
Corporate bonds	\$ 1,545,972	\$ -	\$ 1,545,972	\$ -
Brokered certificates of deposit	12,354	-	12,354	-
Total	<u>\$ 1,558,326</u>	<u>\$ -</u>	<u>\$ 1,558,326</u>	<u>\$ -</u>

JEFFERSON COMMUNITY HEALTH CARE CENTERS, INC.
d/b/a INCLUSIVCARE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

5. Note Receivable

On December 28, 2022, InclusivCare issued a promissory note to Hancock Whitney New Market Investors (HWNM). HWNM is wholly owned by a financial institution. Management assesses the credit quality and collectability of the 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 December 31, 2025.

The note is expected to mature as follows:

Years ending December 31:			
2026	\$	-	
2027		-	
2028		-	
2029		-	
2030		-	
Thereafter		5,628,800	
Total	\$	<u>5,628,800</u>	

6. Property and Equipment

Property and equipment at December 31 consist of the following:

	<u>2025</u>	<u>2024</u>
Furniture, fixtures, and equipment	\$ 4,194,858	\$ 4,066,128
Building and leasehold improvements	14,374,621	14,120,202
Land	840,469	840,469
Construction in progress	2,080	1,351
Accumulated depreciation	(6,152,406)	(5,335,046)
Total property and equipment, net	<u>\$ 13,259,622</u>	<u>\$ 13,693,104</u>

All of the Organization's property and equipment has been collateralized or pledged against its notes payable (Note 10).

JEFFERSON COMMUNITY HEALTH CARE CENTERS, INC.
d/b/a INCLUSIVCARE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

7. Patient Service Revenue and Receivables

The Organization's patient service revenue for the years ended December 31, 2025 and 2024 is earned under agreements with third-party payors. The agreements with third-party payors provide for payments to the Organization at amounts different from its established rates. Third-party payors include the Medicare and Medicaid programs, health maintenance organizations, and various commercial insurance and preferred provider organizations. The basis for payment to the Organization under these agreements includes prospectively determined rates and discounts from established charges.

Presented below is a summary of patient service revenue for the years ended December 31:

	<u>2025</u>	<u>2024</u>
Commercial insurance, managed care organizations, and other	\$ 4,797,679	\$ 3,015,861
Medicaid and Medicare	20,706,435	19,892,901
Private pay	981,673	746,518
Patient service fees before price concessions	<u>26,485,787</u>	<u>23,655,280</u>
Less: estimated contractual adjustments (explicit price concessions)	(4,824,898)	(2,656,706)
Less: estimated credit losses (implicit price concessions)	(349,239)	(381,191)
Patient service fees	<u>\$ 21,311,650</u>	<u>\$ 20,617,383</u>

Presented below is a summary of patient receivables for the years ended December 31:

	<u>2025</u>	<u>2024</u>
Medical	\$ 1,752,582	\$ 1,302,477
Pharmacy	335,141	434,408
Dental	95,082	70,521
Gross patient receivables	<u>2,182,805</u>	<u>1,807,406</u>
Allowance for contractual adjustments	(489,487)	(506,977)
Allowance for credit losses	(280,748)	(236,768)
	<u>\$ 1,412,570</u>	<u>\$ 1,063,661</u>

JEFFERSON COMMUNITY HEALTH CARE CENTERS, INC.
d/b/a INCLUSIVCARE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

8. Business and Credit Concentrations

Most of the Organization’s patients are Greater New Orleans residents insured under third-party payor agreements. The mix of patient receivables at December 31 were as follows:

	<u>2025</u>	<u>2024</u>
Medicare and Medicaid	58%	68%
Private pay	13%	12%
Commercial insurance, managed care organizations, and other	<u>29%</u>	<u>20%</u>
	<u>100%</u>	<u>100%</u>

If significant adverse changes are made at the federal, state, and/or local level regarding the use of community health care centers to provide services to indigent and underinsured patients, the amount of contract revenue that the Organization receives could be significantly reduced. This could have an adverse impact on the Organization’s operations, its financial position and results of operations. The Organization’s grant revenue was approximately 22% and 16% of total revenues, gains, and support for the years ended December 31, 2025 and 2024, respectively.

The Organization maintains cash balances and certificates of deposits at various financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. From time to time, the amounts on deposit may exceed the federally insured limits. Management believes the credit risk associated with these deposits is minimal.

9. Commitments and Contingencies

The Organization’s participation in federal programs are governed by various rules and regulations. The respective federal programs are subject to audit and adjustment by the oversight agencies; therefore, to the extent that the Organization has not complied with the rules and regulations governing these programs, refunds of any money received may be required if noncompliance is determined in future oversight inspections.

The Organization is occasionally involved in various legal actions and claims that arise 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 the Organization.

The provision of healthcare services entails an inherent risk of liability. Participants in the healthcare industry are subject to lawsuits alleging malpractice, violations of false claims acts, product liability, or related legal theories, many of which involve claims and defense costs. Like many other entities engaged in the healthcare industry in the United States, the Organization has the potential for liability claims, disputes, and legal actions for professional liability and other related issues. It is expected that the Organization will continue to be subject to such suits as a result of the nature of its business. Further, as with all healthcare providers, the Organization is periodically subject to regulatory actions seeking fines and penalties for alleged violations of healthcare laws and are potentially subject to the increased scrutiny of regulators for issues related to compliance with healthcare fraud and abuse laws and with respect to the quality of care provided to its patients.

Like other healthcare providers, in the ordinary course of business, the Organization is also subject to claims made by employees and other disputes and litigation arising from the conduct of its business.

JEFFERSON COMMUNITY HEALTH CARE CENTERS, INC.
d/b/a INCLUSIVCARE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

10. Notes Payable and Line of Credit

Notes payable at December 31 consist of the following:

	<u>2025</u>	<u>2024</u>
Collateral mortgage note payable, due in monthly installments of \$9,287, including interest at a rate of 4.35%, through May 2035, secured by the Organization's land and building as well as leases, rents, and profits.	\$ 671,726	\$ 810,123
Promissory note payable bearing an interest rate of 4.75%. Monthly interest payments from February 1, 2023, until the end of the Construction Period, and then monthly payments of interest and principal over a term of 15 years. Monthly installments of \$16,748 began July 2024, including interest at a rate of 4.75%, through June 2030, secured by the Organization's land and building. See Note 3.	1,836,008	1,946,698
Promissory note payable bearing an interest rate of 4.75%. Monthly interest payments from January 1, 2023, until the end of the Construction Period, and then monthly payments of interest and principal over a term of 15 years. Monthly installments of \$37,967 began November 1, 2023, including interest at a rate of 4.75%, through June 2030, secured by the Organization's land and building. See Note 3.	3,422,222	3,688,889
Promissory note payable in quarterly installment of interest only at 1.2346% until March 5, 2030, then payable in quarterly payments of principal and interest until December 5, 2052. See Note 3.	5,628,800	5,628,800
Promissory note payable in quarterly installment of interest only at 1.2346% until March 5, 2030, then payable in quarterly payments of principal and interest until December 5, 2052. See Note 3.	2,171,200	2,171,200
Insurance financing agreement payable in 10 monthly installments of \$21,244, including interest at a 10.9% annual rate. The note is unsecured and matured on April 01, 2025.	-	83,126
Insurance financing agreement payable in 10 monthly installments of \$6,554, including interest at a 12.15% annual rate. The note is unsecured and matured on August 01, 2025.	-	45,878
Insurance financing agreement payable in 10 monthly installments of \$686, including interest at a 12.15% annual rate. The note is unsecured and matured on August 01, 2025.	-	6,653
Insurance financing agreement payable in 10 monthly installments of \$19,334, including interest at a 5% annual rate. The note is unsecured and matures on April 01, 2026.	77,334	-
Insurance financing agreement payable in 10 monthly installments of \$4,422, including interest at a 6% annual rate. The note is unsecured and matures on July 01, 2026.	59,309	-
Total notes payable	13,866,599	14,381,367
Less current portion	(594,742)	(585,135)
Total notes payable, long-term portion	<u>\$ 13,271,857</u>	<u>\$ 13,796,232</u>

JEFFERSON COMMUNITY HEALTH CARE CENTERS, INC.
d/b/a INCLUSIVCARE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

10. Notes Payable and Line of Credit (continued)

Future scheduled maturities at December 31, 2025 are as follows:

Years ending December 31:	
2026	\$ 594,742
2027	467,127
2028	476,493
2029	486,476
2030	7,494,803
Thereafter	4,346,958
Total	<u>\$ 13,866,599</u>

The Organization has an unsecured line of credit with a financial institution in the amount of \$1,000,000. The line of credit expires June 15, 2030. Interest is due monthly at a variable rate of .5% above the Index rate, along with monthly principal payments. At December 31, 2025 the line of credit had an outstanding balance of \$0 and an unused amount of \$1,000,000.

11. Functional Classifications of Expenses

Expenses by function and natural classification for the year ended December 31, 2025:

	Program Services	Support Services	Total
Salaries and fringe benefits	\$ 9,457,275	\$ 3,076,252	\$ 12,533,527
Contract labor and services	5,364,025	912,127	6,276,152
Supplies	5,567,773	16,861	5,584,634
Marketing and advertising	35,476	622,412	657,888
Rent and leasing	120,265	28,555	148,820
Telephone and utilities	294,735	33,293	328,028
Interest expense	-	397,998	397,998
Depreciation expense	743,798	73,562	817,360
Repairs and maintenance	132,035	48,655	180,690
Dues and subscriptions	168,286	182,411	350,697
Travel and development	65,493	248,242	313,735
Miscellaneous expense	149,107	120,396	269,503
Insurance	401,298	75,960	477,258
Total Expenses	<u>\$ 22,499,566</u>	<u>\$ 5,836,724</u>	<u>\$ 28,336,290</u>

JEFFERSON COMMUNITY HEALTH CARE CENTERS, INC.
d/b/a INCLUSIVCARE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

11. Functional Classifications of Expenses (continued)

Expenses by function and natural classification for the year ended December 31, 2024:

	Program Services	Support Services	Total
Salaries and fringe benefits	\$ 8,787,877	\$ 2,362,937	\$ 11,150,814
Contract labor and services	5,064,307	746,177	5,810,484
Supplies	5,838,770	18,503	5,857,273
Marketing and advertising	27,323	559,714	587,037
Rent and leasing	104,940	25,504	130,444
Telephone and utilities	320,678	42,959	363,637
Interest expense	-	422,372	422,372
Depreciation expense	770,575	74,325	844,900
Repairs and maintenance	113,962	30,239	144,201
Dues and subscriptions	149,419	186,622	336,041
Travel and development	17,047	184,608	201,655
Miscellaneous expense	161,029	49,281	210,310
Insurance	397,797	58,626	456,423
Total Expenses	<u>\$ 21,753,724</u>	<u>\$ 4,761,867</u>	<u>\$ 26,515,591</u>

12. 340B Drug Pricing Program

The Organization participates in the 340B Drug Pricing Program, which is a U.S. federal government program that requires drug manufacturers to provide outpatient drugs to eligible health care organizations and covered entities at significantly reduced prices. Revenues from the program are reported in the Consolidated Statements of Activities and Changes in Net Assets. Expenses related to the program were \$322,937 and \$369,419 for the years ended December 31, 2025 and 2024, respectively, and are included in supplies expense as program services.

13. Operating Lease Agreements

Lessee

The Organization has operating lease agreements for the rental of office space and office and equipment at varying terms.

Information related to leases is as follows as of and for the years ended December 31:

	<u>2025</u>	<u>2024</u>
Operating cash flows from operating leases	\$ 64,900	\$ 61,400
ROU assets obtained in exchange for lease obligations	\$ 2,950	\$ 174,310
Weighted average remaining lease term	1.42 Years	2.42 Years
Weighted average discount rate	4.69%	4.69%

JEFFERSON COMMUNITY HEALTH CARE CENTERS, INC.
d/b/a INCLUSIVCARE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

13. Operating Lease Agreements (continued)

As lessee, operating lease liabilities under non-cancellable leases (excluding short-term leases) are as follows:

Years Ending December 31:	
2026	\$ 64,900
2027	<u>26,000</u>
Total lease payments	\$ 90,900
Less: interest	<u>(3,063)</u>
	<u>\$ 87,837</u>

Lessor

The organization also leases certain office facilities as a lessor to a tenant under a non-cancelable operating lease through 2027. The lease does not allow for the lessee to purchase the leased asset. Rental income was \$85,500 and \$74,100 for the years ended December 31, 2025 and 2024, respectively. Future minimum lease payments receivable under this lease at December 31, 2025, is as follows:

Years Ending December 31:	
2026	\$ 85,500
2027	<u>57,000</u>
Total lease payments	<u>\$ 142,500</u>

Options for a lessee to renew the leases are not included as part of the future minimum operating lease revenues. The Organization elected the practical expedient available to not separate lease and non-lease components under these agreements.

At December 31, 2025 and 2024, buildings and improvements owned by the Organization and held for leasing total approximately \$4,426,992 and \$4,426,992, respectively, net of accumulated depreciation of approximately \$344,258 and \$196,591, respectively.

14. Employee Retention Tax Credit

The CARES Act provides an employee retention credit ("CARES Employee Retention credit") which is a refundable tax credit against certain employment taxes. Employee retention credit revenue of \$1,650,103 is included in federal program revenues on the consolidated Statement of Activities for the year ended December 31, 2025. These credits relate to amended Form 941 employer quarterly federal tax returns filed for the quarters ended September 30, 2020 through June 30, 2021.

The retention credit received by the organization are subject to future IRS audits and as such, if disallowed in whole or in part, amounts may be subject to refund with interest and penalties.

15. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, May 26, 2026, and determined that there were no other events that occurred that require additional disclosure. No events occurring after this date have been evaluated for inclusion in these financial statements.

SUPPLEMENTARY INFORMATION

**JEFFERSON COMMUNITY HEALTH CARE CENTERS, INC. d/b/a
INCLUSIVCARE
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
31-Dec-25**

	<u>ASSETS</u>			
	<u>InclusivCare</u>	<u>InclusivCare Community Investment, Inc.</u>	<u>Eliminations</u>	<u>InclusivCare Consolidated</u>
<u>CURRENT ASSETS</u>				
Cash and cash equivalents	\$ 12,591,764	\$ 263,221	\$ -	\$ 12,854,985
Investments	1,648,527		-	1,648,527
Grant and program receivable	37,127	-	-	37,127
Patient receivables	1,412,570	-	-	1,412,570
Other receivables	141,889	-	-	141,889
Other current assets	361,430	-	-	361,430
Inventory	180,812	-	-	180,812
Total current assets	<u>16,374,119</u>	<u>263,221</u>	<u>-</u>	<u>16,637,340</u>
<u>NON-CURRENT ASSETS</u>				
Notes receivable	5,628,800	-	-	5,628,800
Certificates of deposit, restricted	12,366	-	-	12,366
Property and equipment, net	13,259,622	-	-	13,259,622
Right of use assets, net	87,698	-	-	87,698
Total non-current assets	<u>18,988,486</u>	<u>-</u>	<u>-</u>	<u>18,988,486</u>
<u>TOTAL ASSETS</u>	<u>\$ 35,362,605</u>	<u>\$ 263,221</u>	<u>\$ -</u>	<u>\$ 35,625,826</u>
<u>LIABILITIES AND NET ASSETS</u>				
<u>CURRENT LIABILITIES</u>				
Accounts payable	\$ 182,127	\$ -	\$ -	\$ 182,127
Accrued expenses	1,691,531	-	-	1,691,531
Notes payable, current portion	594,742	-	-	594,742
Credit balances in patient receivables	13,157	-	-	13,157
Lease liability, current portion	62,139	-	-	62,139
Total current liabilities	<u>2,543,696</u>	<u>-</u>	<u>-</u>	<u>2,543,696</u>
<u>LONG-TERM LIABILITIES</u>				
Note payable, long-term portion	5,471,857	7,800,000	-	13,271,857
Lease liability, long-term portion	25,698	-	-	25,698
Total long-term liabilities	<u>5,497,555</u>	<u>7,800,000</u>	<u>-</u>	<u>13,297,555</u>
<u>TOTAL LIABILITIES</u>	<u>8,041,251</u>	<u>7,800,000</u>	<u>-</u>	<u>15,841,251</u>
<u>NET ASSETS</u>				
Without donor restriction	27,321,354	(7,536,779)	-	19,784,575
<u>TOTAL NET ASSETS</u>	<u>27,321,354</u>	<u>(7,536,779)</u>	<u>-</u>	<u>19,784,575</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$ 35,362,605</u>	<u>\$ 263,221</u>	<u>\$ -</u>	<u>\$ 35,625,826</u>

See accompanying independent auditors' report.

JEFFERSON COMMUNITY HEALTH CARE CENTERS, INC. d/b/a
INCLUSIVCARE
CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>InclusivCare</u>	<u>InclusivCare Community Investment, Inc.</u>	<u>Eliminations</u>	<u>InclusivCare Consolidated</u>
<u>OPERATING REVENUES:</u>				
Patient service fees	\$ 21,311,650	\$ -	\$ -	\$ 21,311,650
Federal program revenues	6,612,474	-	-	6,612,474
340B program revenues	536,708	-	-	536,708
Government contract revenues	-	-	-	-
Other grants	268,582	-	-	268,582
Investment income	344,020	-	-	344,020
Other income	629,992	81,000	(81,000)	629,992
<u>TOTAL OPERATING REVENUES</u>	<u>29,703,426</u>	<u>81,000</u>	<u>(81,000)</u>	<u>29,703,426</u>
<u>OPERATING EXPENSES:</u>				
Program services	22,499,566	-	-	22,499,566
Support services	5,792,475	125,249	(81,000)	5,836,724
<u>TOTAL EXPENSES</u>	<u>28,292,041</u>	<u>125,249</u>	<u>(81,000)</u>	<u>28,336,290</u>
<u>CHANGE IN NET ASSETS</u>				
<u>WITHOUT DONOR RESTRICTION</u>	<u>1,411,385</u>	<u>(44,249)</u>	<u>-</u>	<u>1,367,136</u>
<u>NET ASSETS WITHOUT</u>				
<u>DONOR RESTRICTION</u>				
Beginning of year	25,909,969	(7,492,530)	-	18,417,439
End of year	<u>\$ 27,321,354</u>	<u>\$ (7,536,779)</u>	<u>\$ -</u>	<u>\$ 19,784,575</u>

JEFFERSON COMMUNITY HEALTH CARE CENTERS, INC. d/b/a
INCLUSIVCARE
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2025

Agency Head: Dr. Shondra Williams, Chief Executive Officer

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 221,900
Benefits - Taxes (social security/medicare)	39,342
	<u>\$ 261,242</u>

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JEFFERSON COMMUNITY HEALTH CARE CENTERS, INC.
d/b/a INCLUSIVCARE

REPORT ON INTERNAL CONTROL AND
ON COMPLIANCE AND OTHER MATTERS

DECEMBER 31, 2025



JEFFERSON COMMUNITY HEALTH CARE CENTERS, INC.
d/b/a INCLUSIVCARE

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**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
Jefferson Community Health Care Centers, Inc. d/b/a InclusivCare

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 (*Government Auditing Standards*), the financial statements of Jefferson Community Health Care Centers, Inc. d/b/a InclusivCare (a nonprofit organization) (the "Organization" or "InclusivCare") which comprise the consolidated statement of financial position as of December 31, 2025, and the related consolidated statements of activities and changes in net assets and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 26, 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) as a basis for designing 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 an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

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 were not 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 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
Metairie, Louisiana
May 26, 2026

EISNERAMPER
LLP



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The Board of Directors

Jefferson Community Health Care Centers, Inc. d/b/a InclusivCare

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Jefferson Community Health Care Centers, Inc. d/b/a InclusivCare's (a nonprofit organization) (the "Organization" or "InclusivCare") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the Organization's major federal program for the year ended December 31, 2025. The Organization's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2025.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States ("Government Auditing Standards"); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Organization's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.



Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the Organization as of and for the year ended December 31, 2025 and have issued our report thereon dated May 26, 2026, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance 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 audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

EisnerAmper LLP

EISNERAMPER LLP
Metairie, Louisiana
May 26, 2026



JEFFERSON COMMUNITY HEALTH CARE CENTERS, INC.
D/B/A INCLUSIVE CARE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED DECEMBER 31, 2025

<u>Federal Grantor/Pass-Through Grantor/ Program Title/Grant Name</u>	<u>Federal Assistance Listing Number</u>	<u>Identifying Number</u>	<u>Federal Expenditures</u>
U.S. Department of Health and Human Services:			
<u>Direct:</u>			
Health Resources and Services Administration (HRSA):			
Health Center Program Cluster			
Consolidated Health Centers (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, and Public Housing Primary Care)			
Health Center Program	93.224	H80CS06716	\$ 4,255,550
Health Center Program- Behavioral Health Service Expansion	93.224	H8FCS40845	676,822
Grants for New and Expanded Services under the Health Center Program	93.527	H80CS06716-19-03	<u>29,999</u>
Total Health Center Program Cluster			<u>4,962,371</u>
Total U.S Department of Health and Human Services			<u>4,962,371</u>
Total Federal Award Expenditures			<u><u>\$ 4,962,371</u></u>

InclusivCare did not pass through any amounts to sub-recipients.

JEFFERSON COMMUNITY HEALTH CARE CENTERS, INC.
D/B/A INCLUSIVCARE

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

DECEMBER 31, 2025

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal grant activity of Jefferson Community Health Care Centers, Inc. d/b/a InclusivCare (the Organization or InclusivCare) under programs of the federal government for the year ended December 31, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the consolidated financial position, changes in net assets, or cash flows of the Organization. The Organization's reporting entity is defined in Note 1 to the financial statements for the year ended December 31, 2025.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting, which is described in Note 1 to the Organization's financial statements for the year ended December 31, 2025. Such expenditures are recognized following the cost principles contained in accordance with the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in this schedule may differ from amounts presented, or used in the preparation of, the basic financial statements.

3. Relationship to Financial Statements

Federal program revenues of \$6,612,474 are reported in the Consolidated Statement of Activities and Changes in Net Assets, which includes \$4,962,371 that agree to federal expenditures on the Schedule of Federal Awards and \$1,650,103 in Employer Retention Tax Credits.

4. Amounts Passed Through to Subrecipients

The Organization did not pass through any federal funds to subrecipients.

5. De Minimis Cost Rate

During the year ended December 31, 2025, the Organization did not include any expenditures related to indirect cost rate calculations and did not elect to use the de minimis indirect cost rate as allowed in Uniform Guidance.

JEFFERSON COMMUNITY HEALTH CARE CENTERS, INC.
D/B/A INCLUSIVCARE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED DECEMBER 31, 2025

(1) Summary of Independent Auditors' Results

Financial Statements

The type of report issued on the financial statements: Unmodified opinion

Internal control over financial reporting:

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

Noncompliance material to the financial statements noted? No

Federal Awards

Internal controls over major programs:

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

Type of auditors' report issued on compliance for major programs: Unmodified opinion

Any audit findings which are required to be reported under the Uniform Guidance? No

Identification of major program:

Health Center Program Cluster:
Consolidated Health Centers (Community Health Centers,
Migrant Health Centers, Health Care for the Homeless, and
Public Housing Primary Care) 93.224 & 93.527

Dollar threshold used to distinguish between Type A and Type B programs: \$1,000,000

Auditee qualified as a low-risk auditee under Section 530 of The Uniform Guidance: Yes

(2) Findings Relating to the Financial Statements Reported in Accordance with Government Auditing Standards:

None reported.

(3) Findings and Questioned Costs relating to Federal Awards:

None reported.

EISNERAMPER

**JEFFERSON COMMUNITY HEALTH CARE CENTERS,
INC. d/b/a INCLUSIVCARE**

**REPORT ON STATEWIDE AGREED-UPON
PROCEDURES ON COMPLIANCE
AND CONTROL AREAS**

FOR THE YEAR ENDED DECEMBER 31, 2025



JEFFERSON COMMUNITY HEALTH CARE CENTERS, INC. d/b/a INCLUSIVCARE

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of Jefferson Community Health Care Centers, Inc. d/b/a InclusivCare, 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 Jefferson Community Health Care Centers, Inc. d/b/a InclusivCare (the "Entity" or "InclusivCare") for the fiscal period January 1, 2025 through December 31, 2025. InclusivCare's management is responsible for those C/C areas identified in the SAUPs.

InclusivCare 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 January 1, 2025 through December 31, 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 InclusivCare 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, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs of InclusivCare for the fiscal period January 1, 2025 through December 31, 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 InclusivCare 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**

Metairie, Louisiana

May 26, 2026

**JEFFERSON COMMUNITY HEALTH CARE CENTERS, INC. d/b/a INCLUSIVCARE
AGREED UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
DECEMBER 31, 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.

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.

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.

No exception noted.

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.

JEFFERSON COMMUNITY HEALTH CARE CENTERS, INC. d/b/a INCLUSIVCARE
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
December 31, 2025

Schedule A

- 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 Louisiana Code of Governmental Ethics (R.S. 24:1111-1121) does not apply to the Entity. Thus, this procedure is not applicable and was not performed.

- 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 not-for-profit organization and has no public debt. Thus, this procedure is not applicable and was not performed.

- 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.

No exception noted.

- 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 requirements of LA RS42-341-344 apply to governmental entity public officers and employees and are therefore not applicable to the Entity as it is a non-profit entity.

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.

No exception noted.

- 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.*

No exception noted.

JEFFERSON COMMUNITY HEALTH CARE CENTERS, INC. d/b/a INCLUSIVCARE
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
December 31, 2025

Schedule A

- 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.

This procedure is not applicable because the Entity is not a governmental entity.

- 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.

The Entity had no prior year audit findings. Thus, this procedure is not applicable and was not performed.

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:

A listing of bank accounts was provided and included a total of 11 bank accounts. Management identified the Entity's main operating account. No exceptions were noted as a result of performing this procedure.

From the listing provided, we selected five bank accounts and obtained the bank reconciliations for the month ending December 31, 2025, resulting in 5 bank reconciliations obtained and subjected to the below procedures.

- 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);

No exception noted.

- 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

No exception noted.

- 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.

No exception noted.

JEFFERSON COMMUNITY HEALTH CARE CENTERS, INC. d/b/a INCLUSIVCARE
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
December 31, 2025

Schedule A

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).

Management of the Entity represented that the receipt of public funds during the period was done via electronic funds transfer; there were no deposits of public funds via cash, checks, or money orders during the fiscal period. Thus, the procedures under this heading are not applicable and were not performed.

- 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:

There were no deposits of public funds via cash, checks, or money orders during the fiscal period. Thus, the procedures under this heading are not applicable and were not performed.

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

There were no deposits of public funds via cash, checks, or money orders during the fiscal period. Thus, the procedures under this heading are not applicable and were not performed.

- 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;

There were no deposits of public funds via cash, checks, or money orders during the fiscal period. Thus, the procedures under this heading are not applicable and were not performed.

- 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

There were no deposits of public funds via cash, checks, or money orders during the fiscal period. Thus, the procedures under this heading are not applicable and were not performed.

- 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.

There were no deposits of public funds via cash, checks, or money orders during the fiscal period. Thus, the procedures under this heading are not applicable and were not performed.

- 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.

There were no deposits of public funds via cash, checks, or money orders during the fiscal period. Thus, the procedures under this heading are not applicable and were not performed.

JEFFERSON COMMUNITY HEALTH CARE CENTERS, INC. d/b/a INCLUSIVCARE
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
December 31, 2025

Schedule A

- 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:

There were no deposits of public funds via cash, checks, or money orders during the fiscal period. Thus, the procedures under this heading are not applicable and were not performed.

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

There were no deposits of public funds via cash, checks, or money orders during the fiscal period. Thus, the procedures under this heading are not applicable and were not performed.

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

There were no deposits of public funds via cash, checks, or money orders during the fiscal period. Thus, the procedures under this heading are not applicable and were not performed.

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

There were no deposits of public funds via cash, checks, or money orders during the fiscal period. Thus, the procedures under this heading are not applicable and were not performed.

- 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).

There were no deposits of public funds via cash, checks, or money orders during the fiscal period. Thus, the procedures under this heading are not applicable and were not performed.

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

There were no deposits of public funds via cash, checks, or money orders during the fiscal period. Thus, the procedures under this heading are not applicable and were not performed.

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

- 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. 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.

**JEFFERSON COMMUNITY HEALTH CARE CENTERS, INC. d/b/a INCLUSIVCARE
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
December 31, 2025**

Schedule A

- 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 for the payment processing location selected 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

No exception noted.

- 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.

No exception noted.

- 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 payment processing location selected in procedure #5A was provided related to the fiscal period. No exceptions were noted as a result of performing this procedure. From the listing provided, we haphazardly selected five 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 exception 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.

No exception noted.

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- 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.

A listing of active cards during the fiscal period was provided. No exception noted.

- 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

From the listing provided, we haphazardly selected the five cards (two credit cards and three debit cards) active during the fiscal period. We haphazardly selected one monthly statement for each of the five cards selected and performed the procedures noted below.

- 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

No exception noted.

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

Exception noted. A late fee was charged on one bill affecting 3 of the 5 cards tested for the month of May 2025.

- 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.

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We haphazardly selected ten transactions, or all transactions if less than ten from each statement and obtained supporting documentation for the transactions. One exception was noted in which one charge tested did not have a supporting receipt and was not for a business purpose. The Entity identified this personal charge and it was subsequently repaid by the employee. For each other transaction, we observed that it was supported by (1) an original itemized receipt that identified 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).

- D. Using the list of terminated employees obtained in Payroll and Personnel procedure #9C identify those individuals who had access to cards and randomly select 5 terminated employees (or all terminated employees with card access if less than 5) from this population. Observe evidence that the cards have been deactivated for these terminated employees. In cases where a card is shared by multiple users, obtain evidence that the terminated employees' authorization has been removed.

No exceptions noted.

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:

The listing of travel and travel-related expense reimbursements during the fiscal period was provided. No exceptions were noted as a result of performing this procedure. From the listing provided, we haphazardly selected five reimbursements and performed the procedures below.

- 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);

No exception noted.

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

No exception noted.

- 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

No exception noted.

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

No exception noted.

8) Contracts

- 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

An active vendor list for the fiscal period was provided, indicating no such agreements/contracts were initiated or renewed during the fiscal period with public funds. Thus, this procedure is not applicable and the below procedures were not performed.

- 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 had no agreements/contract initiated or renewed during the fiscal period with public funds. Thus, this procedure is not applicable and was not performed.

- 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 had no agreements/contract initiated or renewed during the fiscal period with public fund. Thus, this procedure is not applicable and was not performed.

- 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

The Entity had no agreements/contract initiated or renewed during the fiscal period with public funds. Thus, this procedure is not applicable and was not performed.

- 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.

The Entity had no agreements/contract initiated or renewed during the fiscal period with public funds. Thus, this procedure is not applicable and was not performed.

9) Payroll and Personnel

- 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.

A listing of employees/elected officials employed during the fiscal period was provided. No exceptions were noted as a result of performing this procedure. From the listing provided, we haphazardly selected five employees/officials and performed the specified procedures.

- 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

We haphazardly selected one pay period during the fiscal period and performed the procedures below for the five employees/officials selected in procedure #9A.

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

No exception noted.

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

No exception noted.

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

No exception noted.

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

No exception noted.

- 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.

A listing of employees/officials receiving termination payments during the fiscal period was provided. From the listing provided, we haphazardly selected two employees/officials and performed the specified procedures. No exceptions were noted as a result of performing this procedure.

- 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.

No exception noted.

10) Ethics

- 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 Louisiana Code of Governmental Ethics (R.S. 24:1111-1121) does not apply to the Entity. Thus, this procedure is not applicable and was not performed.

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- 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 Louisiana Code of Governmental Ethics (R.S. 24:1111-1121) does not apply to the Entity. Thus, this procedure is not applicable and was not performed.

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

R.S. 42:1170 does not apply to the Entity. Thus, this procedure is not applicable and was not performed.

11) Debt Service

- 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 not-for-profit organization with no public debt. Thus, this procedure is not applicable and was not performed.

- 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 not-for-profit organization with no public debt. Thus, this procedure is not applicable and was not performed.

12) Fraud Notice

- 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.

Management represented that there were no misappropriations of public funds and assets during the fiscal period.

- 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.

No exception noted.

13) Information Technology Disaster Recovery/Business Continuity

A. Perform the following procedures, verbally discuss the results with management, and report “We performed the procedure and discussed the results with management.”

- i. 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.

We performed the procedure and discussed the results with management.

- ii. 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.

We performed the procedure and discussed the results with management.

- iii. 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.

We performed the procedure and discussed the results with management.

B. 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.

We performed the procedure and discussed the results with management.

C. 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. 42:1267. The requirements are as follows:

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

The Entity is a not-for-profit organization and is not subject to R.S. 42:1267. Thus, this procedure is not applicable and was not performed.

14) Prevention of Sexual Harassment

- 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 not-for-profit organization and is not subject to R.S. 42:343. Thus, this procedure is not applicable and was not performed.

- 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 not-for-profit organization. Thus, this procedure is not applicable and was not performed.

- 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 not-for-profit organization and is not subject to R.S. 42:344. Thus, this procedure is not applicable and was not performed.

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

The Entity is a not-for-profit organization and is not subject to R.S. 42:344. Thus, this procedure is not applicable and was not performed.

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

The Entity is a not-for-profit organization and is not subject to R.S. 42:344. Thus, this procedure is not applicable and was not performed.

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

The Entity is a not-for-profit organization and is not subject to R.S. 42:344. Thus, this procedure is not applicable and was not performed.

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

The Entity is a not-for-profit organization and is not subject to R.S. 42:344. Thus, this procedure is not applicable and was not performed.

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MANAGEMENT'S RESPONSE AND CORRECTIVE ACTION PLAN
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Schedule B

Jefferson Community Health Care Centers, Inc. (the Entity) provided a response and corrective action plan for the exceptions noted in Schedule A as set forth below:

Jefferson Community Health Care Centers, Inc.'s management concurs with the exceptions noted in the Statewide Agreed Upon Procedures report. The Entity will evaluate each exception and implement policies and procedures where appropriate and necessary to strengthen internal controls over financial operations of the Entity.