Gulf Coast Housing Partnership, Inc.

CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025 and 2024

Table of Contents

CARR, RIGGS & INGRAM, L.L.C.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
of Gulf Coast Housing Partnership, Inc.

Opinion

We have audited the accompanying consolidated financial statements of Gulf Coast Housing Partnership, Inc., (GCHP) which comprise the consolidated statements of financial position as of December 31, 2025 and December 31, 2024 and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

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

Basis for Opinion

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

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 GCHP'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about GCHP's ability to continue as a going concern for a reasonable period of time.

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

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The schedule of compensation, benefits, and other payments to agency head is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated 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 14, 2026, on our consideration of GCHP'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 GCHP'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 GCHP's internal control over financial reporting and compliance.

Carr, Riggs & Ingram, L.L.C.

Metairie, Louisiana
May 14, 2026

Consolidated Statements of Financial Position
December 31, 2025 and 2024

ASSETS

	2025	2024
Cash and cash equivalents	$5,697,209	$5,201,891
Restricted cash and cash equivalents	48,840,984	30,838,551
Accounts receivable, net	3,293,793	2,577,280
Grants and contributions receivable	494,189	249,903
Prepaids	1,526,147	1,588,101
Developer fees receivable	575,802	1,079,479
Notes receivable	75,286,477	69,811,099
Allowance for credit losses	(1,916,949)	(1,834,237)
Net notes receivable	73,369,528	67,976,862
Real estate held for development and sale	14,599,320	14,224,546
Property and equipment, net	433,070,452	409,596,466
Other assets	3,840,328	3,745,151
Investments	73,972	62,683
Total assets	$585,381,724	$537,140,913

LIABILITIES AND NET ASSETS

	2025	2024
LIABILITIES		
Accounts payable and accrued expenses	$567,108	$1,293,039
Construction costs payable	5,490,573	6,123,692
Refundable advances	-	2,850,000
Developer Fee Payable	9,003,934	7,769,487
Other payables	11,057,455	10,814,333
Due to related parties	3,760,592	3,572,007
Long-term debt, net of debt issuance costs	235,597,198	239,839,600
Total liabilities	265,476,860	272,262,156
NET ASSETS		
Without donor restrictions		
GCHP - controlling interest	81,607,689	71,811,740
Noncontrolling interests in subsidiaries	221,680,498	177,300,340
Total net assets without donor restrictions	303,288,187	249,112,080
With donor restrictions	16,616,677	15,766,677
Total net assets	319,904,864	264,878,757
Total liabilities and net assets	$585,381,724	$537,140,913

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

Gulf Coast Housing Partnership, Inc.
Consolidated Statements of Activities
December 31, 2025 and 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND SUPPORT						
Property operations rental income	$ 20,631,028	$ -	$ 20,631,028	$ 19,948,869	$ -	$ 19,948,869
Grants and contributions	1,053,955	4,087,901	5,141,857	397,426	999,000	1,396,426
Development fees	3,179,701	-	3,179,701	4,426,157	-	4,426,157
Federal grants	554,841	4,729,443	5,284,284	520,750	2,445,000	2,965,750
Forgiveness of debt, net	745,314	-	745,314	745,314	-	745,314
Interest income	899,077	-	899,077	777,541	-	777,541
Management fees	1,859,548	-	1,859,548	1,251,919	-	1,251,919
Interest income on cash and cash equivalents	1,367,356	-	1,367,356	629,026	-	629,026
Gain/(loss) on disposition	(744,569)	-	(744,569)	(41,499)	-	(41,499)
Gain/(Loss) on investments in partnerships	163	-	163	(60,105)	-	(60,105)
Other revenue	1,183	-	1,183	1,041,132	-	1,041,132
Grants and contributions released from restriction	7,967,344	(7,967,344)	-	5,250,182	(5,250,182)	-
Total support and revenue	37,514,941	850,000	38,364,942	34,886,712	(1,806,182)	33,080,530
EXPENSES						
Program services	41,569,716	-	41,569,716	39,293,077	-	39,293,077
Support services	4,928,991	-	4,928,991	4,825,444	-	4,825,444
Total expenses	46,498,707	-	46,498,707	44,118,521	-	44,118,521
Change in net assets	(8,983,766)	850,000	(8,133,766)	(9,231,809)	(1,806,182)	(11,037,991)
NET ASSETS, BEGINNING OF YEAR	249,112,080	15,766,677	264,878,757	217,580,504	17,572,859	235,153,363
Change in net assets	(8,983,766)	850,000	(8,133,766)	(9,231,809)	(1,806,182)	(11,037,991)
Members' net contributions to subsidiaries	63,159,873	-	63,159,873	40,763,385	-	40,763,385
Change in consolidated net assets	54,176,107	850,000	55,026,107	31,531,576	(1,806,182)	29,725,394
NET ASSETS, END OF YEAR	$ 303,288,187	$ 16,616,677	$ 319,904,864	$ 249,112,080	$ 15,766,677	$ 264,878,757

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

Gulf Coast Housing Partnership, Inc.
Consolidated Statements of Functional Expenses
December 31, 2025 and 2024

	2025			
		Supporting Services		
	Program Services	Management and General	Fundraising	Total Expenses
Salaries & Benefits:				
Administrative	$ -	$ 1,866,549	$ 339,587	$ 2,206,136
Development	2,242,795	-	-	2,242,795
Property Management	4,762,850	-	-	4,762,850
Service Related Expenses	521,974	-	-	521,974
Administrative Expenses	808,572	1,380,436	-	2,189,008
Maintenance Repairs & Improvements	2,467,574	6,340	-	2,473,914
Professional Fees	1,919,408	250,627	-	2,170,035
Utilities	1,993,375	29,260	-	2,022,635
Insurance Expense	4,605,990	69,536	-	4,675,526
Taxes	1,039,572	-	-	1,039,572
Other Property Related Expenses	1,027,777	-	-	1,027,777
Interest Expense	5,210,924	915,983	-	6,126,907
Other Financing Expenses	791,066	-	-	791,066
Other Non-operating Expenses	1,326	-	-	1,326
Allowance for Credit Losses	184,679	-	-	184,679
Depreciation & Amortization	13,991,834	70,673	-	14,062,507
Total expenses	$ 41,569,716	$ 4,589,404	$ 339,587	$ 46,498,707

	2024			
		Supporting Services		
	Program Services	Management and General	Fundraising	Total Expenses
Salaries & Benefits:				
Administrative	$ -	$ 1,753,776	$ 319,070	$ 2,072,846
Development	2,107,290	-	-	2,107,290
Property Management	4,765,950	-	-	4,765,950
Service Related Expenses	623,591	-	-	623,591
Administrative Expenses	710,916	1,264,529	-	1,975,445
Maintenance Repairs & Improvements	2,583,014	10,466	-	2,593,480
Professional Fees	1,556,738	215,796	-	1,772,534
Utilities	2,055,287	27,085	-	2,082,372
Insurance Expense	4,514,871	79,114	-	4,593,985
Taxes	945,391	365	-	945,756
Other Property Related Expenses	878,545	-	-	878,545
Interest Expense	5,375,982	1,054,430	-	6,430,412
Other Financing Expenses	184,372	-	-	184,372
Other Non-operating Expenses	38,490	-	-	38,490
Allowance for Credit Losses	149,403	-	-	149,403
Depreciation & Amortization	12,803,237	100,813	-	12,904,050
Total expenses	$ 39,293,077	$ 4,506,374	$ 319,070	$ 44,118,521

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

Gulf Coast Housing Partnership, Inc.
Consolidated Statements of Cash Flows
December 31, 2025 and 2024

	2025	2024
Cash flows from operating activities		
Changes in net assets:	$ (8,133,766)	$ (11,037,991)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities		
Depreciation	13,573,566	12,390,226
Forgiveness of debt	(745,314)	(745,314)
Loss (gain) on investments	(163)	60,752
Provision for credit losses	184,679	149,403
Amortization of deferred fees	488,941	513,824
Noncash interest (amortization of debt issuance costs)	433,665	363,421
Loss (gain) on disposition	744,569	41,499
Changes in operating assets and liabilities:		
Accounts receivable	(825,819)	(812,787)
Grants and contributions receivable	(244,286)	74,984
Prepaids	61,954	43,923
Developer fees receivable	503,677	(76,150)
Accounts payable and accrued expenses	(725,931)	111,659
Refundable advances	(2,850,000)	(2,445,000)
Other payables	255,995	405,275
Net cash provided by (used in) operating activities	2,721,767	(962,276)
Cash flows from investing activities:		
Purchases of real estate, property, and equipment	(39,473,841)	(40,363,420)
Disbursement of notes receivable	(5,826,250)	(6,641,906)
Collection on notes receivable	350,872	1,228,636
Proceeds on real estate held for investment	1,535,000	2,270,302
Investments in Partnerships	(11,126)	-
Change in Other Assets	(584,118)	(87,384)
Net cash used in investing activities	(44,009,463)	(43,593,772)
Cash flows from financing activities:		
Proceeds from notes payable	41,043,944	30,293,780
Payments on notes payable	(44,927,179)	(28,684,941)
Deferred Financing Costs	(47,518)	(359,009)
Proceeds from related parties	556,327	334,618
Distributions to non-controlling interest	(1,821,030)	(1,274,458)
Contributions from non-controlling interests	64,980,903	42,037,841
Net cash provided by financing activities	59,785,447	42,347,831
Net change in cash, cash equivalents, and restricted cash	18,497,751	(2,208,217)
Cash, cash equivalents, and restricted cash at beginning of year	36,040,442	38,248,660
Cash, cash equivalents, and restricted cash at end of year	$ 54,538,193	$ 36,040,442
Supplemental Disclosures of Cash Flow Information:		
Cash paid for interest, net of capitalized interest	$ 6,468,861	$ 6,260,236
Accounts and developer fee payable related to construction	$ 14,494,507	$ 13,893,179
Reconciliation to Consolidated Statements of Financial Position:		
Cash and cash equivalents for cash flow statements include:		
Cash and cash equivalents	$ 5,697,209	$ 5,201.891
Restricted cash and cash equivalents	48,840,984	30,838,551
Total Cash and cash equivalents	$ 54,538,193	$ 36,040,442

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

1. Summary of Significant Accounting Policies

(a) History and Organization

Gulf Coast Housing Partnership, Inc. is a non-profit organization organized under the laws of the State of Delaware to acquire, own, develop, hold, sell, lease, transfer, exchange, operate, and manage all types of real estate projects, including any buildings and other improvements particularly in the Gulf South region states of Alabama, Louisiana, Mississippi, and Texas; to foster and stimulate economic development; and to play a key role in developing a new institutional infrastructure through which long-term, affordable housing in the Gulf South can be successfully produced, owned, and operated.

These financial statements have been consolidated to include all accounts of Gulf Coast Housing, Inc., and its subsidiaries (collectively, GCHP or the Organization).

The following are wholly owned subsidiaries that are disregarded for income tax purposes:

1122 OCH, L.L.C.
165 Dauphin GP, L.L.C.
1840 Baronne L.L.C.
Banneker, LLC
Beverly Land, L.L.C.
GCHP-1409 OCH, L.L.C.
GCHP-Clinton GP, LLC
GCHP-German Schoolhouse GP, LLC
GCHP-German Schoolhouse, LLC
GCHP-Hammond GP 3, LLC
GCHP-Hammond GP Two, LLC
GCHP-Hammond Landlord, LLC
GCHP-Haven GP, LLC
GCHP-Hooper Ridge, LLC
GCHP-Jericho, LLC
GCHP-LDG, LLC
GCHP-Management, LLC
GCHP-Meadows GP, LLC
GCHP-MLK Development, LLC
GCHP-MSD2 GP, LLC
GCHP-MSD3 GP, LLC
GCHP-MSD4 GP, LLC
GCHP-Polybar Owner, LLC
GCHP-RBR 2002, LLC
GCHP-Richland GP, LLC
GCHP-Scott, LLC
GCHP-Spanish Town, LLC
GCHP-Springs, LLC
GCHP-Westwego, LLC
Gulf Coast Housing Partnership, LLC
Hooper Ridge, LLC
Howell Village, LLC
Midtown Homes, LLC
MSD2, LP
MSD3, LP
MSD4, LP

The following are wholly owned subsidiaries that are non-profit entities:

GCHP LA CHDO, Inc.
Housing Mississippi, Inc.
GCHP-Texas, Inc.

(a) History and Organization (continued)

The following are wholly owned subsidiaries or partnerships that are for profit entities:

1300 OCH GP, LLC
1626 OCH GP, LLC
Clinton Heights, LP
Country Ridge Estates GP, LLC
GCHP-1854 GP, LLC
GCHP-Beau Sejour GP, LLC
GCHP-Cypress Gardens GP, LLC
GCHP-Elysian III, LLC
GCHP-Elysian, LLC
GCHP-Esplanade GP, LLC
GCHP-Gabriel Villa GP, LLC
GCHP-Government GP, LLC
GCHP-Hammond GP, LLC
GCHP-Hammond Two, LP
GCHP-Hammond 3, LLC
GCHP-Jefferson Davis GP, LLC
GCHP-McDonogh 16 GP, LLC
GCHP-MSD1 GP, LLC
GCHP-Muses, LLC
GCHP-North Park GP, LLC
GCHP-North Park 2 GP, LLC
GCHP-Old Morrison GP, LLC
GCHP-Raymond Road GP, LLC
GCHP-Richland GP, LLC
GCHP-Villas at Lafayette SLP, LLC
GCHP-Virginia Meadows GP, LLC
H3C GP, LLC
Jefferson Davis, LTD
King Rampart LLC
LMBD Lafourche GP, LLC
Lotus Village GP, LLC
Meadows Family, LP
Old Morrison GP, LLC
Village at the Beverly GP, LLC
Village at the Beverly II GP, LLC
Village at the Beverly III GP, LLC

The following partnerships have been consolidated based on GCHP's 51% to 99% ownership percentage in the partnership:

AG 2018, LLC
GCHP-1854 GP, LLC
GCHP-Claiborne MM, LLC
GCHP-Elysian II GP, LLC
GCHP-Elysian III GP, LLC
GCHP-Mid City GP, LLC
GCHP-Midtown GP, LLC
GCHP-North Park GP, LLC
GCHP-One Stop, LLC
GCHP-Progress Park GP, LLC
McKee City Living GP, LLC
Pearl Street Southwest MM, LLC
TGBG1, LLC
West-Millsaps GP, LLC

(a) History and Organization (continued)

The following partnerships have been consolidated based on GCHP's effective control as managing member or controlling member of:

1300 OCH, LLC
1626 OCH LLC
165 Dauphin, LP
1854 North Street, LLC
Beau Sejour Apartments, LP
Country Club Estates, LP
Country Ridge Estates, LP
Gabriel Villa Apartments, LP
GCHP-Claiborne, LLC
GCHP-Cypress Gardens, LP
GCHP-Elysian II, LLC
GCHP-Esplanade, LLC
GCHP-Hammond, LLC
GCHP-Jefferson Davis, LC.
GCHP-Mid City, LLC
GCHP-Midtown, LP
GCHP-MLK, LLC
GCHP-NMTC-2019#1, LLC
GCHP-NMTC-2019#2, LLC
GCHP-NMTC-2019#3, LLC
GCHP-NMTC-2019#4, LLC
GCHP-NMTC-2019#5, LLC
GCHP-NMTC-2020-NUMBER 1, LLC
GCHP-NMTC-2020-NUMBER 2, LLC
GCHP-NMTC-2020-NUMBER 3, LLC
GCHP-NMTC-2020-NUMBER 4, LLC
GCHP-NMTC-2020-NUMBER 5, LLC
GCHP-NMTC 006, LLC
GCHP-NMTC 007, LLC
GCHP-PolyBar, LLC
GCHP-Progress Park, LLC
H3C, LLC
Les Maisons de Bayou LaFourche, LLC
Lotus Village, LP
McDonogh 16, LLC
McKee City Living, LP
MSD1, LP
North Park Housing, GP, LLC
Northpark Housing, LP
Old Morrison Partners, LP
Pearl Street Southwest, LLC
Raymond Road Partners LP
RBR Government, LP
Richland Gardens, LP
Village at the Beverly, LLC
Village at the Beverly II, LP
Village at the Beverly III, LP
Virginia Meadows Parcel 1, LLC
Virginia Meadows Parcel 2, LLC
Virginia Meadows, LP
West-Millsaps, LLC

Other non-consolidated partnership interests are as follows:

50% of Country Club Estates GP, LLC (equity method)	50% of Elysian Manager, LLC (equity method)
.01% of Country Club Estates LP, LLC (cost)	.01% of The Elysian, LLC (cost)
50% of McCaleb Supportive Housing, LLC (equity method)	.005% The Muses, LTD 1(cost)

All significant intercompany accounts and transactions have been eliminated.

To assist in financing project developments, the Organization utilizes a combination of federal, state and local grants, as well low-income housing, historic, and new markets tax credits.

(b) Basis of Accounting and Presentation of Net Assets

The accompanying consolidated financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), which require the Organization to report information regarding its financial position and activities 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 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 $16,616,677 and $15,766,677 of net assets with donor restrictions as of December 31, 2025 and 2024, respectively. These net assets are restricted by purpose and time.

Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restrictions are accomplished) in the reporting period in which the revenue is recognized. All other donor restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the consolidated statements of activities.

(c) Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates, and those differences could be material.

(d) Cash and Cash Equivalents

Cash includes amounts on deposit at financial institutions. Cash equivalents represent cash demand deposits and all highly liquid debt instruments with an original maturity of three months or less from the date of purchase.

(e) Restricted Cash and Cash Equivalents

GCHP maintains restricted cash accounts as required by grant and loan agreements.

(f) Receivables

Receivables are stated at the amount management expects to collect from outstanding balances.

(g) Allowance for Credit Losses

The Company has established an allowance for credit losses to provide estimates of uncollectible accounts receivable and notes receivable, which is reflected in the consolidated statements of financial position within accounts receivable and notes receivable as a contra asset. Although variability is inherent in such estimates, Management believes that the allowance for credit losses provided in the consolidated financial statements is adequate. However, because of the small population of receivables and limited historical experience, as well as changing, unassessed or inaccurate variables and analysis, actual losses could be significantly more or less than management's estimate. As adjustments to these estimates become necessary, such adjustments are included in current operations as an expense for provision for credit losses in the consolidated statements of activities. On an annual basis, the Company reviews the current level of reserves, and the state of the portfolio to determine the adequacy of the reserve level to cover future losses based on historical experience adjusted for current conditions and reasonable supportable forecasts. The allowance for credit losses was $2,082,486 and $1,842,150 at December 31, 2025 and 2024, respectively.

The Company pools loans for estimating its allowance for credit loss based on the type of loan made and risk rates each based on the following criteria before origination and annually thereafter: Consistency and capability of management; Financial strength or condition; Development plan and projections; Collateral values. In assessing each loan’s risk, the Company applies an allowance to each of the pools based on the weighted creditworthiness of each pool.

The Company also addresses the GAAP requirements of CECL by making an adjustment to the allowance for credit losses. In this process the Company analyzes macro-economic trends in the region and applies them to the loan assets in its portfolio. These scenarios are grounded in factors such as Unemployment, Inflation, and GDP growth, and they adjust the expected loss rate calculations to produce a net residual change to the established allowance for credit losses. This macro-level adjustment is reviewed annually.

Changes in the allowance for credit losses on loans are recorded as provision for credit losses income (expense) on the statements of activities. After write-off, any recovery is recognized as income in the period in which it was received. A charge-off does not lessen the effort to collect.

Prior to the adoption of the credit loss standard on January 1, 2023, financial assets reported at amortized cost were reviewed for impairment using an incurred loss model.

(h) Debt Issuance Costs

Debt issuance costs paid in connection with securing the financing of a property are amortized on an interest method basis over the term of the respective loan.

(i) Property and Equipment

Property and equipment are stated at cost at the date of purchase or, for donated assets, at fair value at the date of donation, less accumulated depreciation. Depreciation is calculated using the straight-line basis over the lesser of the estimated useful lives of the assets or the

(i) Property and Equipment (continued)

lease term. The useful lives range from 20 to 40 years for buildings and improvements, and 3 to 10 years for furniture, equipment, and fixtures. Maintenance and repairs are expensed as incurred and major improvements are capitalized. When items of equipment are sold or retired, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is included in the consolidated statements of activities. The Organization's capitalization threshold is $3,500.

Impairment of long-lived assets is reviewed whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent the carrying value exceeds the fair value of the asset. Fair market value is determined primarily using appraisals. There were no impairments of long-lived assets recorded by management during the years ended December 31, 2025 and 2024.

(j) Tax Exempt Status

Gulf Coast Housing Partnership, Inc. is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code.

The Organization has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. The Organization has determined that there are no material uncertain tax positions that require recognition or disclosure in the consolidated financial statements.

(k) Real Estate Development

GCHP capitalizes project costs which include acquisition and predevelopment costs (real estate held for development and sale), and construction and development costs incurred during construction (construction in progress) for each of its projects. GCHP also capitalizes, upon commencement of construction, interest charges from debt related to these specific projects. When projects are sold, the related cost and accumulated depreciation as applicable are removed from the accounts; any gain or loss is included in the consolidated statements of activities.

(l) Revenue Recognition

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

(l) Revenue Recognition (continued)

Federal and state grants – A portion of GCHP's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when GCHP 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. Revenue recognition on grant funds of $0 and $2,850,000 have been deferred at December 31, 2025 and 2024, respectively, as qualifying expenditures have not yet been incurred.

Gains and losses on sales of real estate – A gain or loss on the sale of real estate assets is recognized when the criteria for an asset to be derecognized are met, which include when (i) a contract exists and (ii) the buyer obtained control of the nonfinancial asset that was sold.

Development fees – The performance obligation associated with development fees is the oversight of and management of the development or redevelopment of real estate projects. While the individual activities that comprise the performance obligation of the development fees can vary day-to-day, the nature of the overall performance obligation to provide development services is the same and considered by GCHP to be a series of services that have the same pattern of transfer to the customer and the same method to measure progress toward satisfaction of the obligation. Revenue is recognized over time using output measurements which reflect GCHP's performance in transferring control of the services to the customer and consideration of the status of construction on the project. These are estimates which require management's judgment. Consideration is payable in accordance with the individual development agreements and amounts may be payable over periods that exceed one year. The portion of developer fees expected to be paid out of cash flows of the underlying project represents variable consideration and generally is not recognized until received.

Management fees – The performance obligation associated with management fees is the management of real estate properties. While the individual activities that comprise the performance obligation of the management fees can vary day-to-day, the nature of the overall performance obligation to provide management services is the same and considered by GCHP to be a series of services that have the same pattern of transfer to the customer and the same method to measure progress toward satisfaction of the obligation. Management fees received in advance are deferred to the applicable period in which the related services are performed.

Rental income – Rental income is recognized as the rent becomes due. Rental payments received in advance are deferred until earned. All leases between GCHP and the tenants of the property are operating leases. Tenant rent charges for the current month are due on the first of the month. Tenants who are evicted or move out are charged with damages or cleaning fees, if applicable. Tenant receivables consist of amounts due for rental income, other tenant charges, and charges for damages and cleaning fees in excess of forfeited security deposits. GCHP does not accrue interest on the tenant receivable balances.

(m) Functional Expense Allocation

The costs of the various programs and supporting services have been summarized on a functional basis in the consolidated statements of activities. The consolidated statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses are charged directly to program or support services categories based on specific identification where possible. Salaries and benefits are allocated based on the estimates of time and effort. Depreciation, amortization, property taxes, and insurance expenses are allocated based on properties utilized by the program versus those properties used for management and general operations. All other costs are charged directly to the appropriate functional category.

(n) Leases

GCHP has various office lease agreements which are among related parties and are consolidated in our financial statements. As GCHP is the lessee and the lessor in the agreements and all amounts are consolidated for these leases, we have eliminated the right-of-use asset and lease liability in consolidation. Due to the election of the package of practical expedients, upon adoption of ASC 842 these lease agreements continue to be classified as operating leases. For the years ended December 31, 2025 and 2024, GCHP recorded $119,112 and $118,112, respectively in rent expenses related to these lease agreements as well as $107,112 in rental income, which were eliminated in consolidation.

GCHP's affordable housing properties are leased on a 12-month basis subject to non-cancelable operating leases and therefore, not subject to ASC 842.

(o) Subsequent Events

The Company evaluates subsequent events for disclosure on information in the financial statements through May 14, 2026, the date the financial statements were available for issuance.

2. Concentration of Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents. The Organization maintains its cash and cash equivalents in various bank accounts that, at times, may exceed federally insured limits. The Organization's cash and cash equivalent accounts have been placed with high credit quality financial institutions. The Organization has not experienced, nor does it anticipate, any losses with respect to such accounts.

GCHP owns, develops, holds, sells, leases, transfers, exchanges, operates, and manages all types of real estate projects, including any buildings and other improvements in the Gulf South region resulting in geographic concentration.

3. Liquidity

The following represents the Organization's financial assets available for general expenditures within one year at December 31:

Financial assets at year-end:	2025	2024
Cash and cash equivalents	$ 54,538,193	$ 36,040,442
Accounts and other receivables	4,363,784	3,906,662
Current portion of notes receivable	2,063,502	37,166
Total financial assets	60,965,479	39,984,270
Less: cash and grants receivable with restrictions	(49,335,173)	(31,088,454)
	$ 11,630,306	$ 8,895,816

GCHP's cash management plan is to ensure that it has sufficient liquidity to carry out its mission. Effective cash management enhances GCHP's ability to plan and manage development projects and operating properties.

As part of GCHP's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. GCHP aims to maintain working capital balances of at least three months of operating expenses. Management regularly monitors the availability of resources required to manage liquidity, using a variety of reports and practices to identify liquidity concerns.

GCHP is substantially supported through and generates liquid resources from management fees and developer fees related to development and property management activities. Philanthropic grant and contribution capital is generally utilized by GCHP to fund project developments.

To supplement liquidity, GCHP currently had committed lines of credit which it could further draw upon in the amount of $1,907,969 and $1,842,344 as of December 31, 2025 and 2024.

4. Property and Equipment

Property and equipment consist of the following at December 31:

	2025	2024
Land, lots, buildings, and improvements	$ 461,827,541	$ 430,394,076
Construction in progress	24,501,196	24,465,410
Furniture, equipment, and fixtures	22,616,053	19,288,338
	508,944,790	474,147,824
Less accumulated depreciation	(75,874,338)	(64,551,358)
Property and equipment, net	$ 433,070,452	$ 409,596,466

Substantially all property and equipment is pledged as collateral on long-term debt.

Total depreciation expense for the years ended December 31, 2025 and 2024 was $13,573,566 and $12,390,226, respectively. Construction in progress represents construction costs incurred by the

Organization as of December 31, 2025 and 2024. The Organization has commitments related to construction contracts totaling $23,548,514 for projects in process at December 31, 2025.

5. Notes Receivable

Details of notes receivable are as follows as of December 31:

	2025	2024
The Elysian, L.L.C. * - (East Baton Rouge Parish Redevelopment funds) note receivable with interest rate at 0% per annum; principal is due April 1, 2047. The note is secured by real estate.	$ 841,100	$ 841,100
The Elysian, L.L.C. * - (Office of Community Development funds) note receivable with an interest rate at 0% per annum; principal is due April 1, 2047. The note is secured by real estate.	4,000,000	4,000,000
The Elysian, L.L.C. * - (Louisiana Housing Finance Agency funds) note receivable with interest rate at 0% per annum; principal is due April 31, 2052. The note is secured by real estate.	2,099,930	2,099,930
The Elysian, L.L.C. * - (Developer Fee Loan) note receivable with interest rate at 0% per annum; principal is due April 31, 2052. The note is secured by real estate.	352,617	352,617
Reconcile New Orleans, Inc. * - (Health and Human Services funds) note receivable with interest rate at 0% per annum; principal is due December 31, 2041. The note is secured by real estate.	765,828	765,828
The Muses Ltd 1 * - (HOME funds) note receivable with interest rate at 2.75% per annum; principal and accrued interest are due January 1, 2026. The note is secured by real estate.	2,000,000	2,000,000
McCaleb Supportive Housing - note receivable with interest rate at 5% per annum; principal and accrued interest are due in monthly installments beginning April 19, 2013, and amortized over 15 years. The outstanding balance of any principal and interest is due on June 17, 2026. The note is secured by real estate.	41,338	58,150
3222 Canal Apartments * - (HOME funds) note receivable with interest rate at 0% per annum; principal payment of note will be automatically forgiven upon the later of (i) the expiration of the affordability period set forth in the Grant Agreement and (ii) the payment in full of the Deferred Developer Fee as described in the Development Services Agreement. The note is secured by real estate.	1,000,000	1,000,000
3222 Canal Apartments * - (AHP funds) note receivable with interest rate at 0% per annum; principal is due February 26, 2030. The note is secured by real estate.	1,000,000	1,000,000

Mission Properties Foundation * - (CDBG funds) note receivable with interest rate at 0% per annum; the note will be automatically forgiven upon the written acknowledgment by the State of Louisiana office of Community Development. The note is secured by real estate.	$ 1,738,559	$ 1,738,559
Regional Community Finance, LLC * - note receivable line of credit with interest rate of 1.0% per annum; principal and interest are due annually commencing on January 1, 2029. All unpaid principal and interest shall be due at maturity on July 1, 2051.	140,828	140,828
NBC * - USA Housing Inc Twenty-Six - (HOME funds) note receivable with interest at 0% per annum; principal is due December 31, 2033.	475,000	475,000
Odyssey House Louisiana * - note receivable with interest rate at 0% per annum; principal is due December 31, 2029.	759,816	759,916
The Muses Ltd 1 - (Enterprise funds) note receivable with interest rate at 0% per annum; principal is due at the earlier of the sale and/or refinancing of The Muses Ltd 1 or October 1, 2039.	50,000	50,000
Country Club Estates, LP * - (AHP funds) note receivable with interest rate at 3.08% per annum; principal is due December 31, 2059. The note is secured by real estate.	500,000	500,000
Realtymasters, LLC - $4,850,000 note receivable with an interest rate of 1.16% per annum; interest is due quarterly. Commencing on June 5, 2028, principal and interest payments are due quarterly. All unpaid principal and interest are due at maturity on December 31, 2040.	4,850,000	4,850,000
OCH Commercial, LLC - $6,305,000 notes receivable with an interest rate of 1.31% per annum, interest is due quarterly. Commencing on September 5, 2028, principal and interest payments are due quarterly. All unpaid principal and interest are due at maturity on July 1, 2056.	6,305,000	6,305,000
Villas of Lafayette * - (AHP funds) notes receivable with interest rate at 0% per annum; principal is due February 26, 2055. These notes are secured by real estate.	1,061,000	1,061,000
Regional Community Finance, LLC * - (Health and Human Services funds) note receivable with interest rate at 0% per annum; principal is due April 8, 2052. The note is secured by personal property.	799,800	799,800
The Dewberry - $4,607,500 note receivable with an interest rate of 1.15% per annum; interest is due quarterly. Commencing on June 5, 2028, principal and interest payments are due quarterly. All unpaid principal and interest are due at maturity on September 8, 2029.	4,607,500	4,607,500
The Pearl Clinic, LLC - $4,850,000 note receivable with an interest rate of 1.09% per annum; interest is due quarterly. Commencing on June 5, 2029, principal and interest payments are due quarterly. All unpaid principal and interest are due at maturity on April 8, 2057.	4,850,000	4,850,000

Oakwood University, Inc. - $4,607,500 note receivable with an interest rate of 1.06% per annum; interest is due quarterly. Commencing on June 5, 2029, principal and interest payments are due quarterly. All unpaid principal and interest are due at maturity on May 4, 2057.	$ 4,607,500	$ 4,607,500
Odyssey House Louisiana * - (Health and Human Services funds) note receivable with interest rate at 6.5% per annum; principal is due August 16, 2026.	-	300,800
The Elysian, L.L.C. * - (Operating Deficit Loan) note receivable with interest rate at 0% per annum; amount payable out of available cash flows.	681,750	578,000
Country Club Estates, LLC * – note receivable with interest rate at 0% per annum, principal is due December 1, 2023.	50,000	50,000
St. Thomas Community Health Center* - $4,850,000 note receivable with an interest rate of 1.35% per annum; interest is due quarterly. Commencing June 5, 2030, principal and interest payments are due quarterly. All unpaid principal and interest are due at maturity on May 1, 2053.	4,850,000	4,850,000
Magic City Acceptance Academy* - $4,850,000 note receivable with an interest rate of 1.42% per annum; interest is due quarterly. Commencing on March 5, 2031, principal and interest payments are due quarterly. All unpaid principal and interest are due at maturity on December 13, 2053.	4,850,000	4,850,000
Crescent Care Health Center - $800,000 note receivable with an interest rate of 0%. All unpaid principal is due at maturity on January 25, 2053.	799,800	799,900
Crescent Care Mid City (CCMC)* - $8,730,000 note receivable with an interest rate of 1.50%. All unpaid principal is due at maturity on January 31, 2053.	8,730,000	8,730,000
East Baton Rouge Parish Council on Aging - $142,173 note receivable with an interest rate of 0.00%. All unpaid principal is due at maturity.	18,918	18,918
Birmingham YMCA* - $5,577,500 note receivable with an interest rate of 2.25%. All unpaid principal is due at maturity on January 31, 2058.	5,577,500	5,577,500
Regional Community Finance - $1,200,000 note receivable with an interest rate of 4.50%. All unpaid principal is due at maturity on April 8, 2037	1,160,393	1,193,319
Coastal Family Health Center - $800,000 note receivable with an interest rate of 0%. All unpaid principal is due at maturity on April 30, 2055.	799,900	-

Regional Community Finance - $800,000 note receivable with an interest rate of 0%. All unpaid principal is due at maturity on February 18, 2055.	$ 799,900	$ -
Harry Thompson Center* - $4,122,500 note receivable with an interest rate of 1.25%. All unpaid principal is due at maturity on December 31, 2059.	4,122,500	-
Total notes receivable	75,286,477	69,811,099
Less: Allowance for credit losses	(1,916,949)	(1,834,237)
Total net notes receivable	$ 73,369,528	$ 67,976,862

Accrued interest receivable on the above notes totaled $905,358 and $873,559 as of December 31, 2025 and 2024, respectively. Accrued interest receivable is included in other assets in the consolidated statements of financial position.

Loans denoted with * do not require payment until maturity.

The risk characteristics of each loan portfolio segment are as follows:

Qualified Low-Income Community Investments (QLICIs) related to New Markets Tax Credit transactions

For QLICIs that are secured by the commercial real estate financed for development, GCHP establishes requirements related to long-term commercial tenants to ensure that the financing can be supported once the development is complete. Repayment of these loans is primarily dependent on the commercial tenant leases which can be impacted by changes in economic conditions and government policies as most of the tenants are federally supported health care institutions. Risk is mitigated by having the leases in place prior to development starting.

The total balance in the loan portfolio as of December 31, 2025 and 2024 was $54,149,900 and $49,227,500, respectively.

Loans with Forgiveness Provisions

GCHP has made loans with forgiveness provisions in the event that certain future events occur. These loans are secured by liens on income-producing real estate. The repayment of these loans is dependent on whether or not the real estate remains in their current use or whether, during the term of the loans, the real estate are refinanced. GCHP has gauged this risk in assessing its reserve against these loans.

The total balance in the loan portfolio as of December 31, 2025 and 2024 was $3,738,559.

Community Loans

GCHP has made loans to various Community Based organizations for affordable housing related projects. Loans made under this program were anticipated to be repaid through a combination of the projects' operating cash flows and the proceeds of the refinancing of the projects' after the completion of the compliance periods.

The total balance in the loan portfolio as of December 31, 2025 and 2024 was $17,398,018 and $16,845,107, respectively.

The changes in the allowance for credit losses by loan portfolio segment for the year ended December 31, 2024 and 2025 is as follows:

	QLICI Loans	Loans with Forgiveness	Community Loans	Total
Balance at December 31, 2023	$ 552,415	$ 186,928	$ 959,446	$ 1,698,789
Credit Loss Expense	66,930	-	68,518	135,448
Net Charge-offs	-	-	-	-
Balance at December 31, 2024	619,345	186,928	1,027,964	1,834,237
Credit loss expense	57,469	-	25,243	82,712
Net charge-offs	-	-	-	-
Balance at December 31, 2025	$ 676,814	$ 186,928	$1,053,207	$ 1,916,949

6. Notes Payable

Notes payable are generally non-recourse and secured by the respective properties unless otherwise noted. Corporate debt represents debt owed directly by GCHP or one of its wholly owned subsidiaries and partnership debt represents debt owed by less than 100% owned subsidiaries. Details of debt are as follows as of December 31:

Corporate Debt	2025	2024
Unsecured acquisition / predevelopment / development loans, bearing interest from 2.00% to 6.50%, with interest-only payments due monthly/semi-annual/quarterly, with the exception of one loan that has a monthly principal and interest amortization, to be repaid in full at maturity at various dates through 2030. Interest expense was $472,450 and $520,373 in 2025 and 2024, respectively.	$ 15,638,655	$ 14,898,149
Secured, recourse lines of credit, totaling $4,000,000 of credit for operating costs or predevelopment/construction financing with $2,071,361 available on December 31, bearing interest from 8.10% to 8.75% payable monthly, with entire principal to be repaid in full at maturity at various dates through 2027. Interest expense was $249,731 and $365,440 in 2025 and 2024, respectively.	3,317,704	5,275,056
Unsecured initial capitalization loans, bearing interest between 2.5% and 6.25%, with interest only payments due monthly, to be paid in full with maturity dates from June 21, 2027 to March 30, 2039. Interest expense was $144,180 and $203,506 in 2025 and 2024, respectively.	15,765,000	6,300,000
Total corporate debt	$ 34,721,359	$ 26,473,204

Partnership Debt

Secured, Louisiana and Mississippi state agency loans, bearing interest from 0% to 4.9%, principal and interest payments are payable from property cash flow. To be repaid in full at various dates through 2063. Capitalized interest was $12,812 and $0 and interest expense was $554,471 and $527,619 in 2025 and 2024, respectively.	$ 90,227,429	$ 84,202,149
Secured, recourse loans, bearing interest from 0.01% to 3.99% payable monthly. Principal to be repaid in full at maturity or convertible to permanent financing with maturities from 2044 to 2061. Capitalized interest was $0 and $12,876 and interest expense was $1,421,944 and $1,923,861 in 2025 and 2024, respectively.	30,474,653	56,491,605
Secured, recourse acquisition and construction loans, bearing interest at fixed and variable rates from 1.00% to 8.00% payable monthly, with principal to be repaid in full at maturity or convertible to permanent financing with maturities in 2026. Capitalized interest was $568,278 and $103,286 and interest expense was $1,017,003 and $529,070 in 2025 and 2024, respectively.	22,749,643	11,338,787
Secured, Louisiana state agency loans, bearing 0% interest, forgiven during the compliance period or forgivable or assignable at the end of the compliance period ranging from 5 to 20 years, beginning upon issuance of the conversion certificate or meeting occupancy requirements for the property. In the event of non-compliance, maturity dates range from 2026 to 2047.	2,691,965	3,412,279
Permanent, secured conventional loans, bearing interest from 0% to 9.00%, generally with principal and interest due monthly, to be repaid in full at various dates through 2060. Capitalized interest was $0 and $74,553 and interest expense was $1,231,272 and $897,078 in 2025 and 2024, respectively.	34,590,525	35,363,462
Secured, non-recourse, partner loans from pass through rehabilitation financing, bearing interest from 0% to 4.35%, with interest and principal payable from property cash flow. To be repaid in full at maturity. Interest expense was $538,776 and $1,016,352 in 2025 and 2024, respectively.	21,431,296	24,317,080
Unsecured non-recourse loans, bearing interest from 1% to 8.5%. To be repaid in full at September 27, 2065. Interest expense was $40,464 and $42,709 in 2025 and 2024, respectively.	2,300,871	2,218,029
Total partnership debt	204,466,382	217,343,387
Total notes payable	239,187,741	243,816,592
Less unamortized debt issuance costs	(3,591,706)	(3,978,153)
Total notes payable, net	$ 235,597,198	$ 239,839,600

Scheduled maturities for notes payable for the next five years and thereafter are:

2026	$	31,313,224
2027		10,042,288
2028		1,241,636
2029		4,055,904
2030		2,685,776
Thereafter		186,771,857
Forgivable loans		3,077,056
	$	239,187,741

Loans based on cash flow are loans whereby interest is paid out of surplus cash or available cash flow with payments occurring at various dates through the year ended December 31, 2062. Forgivable loans are forgivable over time or on the achievement of certain milestones specified by the loan agreements. Included in scheduled maturities for the year ended December 31, 2025, are due on demand loans totaling $4,375,290.

Certain notes payable are subject to financial covenants as defined in the specific note payable agreements. The Company was in compliance with all financial covenants at December 31, 2025 and has certain reporting requirements related to audited financial statements that it is either in compliance with or has a cure period that was available as of the date the financial statements were available for issuance.

7. New Markets Tax Credits

On June 30, 2022, GCHP NMTC-2019#2, LLC a subsidiary of GCHP, Inc., entered into an operating agreement with The Pearl Investment Fund, LLC. NMTC-2019#2, LLC, was organized as a subsidiary for the purpose of receiving sub-allocations of New Markets Tax Credits ("NMTC") from GCHP, Inc., an Allocatee under the NMTC Program. Pursuant to the Operating Agreement,

The Pearl Investment Fund, LLC is required to provide capital contributions to GCHP, NMTC-2019#2, for a 99.99% membership interest. As of December 31, 2024, The Pearl Investment Fund, LLC, capital contribution totaled $5,000,000. Of this contribution, $5,000,000 has been designated as a qualified equity investment ("QEI") under the NMTC program.

On April 8, 2023, GCHP NMTC-2019#2, LLC entered into two separate loan agreements with The Pearl Clinic, LLC, a Qualified Active Low Income Community Business ("QALICB") under the NMTC program, in the amount of $4,850,000. The Pearl Clinic, LLC is to pay this balance at an interest rate of 1.09% with a maturity date of April 8, 2057.

On March 9, 2023, GCHP NMTC-2019#5, LLC a subsidiary of GCHP, Inc., entered into an operating agreement with Twain Investment Fund 653, LLC. NMTC-2019#5, LLC, was organized as a subsidiary for the purpose of receiving sub-allocations of New Markets Tax Credits ("NMTC") from GCHP, Inc., an Allocatee under the NMTC Program. Pursuant to the Operating Agreement, Twain Investment Fund 653, LLC is required to provide capital contributions to GCHP-NMTC-2019#5, LLC totaling $4,750,000 for a 99.99% membership interest. As of December 31, 2024, Twain Investment Fund 653, LLC, made a capital contributions totaling $4,750,000. Of this contribution, $4,750,000 has been designated as a qualified equity investment ("QEI") under the NMTC program.

On March 9, 2023, GCHP NMTC-2019#5, LLC entered into two separate loan agreements with Dewberry QALICB, LLC, a Qualified Active Low Income Community Business ("QALICB") under the NMTC program, in the amount of $4,607,500. Dewberry QALICB, LLC is to pay this balance at an interest rate of 1.15% with a maturity date of September 8, 2029.

On May 4, 2023, GCHP NMTC-2019#4, LLC a subsidiary of GCHP, Inc., entered into an operating agreement with OU Huntsville Investment Fund, LLC. NMTC-2019#4, LLC, was organized as a subsidiary for the purpose of receiving sub-allocations of New Markets Tax Credits ("NMTC") from GCHP, Inc., an Allocatee under the NMTC Program. Pursuant to the Operating Agreement, Twain Investment Fund 653, LLC is required to provide capital contributions to GCHP-NMTC-2019#4, totaling $4,750,000 for a 99.99% membership interest. As of December 31, 2024, OU Huntsville Investment Fund, LLC, made capital contributions totaling $4,750,000. Of this contribution, $4,740,000 has been designated as a qualified equity investment ("QEI") under the NMTC program.

On May 4, 2023, GCHP NMTC-2019#4, LLC entered into two separate loan agreements with Oakwood University Community QALICB, a Qualified Active Low Income Community Business ("QALICB") under the NMTC program, in the amount of $4,607,500. Oakwood University Community QALICB is to pay this balance at an interest rate of 1.076% with a maturity date of May 4, 2057.

On March 21, 2024, GCHP NMTC-2020 Number 4, LLC entered into two separate loan agreements with Roebuck YMCA Collaborative QALICB, a Qualified Active Low Income Community Business ("QALICB") under the NMTC program, in the amount of $5,577,500. Roebuck YMCA Collaborative QALICB is to pay this balance at an interest rate of 2.25% with a maturity date of January 31, 2058.

On March 28, 2025, GCHP NMTC-2020 Number 5, LLC entered into two separate loan agreements with Harry Tompson Center QALICB, a Qualified Active Low Income Community Business ("QALICB") under the NMTC program, in the amount of $4,122,500. Harry Tompson Center QALICB is to pay this balance at an interest rate of 1.25% with a maturity date of December 31, 2059.

8. Commitments and Contingencies

Loan Guarantees

GCHP is contingently liable for multiple loans between RCF and lenders on the 2700 Bohn project. The notes are dated December 5, 2017, with total principal of $14,215,000. They bear interest rates from 5.75% to 6.09% and are being repaid from 2019 to 2026. The loans had outstanding balances of $7,315,083 and $7,315,083 at December 31, 2025 and 2024, respectively.

On December 12, 2024, 2700 Bohn Motor (the Company) entered into an Assignment and Assumption Agreement with RCF (the "Assignor") and The Reinvestment Fund, Inc. (the "Assignee"). The Assignor assigned the loan over to the Assignee. On December 12, 2024, the Company entered into an Omnibus Amendment to Loan Documents with The Reinvestment Fund, Inc. The interest rate, a fixed rate of 2.86% per annum, was revised to a fixed rate of 7.00% per annum. The maturity date of December 5, 2025 was revised to June 31, 2026. The loans had outstanding balances totaling $9,215,000 and $9,215,000 at December 31, 2025 and 2024.

GCHP is contingently liable for multiple loans between Odyssey House Investment Fund, LLC and RCF. On December 12, 2024, the Organization entered into a Membership Interest Purchase Agreement (MIPA) to acquire the membership interest pursuant to the related Option Agreement for a purchase price of $1,000. In connection with the MIPA, loans totaling $9,858,384 that had been made to the investment fund on December 5, 2017 were cancelled, assigned, and/or otherwise satisfied.

The notes, originally dated December 5, 2017, had outstanding principal balances of $0 as of December 31, 2025 and 2024. The notes carried interest rates ranging from 1.60% to 6.09% and had maturity dates ranging from 2025 through 2038.

Tax Credits

GCHP has entered into various guarantee agreements related to particular transactions that include completion, operating deficits, and tax credit guarantees. These agreements guarantee the completion, compliance, and ongoing operations of properties. GCHP could be required to fund all or a portion of any deficits or tax credit adjustments that may arise from these guarantees. In the opinion of management, GCHP does not anticipate any significant funding requirements as a result of these guarantee agreements.

9. Related Party Transactions

Due to Related Party

Due to related party primarily consists of advances from limited partner members and former limited partners to the partnerships. The amounts have no repayment terms and do not incur interest.

Enterprise Community Partners, Inc.

During the years ended December 31, 2025 and 2024, Enterprise Community Partners, Inc. (ECP) awarded GCHP with operating grants. GCHP recorded a total of $17,091 and $0 on the consolidated statements of activities as grant income for the years ended December 31, 2025 and 2024, respectively. A Vice President of ECP is a board member and related party of GCHP.

Capital Area Alliance for the Homeless

GCHP-Scott, LLC has a loan with the Capital Area Alliance for the Homeless (CAAH). CAAH is a partner in a GCHP consolidated entity. At December 31, 2025 and 2024, the outstanding balance on the loan was $384,000 and the interest rate was 4.35%.

NBC USA Housing

As disclosed in Note 5, GCHP has loaned funds to NBC USA Housing and its affiliate, McCaleb Supporting Housing, with principal balances of $516,064 and $533,117 as of December 31, 2025 and 2024. The Chairman of the Board of NBC USA Housing is a board member and related party of GCHP.

Regional Community Finance (RCF)

The President of GCHP is also on the Board of RCF. In prior years, GCHP subsidiaries entered into notes payable agreements with RCF and its subsidiaries and GCHP and its subsidiaries had notes receivable from RCF and its subsidiaries. The notes payable had an outstanding balance of $2,954,005 and $2,973,235 with interest rates ranging from 0.50% to 5% on December 31, 2025 and 2024, respectively and notes receivable had an outstanding balance of $14,055,722 and $13,288,981 with interest rates from 0% to 4.5% at December 31, 2025 and 2024, respectively.

10. Noncontrolling Interest

The following table reconciles the changes in net assets attributable to GCHP and the noncontrolling interests in less than 100% owned consolidated subsidiaries:

	Total	Controlling Interest	Noncontrolling Interest
Balance at January 1, 2024	$ 235,153,363	$ 83,797,571	$ 151,355,792
Change in net assets	(11,037,991)	5,465,724	(16,503,715)
Transfer of Interest from noncontrolling member to controlling member	-	(1,684,877)	1,684,877
Contributions to subsidiaries by noncontrolling shareholders	40,763,385	-	40,763,385
Change in consolidated net assets	29,725,394	3,780,846	25,944,548
Balance at December 31, 2024	264,878,757	87,578,417	177,300,340
Change in net assets	(8,133,766)	9,735,435	(17,869,201)
Transfer of interest from noncontrolling member to controlling member	-	910,514	(910,514)
Contributions to subsidiaries by Non-controlling shareholders	63,159,873	-	63,159,873
Change in consolidated net assets	55,026,107	10,645,949	44,380,158
Balance at December 31, 2025	**$ 319,904,864**	**$98,224,366**	**$ 221,680,498**

Capital contributions to and distributions from consolidated subsidiaries by noncontrolling interests for the years ended December 31, 2025 and 2024 are as follows:

Subsidiaries	**2025**	**2024**
Beau Sejour Apartments, L.P.	$ (1,993)	$ (33,974)
1626 OCH, LLC	(136,327)	(110,990)
Lotus Village	-	2,095,569
GCHP-NMTC-2019#1	(31,148)	(31,148)
GCHP-NMTC-2019#2	(27,820)	(27,820)
GCHP-NMTC-2019#3	(50,066)	(37,550)
GCHP-NMTC-2019#4	(25,493)	(25,493)
GCHP-NMTC-2019#5	(21,441)	(35,734)
GCHP-NMTC-2020 Number 1	(43,866)	(43,866)
GCHP-NMTC-2020 Number 2	(107,427)	(64,456)
GCHP-NMTC-2020 Number 3	(40,526)	(40,526)
GCHP-NMTC-2020 Number 4	(96,734)	5,674,762
GCHP-NMTC-2020 Number 5	4,227,127	-
Country Ridge Estates	-	360,100
Country Ridge Estates North	250,000	4,573,100
McKee City Living	79,464	(55,000)
Cypress Gardens	-	244,831
GCHP-NMTC 006	10,000,000	-
GCHP-NMTC 007	8,750,000	-
North Park	110,743	(52,000)
North Park 2	1,304,870	-
Leonard Court (MSD1)	2,125,824	3,209,544
Virginia Meadows	-	1,143,324
Pearl Street Southwest	1,215,882	8,216,745
Richland Gardens	3,878,578	2,847,248
1300-OCH	9,841,400	1,950,300
H3C	7,919,900	1,411,100
Clinton Heights	5,979,053	(55,000)
GCHP Hammond Two, LP	1,558,799	1,187,850
GCHP Hammond 3	1,656,800	1,261,350
GCHP-Mid City	-	(21,969)
GCHP Midtown	4,538,093	1,942,100
Government Corridor	72,689	4,101,281
Haven Family	(55,000)	431,638
Meadows Family	-	790,059
Village at the Beverly III	978,652	-
Other	(690,161)	(8,001)
Net contributions to subsidiaries	$ 63,159,873	$ 40,763,385

11. Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted as follows as of December 31:

	2025	2024
Time and purpose restricted	$ 1,750,000	$ 1,750,000
Time restricted	14,866,677	14,016,677
Total net assets with donor restrictions	$ 16,616,677	$ 15,766,677

12. Grant Programs

GCHP participates in a number of federal and state programs which are governed by various rules and regulations. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that GCHP has not complied with the rules and regulations governing the grants, refunds of any money received and the collectability of any related receivable as of December 31, 2025, might be impaired. In management's opinion, there are no significant contingent liabilities relating to compliance with the rules and regulations governing state and federal grants; therefore, no provision has been recorded in the accompanying consolidated financial statements for such contingencies. Audits in prior years have not resulted in any significant disallowed costs or refunds. Any costs that would be disallowed would be recognized in the period agreed upon by the grantor agency and GCHP.

13. Subsequent Events

Management has evaluated subsequent events through the date that the consolidated financial statements were available to be issued, May 14, 2026, and determined that no events occurred that require disclosure. No events after this date have been evaluated for inclusion in the consolidated financial statements.

Chief Executive Officer Name: Kathy Laborde

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

Gulf Coast Housing Partnership, Inc. does not meet the requirement to report the total compensation, reimbursements, and benefits paid to the Chief Executive Officer as these costs are not supported by public funds.

See accompanying independent auditors' report.

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

To the Board of Directors
of Gulf Coast Housing Partnership, Inc.

We have audited, in accordance with the 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, the consolidated financial statements of Gulf Coast Housing Partnership, Inc. (GCHP) (a nonprofit organization), which comprise the consolidated statement of financial position as of December 31, 2025, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 14, 2026.

Report on Internal Control over Financial Reporting

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

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

Our consideration of the 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 and therefore material weaknesses or significant deficiencies may exist that were not identified.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of GCHP's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering GCHP's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Carr, Riggs & Ingram, L.L.C.

Metairie, Louisiana
May 14, 2026

SECTION I - SUMMARY OF AUDITORS' RESULTS

1. Type of independent auditors' report	Unmodified
2. Internal control over financial reporting	
a. Material weakness identified	No
b. Significant deficiencies not considered to be material weaknesses	No
c. Noncompliance material to the financial statements noted	No
3. Management letter	No

SECTION II - FINDINGS RELATED TO FINANCIAL STATEMENTS

There were no findings related to the financial statements for the year ended December 31, 2025.

SECTION III - FINDINGS RELATED TO COMPLIANCE AND OTHER MATTERS

There were no findings related to compliance and other matters for the year ended December 31, 2025.

SECTION I – FINDINGS RELATED TO THE FINANCIAL STATEMENTS

Not applicable.

SECTION II – FINDINGS RELATED TO COMPLIANCE AND OTHER MATTERS

Not applicable.

SECTION III – MANAGEMENT LETTER

Not applicable.

Gulf Coast Housing Partnership, Inc.

Single Audit Report

December 31, 2025

UNIFORM GUIDANCE COMPLIANCE AND *GOVERNMENT AUDITING STANDARDS* REPORTS

CARR, RIGGS & INGRAM, L.L.C.

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

To the Board of Directors
of Gulf Coast Housing Partnership, Inc.

We have audited, in accordance with the 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, the consolidated financial statements of Gulf Coast Housing Partnership, Inc. (GCHP) (a nonprofit organization), which comprise the consolidated statement of financial position as of December 31, 2025, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated May 14, 2026.

Report on Internal Control over Financial Reporting

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

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of GCHP's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering GCHP's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Carr, Riggs & Ingram, L.L.C.

Metairie, Louisiana
May 14, 2026

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

To the Board of Directors of
Gulf Coast Housing Partnership, Inc.
New Orleans, Louisiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Gulf Coast Housing Partnership, Inc.'s (GCHP) 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 each of GCHP's major federal programs for the year ended December 31, 2025. GCHP's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of GCHP 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 each major federal program. Our audit does not provide a legal determination of GCHP'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 GCHP's federal programs.

Auditor's 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 GCHP'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 generally accepted auditing standards, *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 GCHP's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *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 GCHP'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 GCHP'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 GCHP'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 Auditor's 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 consolidated financial statements of Gulf Coast Housing Partnership, Inc. as of and for the year ended December 31, 2025, and have issued our report thereon dated May 14, 2026, which contained an unmodified opinion on those consolidated financial statements. Our audit was performed for the purpose of forming an opinion on the consolidated 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 consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

Carr, Riggs & Ingram, L.L.C.

Metairie, Louisiana
June 30, 2026

Gulf Coast Housing Partnership, Inc.
Schedule of Expenditures of Federal Awards

Federal Grantor/ Pass-through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass-through Entity Identifying Number	Amounts Passed through to Subrecipients	Federal Expenditures in 2025
U.S. Department of the Treasury				
Pass-through program from:				
Community Development Financial Institutions Fund				
Capital Magnet Fund	21.011	231CM062531	$ -	$ 2,850,000
Total U.S. Department of the Treasury			-	2,850,000
U.S. Department of Health and Human Services				
Community Services Block Grant Discretionary Awards	93.570	90EE1380-01-01	-	800,000
Community Services Block Grant Discretionary Awards	93.570	90EE1325-01-00	-	800,000
Total U.S. Department of Health and Human Services			-	1,600,000
U.S. Department of Housing and Urban Development				
Pass-through program from:				
National Equity Fund, Inc.				
Section 4 Capacity Building for Community Development and Affordable Housing	14.252	N/A	-	5,000
Pass-through program from:				
Enterprise Community Partners, Inc.				
Section 4 Capacity Building for Community Development and Affordable Housing	14.252	25SG3460	-	17,091
Total Section 4 Capacity Building for Community Development and Affordable Housing			-	22,091
Total U.S. Department of Housing and Urban Development			-	22,091
U.S. Environmental Protection Agency				
Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements	66.818	02F88401	-	279,443
Total U.S. Environmental Protection Agency			-	279,443
Congressional Appropriations				
Pass-through program from:				
NeighborWorks America				
Congressional Appropriations	P.L. 95-557	N/A	-	532,750
Total Congressional Appropriations			-	532,750
Total Federal Award Expenditures			$ -	$ 5,284,284

Note 1: GENERAL

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) presents the activity of all federal awards of Gulf Coast Housing Partnership, Inc. (GCHP). 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). GCHP reporting entity is defined in Note 1 to the consolidated financial statements for the year ended December 31, 2025. All federal awards received directly from federal agencies are included on the Schedule, as well as federal awards passed-through other entities.

The Schedule for the year ended December 31, 2025 does not include the federal award funding expended by GCHP's for-profit subsidiaries as they do not meet the requirements for an audit 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).

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation – The Schedule includes the activity of GCHP and is presented on the accrual basis of accounting. The information in the 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).

Note 3: INDIRECT COST RATE

GCHP has not elected to use the de minimis indirect cost rate.

Note 4: LOANS

GCHP did not expend federal awards related to loans or loan guarantees during the year.

Note 5: FEDERALLY FUNDED INSURANCE

GCHP has no federally funded insurance.

Note 6: NONCASH ASSISTANCE

GCHP did not receive any federal noncash assistance for the fiscal year ended December 31, 2025.

Note 7: RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

Amounts reported in the Schedule agree with the amounts reported in the related federal financial reports.

Section I – Summary of Auditor's Results

Consolidated Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(es) identified?	None noted
Noncompliance material to consolidated financial statements noted?	No

Federal Awards

Internal control over major federal programs:	
• Material weakness(es) identified?	No
• Significant deficiency(es) identified?	None noted
Type of auditor's report issued on compliance for major federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR Part 200.516(a)?	No

Identification of major federal programs:

Assistance Listing Number	Federal Program or Cluster
93.570	Community Services Block Grant Discretionary Awards

Dollar threshold used to distinguish between type A and B programs was $1,000,000 for major federal programs.

Auditee qualified as a low-risk auditee for federal purposes? Yes

Section II – Consolidated Financial Statement Findings

None noted.

Section III – Federal Award Findings and Questioned Costs

None noted.

Section IV – Summary of Prior Audit Findings

None noted.

Gulf Coast Housing Partnership, Inc.

STATEWIDE AGREED-UPON PROCEDURES REPORT

December 31, 2025

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INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES
FOR THE YEAR ENDED DECEMBER 31, 2024

To the Board of Directors of
Gulf Coast Housing Partnership, Inc.
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2025 through December 31, 2025. Gulf Coast Housing Partnership, Inc.'s (GCHP) management is responsible for those C/C areas identified in the SAUPs.

GCHP has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2025 through December 31, 2025. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated results are as follows:

Written Policies and Procedures

1. 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:

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

      Results: No exceptions were noted as a result of applying the above procedure.

   b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

Results*:* No exceptions were noted as a result of applying the above procedure.

c) ***Disbursements***, including processing, reviewing, and approving.

Results: No exceptions were noted as a result of applying the above procedure.

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

Results: No exceptions were noted as a result of applying the above procedure.

e) ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.

Results: No exceptions were noted as a result of applying the above procedure.

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

Results: No exceptions were noted as a result of applying the above procedure.

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

Results: Exception noted. The entity's Travel and Expense Reimbursement Policy does not set dollar thresholds by category of expense. The entity's policy does require travel expenses to be reasonable in relation to the travel location. The entity's policy acknowledges that travel costs may vary significantly based on location.

h) ***Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

Results: No exceptions were noted as a result of applying the above procedure.

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

Results: Not applicable as the entity is a non-profit entity.

j) ***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.

Results: No exceptions were noted as a result of applying the procedure.

Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and

a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

Results: No exceptions were noted as a result of applying the procedure.

b) 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 proprietary funds, and semi-annual budget- to-actual comparisons, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the nonprofit 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.*

Results: No exceptions were noted as a result of applying the procedure.

c) 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.

Results: Not applicable as the entity is a non-profit entity.

d) Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Results: No exceptions were noted as a result of applying the procedure.

Bank Reconciliations

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

   Results: Exception noted. One of five selected account reconciliations was prepared 75 days after month-end.

   b) Bank reconciliations include 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 or electronically logged); and

   Results: No exceptions were noted as a result of applying the procedure.

   c) 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.

   Results: No exceptions were noted as a result of applying the above procedure.

Collections (excluding electronic funds transfers)

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

   Results: No exceptions were noted as a result of applying the above procedure.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 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:

a) Employees that are responsible for cash collections do not share cash drawers/registers.

Results: No exceptions were noted as a result of applying the above procedure.

b) 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.

Results: No exceptions were noted as a result of applying the above procedure.

c) 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.

Results: No exceptions were noted as a result of applying the above procedure.

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

Results: No exceptions were noted as a result of applying the above procedure.

6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.

   Results: No exceptions were noted as a result of applying the above procedures.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (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:

a) Observe that receipts are sequentially pre-numbered.

Results: No exceptions were noted as a result of applying the above procedure.

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

Results: No exceptions were noted as a result of applying the above procedure.

c) Trace the deposit slip total to the actual deposit per the bank statement.

Results: No exceptions were noted as a result of applying the above procedure.

d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 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).

Results: No exceptions were noted as a result of applying the above procedure.

e) Trace the actual deposit per the bank statement to the general ledger.

Results: No exceptions were noted as a result of applying the above procedure.

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

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

   Results: No exceptions were noted as a result of applying the above procedure.

9. For each location selected under #8 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, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

   a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

   Results: No exceptions were found as a result of applying the above procedure.

   b) At least two employees are involved in processing and approving payments to vendors.

   Results: No exceptions were found as a result of applying the above procedure.

   c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

   Results: No exceptions were found as a result of applying the above procedure.

   d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments;

   Results: Exception noted. The check signer does not mail payment nor is required to give payment to someone who is not responsible for processing payment.

e) Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

Results: No exceptions were found as a result of applying the above procedure.

10. For each location selected under procedure #8 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) Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity.

Results: No exceptions were noted as a result of applying the above procedure.

b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #9 above, as applicable.

Results: No exceptions were noted as a result of applying the above procedure.

11. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3, randomly select 5 non-payroll-related electronic disbursements (or all 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.*

Results: No exceptions were noted as a result of applying the above procedure.

Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

12. 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.

Results: No exceptions were noted as a result of applying the above procedure.

13. 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:

a) 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).

   Results: No exceptions were noted as a result of applying the above procedure.

b) Observe that finance charges and late fees were not assessed on the selected statements.

   Results: No exceptions were noted as a result of applying the above procedure.

14. Using the monthly statements or combined statements selected under #12 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 (i.e. each card should have 10 transactions subject to testing). 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 note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

    Results: No exceptions were noted as a result of applying the above procedure.

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

15. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 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:

    a) If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

       Results: No exceptions were noted as a result of applying the above procedure.

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

Results: No exceptions were noted as a result of applying the above procedure.

c) 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 #1g

Results: No exceptions were noted as a result of applying the above procedure.

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

Results: No exceptions were noted as a result of applying the above procedure.

Contracts

16. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *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, <u>excluding the practitioner's contract</u>, and:

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

Results: No exceptions were noted as a result of applying the procedure.

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

Results: No exceptions were noted as a result of applying the procedure.

c) 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

Results: No exceptions were found as a result of applying the above procedure.

d) 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.

Results: No exceptions were noted as a result of applying the procedure.

Payroll and Personnel

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

    Results: No exceptions were noted as a result of applying the above procedure.

18. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #17 above, obtain attendance records and leave documentation for the pay period, and:

    a) Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).

       Results: No exceptions were noted as a result of applying the above procedure.

    b) Observe that supervisors approved the attendance and leave of the selected employees or officials.

       Results: No exceptions were noted as a result of applying the above procedure.

    c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

       Results: No exceptions were noted as a result of applying the above procedure.

    d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

       Results: No exceptions were noted as a result of applying the above procedure.

19. 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.

    Results: No exceptions were noted as a result of applying the above procedure.

20. 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.

Results: No exceptions were noted as a result of applying the above procedure.

Fraud Notice

21. 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.

    Results: No exceptions were found as a result of applying the above procedure.

22. 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.

    Results: No exceptions were found as a result of applying the above procedure.

Information Technology Disaster Recovery/Business Continuity

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

    a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe 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.

       Results: We performed the procedure and discussed the results with management.

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

       Results: We performed the procedure and discussed the results with management.

    c) Obtain a listing of the entity's computers currently in use, and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

       Results: We performed the procedure and discussed the results with management.

24. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #19. Observe evidence that the selected terminated employees have been removed or disabled from the network.

    Results: We performed the procedure and discussed the results with management.

25. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #17, 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:

    a. Hired before June 9, 2020 - completed the training; and

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

    Results: We performed the procedure and discussed the results with management

We were engaged by GCHP to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

This report is intended solely to describe the scope of testing performed on those 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.

Carr, Riggs & Ingram, L.L.C.

June 29, 2026
Metairie, Louisiana