

**GULF COAST TEACHING FAMILY
SERVICES, INC.
d/b/a GULF COAST SOCIAL SERVICES
AND AFFILIATE**

**(A NONPROFIT ORGANIZATION)
COMBINED FINANCIAL REPORT AND
SUPPLEMENTARY INFORMATION**

JUNE 30, 2025 AND 2024

GULF COAST TEACHING FAMILY SERVICES, INC.
d/b/a GULF COAST SOCIAL SERVICES AND AFFILIATE

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Gulf Coast Teaching Family Services, Inc.
d/b/a Gulf Coast Social Services and Affiliate
New Orleans, Louisiana

Report on the Financial Statements

Opinion

We have audited the accompanying combined financial statements of Gulf Coast Teaching Family Services, Inc. d/b/a Gulf Coast Social Services and Affiliate (a non-profit organization), which comprise the combined statements of financial position as of June 30, 2025 and 2024 and the related combined statements of activities, functional expenses, and cash flows for the years then ended, and the related combined notes to the financial statements.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Gulf Coast Teaching Family Services, Inc. d/b/a Gulf Coast Social Services, and Affiliate as of June 30, 2025 and 2024, and the changes in its net assets, functional expenses, and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Gulf Coast Teaching Family Services, Inc. d/b/a Gulf Coast Social Services and Affiliate 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.

Responsibility of Management for the Financial Statements

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

In preparing the combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Gulf Coast Teaching Family Services, Inc. d/b/a Gulf Coast Social Services and Affiliate's ability to continue as a going concern within one year after the date that the combined financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined 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 opinions. 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 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 combined 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 combined 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 combined 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 Gulf Coast Teaching Family Services, Inc. d/b/a Gulf Coast Social Services, and Affiliate'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 combined financial statements.
- Conclude whether, in our judgment, there are conditions or events considered in the aggregate, that raise substantial doubt about Gulf Coast Teaching Family Services, Inc. d/b/a Gulf Coast Social Services and Affiliate's ability to continue as a going concern for a reasonable 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.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the combined financial statements as a whole. The accompanying Schedule of Compensation, Benefits, and Other Payments to the Chief Executive Officer on page 24, the Combined Statement of Revenues and Expenses By Cost Report Grouping on page 25 and the Combined Statement of Expenses by Program and Fund on pages 26-36 is presented for purposes of additional analysis and is not a required part of the combined 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 combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined 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 combined 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 December 23, 2025, on our consideration of Gulf Coast Teaching Family Services, Inc. d/b/a Gulf Coast Social Services and Affiliate'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 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 internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Gulf Coast Teaching Family Services, Inc. d/b/a Gulf Coast Social Services and Affiliate's internal control over financial reporting and compliance.



Metairie, Louisiana
December 23, 2025

GULF COAST TEACHING FAMILY SERVICES, INC.
d/b/a GULF COAST SOCIAL SERVICES AND AFFILIATE
(A NONPROFIT ORGANIZATION)
COMBINED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2025 AND 2024

ASSETS	<u>2025</u>	<u>2024</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,909,255	\$ 1,566,343
Investments	1,062,302	4,294,797
Program receivables (less allowance for credit losses of \$56,042 and \$80,000)	1,951,431	1,730,113
Accrued interest receivable	10,572	1,621
Investments in marketable securities	1,255,429	-
Prepaid expenses	373,906	471,461
Restricted cash	352,015	371,773
Total current assets	<u>\$ 6,914,910</u>	<u>\$ 8,436,108</u>
PROPERTY AND EQUIPMENT - AT COST		
Land	\$ 836,665	\$ 685,132
Building and improvements	5,006,815	4,592,941
Software	178,505	90,861
Leasehold improvements	12,566	22,990
Furniture and equipment	625,764	623,474
Transportation equipment	254,580	254,580
	<u>6,914,895</u>	<u>6,269,978</u>
Less accumulated depreciation and amortization	(2,871,248)	(2,709,582)
	<u>\$ 4,043,647</u>	<u>\$ 3,560,396</u>
OTHER ASSETS		
Right-of-use assets	\$ 395,090	\$ 425,529
Deposits	22,071	27,559
Investments	416,360	29,434
Restricted certificates of deposit	277,328	245,810
Total other assets	<u>\$ 1,110,849</u>	<u>\$ 728,332</u>
Total assets	<u>\$ 12,069,406</u>	<u>\$ 12,724,836</u>

See Notes to Financial Statements.

LIABILITIES AND NET ASSETS	<u>2025</u>	<u>2024</u>
CURRENT LIABILITIES		
Accounts payable	\$ 451,955	\$ 517,770
Accrued liabilities	1,445,055	1,397,820
Current maturities of lease payable	144,381	128,866
Current maturities of long-term debt	<u>21,075</u>	<u>20,342</u>
Total current liabilities	<u>\$ 2,062,466</u>	<u>\$ 2,064,798</u>
LONG-TERM DEBT		
Leases payable	\$ 252,823	\$ 298,698
Mortgage payable to bank	<u>244,853</u>	<u>265,900</u>
Total long-term debt	<u>\$ 497,676</u>	<u>\$ 564,598</u>
COMMITMENTS AND CONTINGENCIES	<u>\$ -</u>	<u>\$ -</u>
NET ASSETS		
Without donor restrictions-undesignated	<u>\$ 9,509,264</u>	<u>\$ 10,095,440</u>
Total liabilities and net assets	<u><u>\$ 12,069,406</u></u>	<u><u>\$ 12,724,836</u></u>

GULF COAST TEACHING FAMILY SERVICES, INC.
d/b/a GULF COAST SOCIAL SERVICES AND AFFILIATE
(A NONPROFIT ORGANIZATION)
COMBINED STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
	Without Donor Restrictions	Without Donor Restrictions
	<u> </u>	<u> </u>
REVENUE, GAINS, AND SUPPORT:		
Grants and fees for services	\$ 17,731,538	\$ 18,252,358
Contributions	6,830	3,355
Investment income	268,178	323,821
Other income (loss)	(587)	71,763
	<u> </u>	<u> </u>
TOTAL REVENUES, GAINS AND SUPPORT	<u>\$ 18,005,959</u>	<u>\$ 18,651,297</u>
EXPENSES:		
Program services		
Foster care/professional care	\$ 1,876,372	\$ 1,548,062
Personal care attendants	4,768,298	5,282,670
Supervised independent living	3,435,209	4,366,230
Respite services	996,434	985,396
Elderly services	368,959	394,757
Others, in total	1,923,072	1,959,652
	<u> </u>	<u> </u>
Total program expenses	<u>\$ 13,368,344</u>	<u>\$ 14,536,767</u>
Support services		
Administrative and general	\$ 5,223,791	\$ 5,198,602
Fund raising	-	-
	<u> </u>	<u> </u>
Total support services	<u>\$ 5,223,791</u>	<u>\$ 5,198,602</u>
TOTAL EXPENSES	<u>\$ 18,592,135</u>	<u>\$ 19,735,369</u>
CHANGE IN NET ASSETS	\$ (586,176)	\$ (1,084,072)
NET ASSETS, BEGINNING OF YEAR	<u>10,095,440</u>	<u>11,179,512</u>
NET ASSETS, END OF YEAR	<u>\$ 9,509,264</u>	<u>\$ 10,095,440</u>

See Notes to Financial Statements.

GULF COAST TEACHING FAMILY SERVICES, INC.
d/b/a GULF COAST SOCIAL SERVICES AND AFFILIATE
(A NONPROFIT ORGANIZATION)

COMBINED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2025

	Program Services			
	Professional	Personal	Supervised	
	Foster Care	Care Attendants	Independent Living	Respite Services
Salaries and wages	\$ 307,329	\$ 4,207,152	\$ 3,021,837	\$ 763,703
Employee benefits	20,326	57,005	43,794	13,747
Payroll taxes	21,982	314,780	233,073	58,471
Workmen's compensation	2,744	51,034	36,503	8,347
Total payroll cost	<u>\$ 352,381</u>	<u>\$ 4,629,971</u>	<u>\$ 3,335,207</u>	<u>\$ 844,268</u>
Office supplies	\$ 1,570	\$ 1,133	\$ 414	\$ 164
Advertising	1,779	1,317	335	290
Bad debts	-	-	-	-
Telephone	3,346	22,860	16,119	8,586
Training	2,837	1,351	1,870	162
Travel	9,222	73,771	43,896	57,755
Professional services	-	1,924	-	-
Insurance	132,187	-	-	53,841
Repairs and maintenance	953	-	-	-
Depreciation	-	-	-	-
Interest	-	-	-	-
Lease expense	-	-	-	-
Client needs	8,733	601	549	221
Room and board	639,093	-	-	-
Contractual services	700,684	-	-	-
Utilities	1,913	172	-	-
Consultants	-	7,813	21,767	-
Computer expense	778	183	407	-
Recognition expense	4,926	705	822	404
Rental expenses	-	-	-	-
Food	42	-	-	-
Bad debts	-	2,385	2,039	-
Others, in total	<u>15,928</u>	<u>24,112</u>	<u>11,784</u>	<u>30,743</u>
Total direct expenses	<u>\$ 1,876,372</u>	<u>\$ 4,768,298</u>	<u>\$ 3,435,209</u>	<u>\$ 996,434</u>

See Notes to Financial Statements.

Program Services			Supporting Services		
Elderly Services	Other Programs	Total Program Services	Administrative and General	Total Supporting	Grand Totals
\$ 180,081	\$ 1,518,953	\$ 9,999,055	\$ 2,562,008	\$ 2,562,008	\$ 12,561,063
1,859	31,935	168,666	155,214	155,214	323,880
13,611	128,122	770,039	176,166	176,166	946,205
1,613	14,854	115,095	3,911	3,911	119,006
<u>\$ 197,164</u>	<u>\$ 1,693,864</u>	<u>\$ 11,052,855</u>	<u>\$ 2,897,299</u>	<u>\$ 2,897,299</u>	<u>\$ 13,950,154</u>
\$ 1,384	\$ 1,080	\$ 5,745	\$ 56,526	\$ 56,526	\$ 62,271
-	21,068	24,789	18,540	18,540	43,329
-	-	-	122,754	122,754	122,754
1,334	5,547	57,792	78,619	78,619	136,411
401	4,880	11,501	16,994	16,994	28,495
1,248	12,224	198,116	31,518	31,518	229,634
-	28,078	30,002	712,118	712,118	742,120
-	31,460	217,488	479,551	479,551	697,039
-	17,257	18,210	143,561	143,561	161,771
-	11,074	11,074	158,571	158,571	169,645
-	-	-	30,870	30,870	30,870
-	-	-	175,525	175,525	175,525
-	55	10,159	2,280	2,280	12,439
-	-	639,093	-	-	639,093
-	-	700,684	-	-	700,684
7,450	5,374	14,909	66,044	66,044	80,953
-	51,902	81,482	-	-	81,482
-	275	1,643	36,950	36,950	38,593
-	558	7,415	34,245	34,357	41,772
6,360	-	6,360	4,450	4,450	10,810
98,527	-	98,569	-	-	98,569
-	1,179	5,603	386	386	5,989
<u>55,091</u>	<u>37,197</u>	<u>174,855</u>	<u>156,990</u>	<u>156,990</u>	<u>331,845</u>
<u>\$ 368,959</u>	<u>\$ 1,923,072</u>	<u>\$ 13,368,344</u>	<u>\$ 5,223,791</u>	<u>\$ 5,223,903</u>	<u>\$ 18,592,247</u>

GULF COAST TEACHING FAMILY SERVICES, INC.
d/b/a GULF COAST SOCIAL SERVICES AND AFFILIATE
(A NONPROFIT ORGANIZATION)

COMBINED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2024

	Program Services			
	Professional Foster Care	Personal Care Attendants	Supervised Independent Living	Respite Services
Salaries and wages	\$ 296,743	\$ 4,661,221	\$ 3,877,787	\$ 724,805
Employee benefits	15,907	65,102	37,009	13,003
Payroll taxes	21,098	361,037	295,900	54,994
Workmen's compensation	4,895	87,639	72,194	12,566
Total payroll cost	<u>\$ 338,643</u>	<u>\$ 5,174,999</u>	<u>\$ 4,282,890</u>	<u>\$ 805,368</u>
Office supplies	\$ 1,344	\$ 837	\$ 599	\$ 823
Advertising	3,272	9,132	1,181	8,822
Bad debts	-	-	-	60,587
Telephone	2,545	4,222	3,680	1,868
Training	1,264	1,378	218	185
Travel	8,440	66,220	49,495	72,949
Professional services	-	1,281	-	-
Insurance	-	-	-	-
Repairs and maintenance	-	-	-	-
Depreciation	-	-	-	-
Interest	-	-	-	-
Lease expense, amortization, interest	-	-	-	-
Client needs	5,518	906	(1,382)	48
Room and board	478,902	-	-	-
Contractual services	650,931	-	-	-
Utilities	-	-	-	-
Consultants	-	4,036	15,312	-
Computer expense	268	1,268	1,338	254
Recognition expense	7,987	1,090	243	84
Rental expenses	-	-	-	-
Food	-	-	17	-
Medical supplies	-	1,902	1,460	-
Others, in total	48,948	15,399	11,179	34,408
Total direct expenses	<u>\$ 1,548,062</u>	<u>\$ 5,282,670</u>	<u>\$ 4,366,230</u>	<u>\$ 985,396</u>

See Notes to Financial Statements.

Program Services			Supporting Services		
Elderly Services	Other Programs	Total Program Services	Administrative and General	Total Supporting	Grand Totals
\$ 206,860	\$ 1,512,872	\$ 11,280,288	\$ 2,613,812	\$ 2,613,812	\$ 13,894,100
4,317	30,298	165,636	119,867	119,867	285,503
15,513	118,322	866,864	196,367	196,367	1,063,231
3,194	24,600	205,088	3,144	3,144	208,232
<u>\$ 229,884</u>	<u>\$ 1,686,092</u>	<u>\$ 12,517,876</u>	<u>\$ 2,933,190</u>	<u>\$ 2,933,190</u>	<u>\$ 15,451,066</u>
\$ 369	\$ 2,503	\$ 6,475	\$ 65,972	\$ 65,972	\$ 72,447
40	12,427	34,874	19,552	19,552	54,426
-	33,499	94,086	-	-	94,086
242	4,651	17,208	78,828	78,828	96,036
10	382	3,437	14,415	14,415	17,852
1,988	63,975	263,067	33,391	33,391	296,458
-	7,695	8,976	657,788	657,788	666,764
-	39,574	39,574	484,237	484,237	523,811
-	14,863	14,863	163,917	163,917	178,780
-	10,945	10,945	137,103	137,103	148,048
-	-	-	22,946	22,946	22,946
-	6,144	6,144	179,819	179,819	185,963
-	10,988	16,078	1,607	1,607	17,685
-	-	478,902	-	-	478,902
-	-	650,931	-	-	650,931
6,527	6,294	12,821	65,697	65,697	78,518
-	3,503	22,851	-	-	22,851
176	367	3,671	39,465	39,465	43,136
-	799	10,203	95,926	95,926	106,129
6,000	-	6,000	5,951	5,951	11,951
134,153	-	134,170	-	-	134,170
-	992	4,354	1,344	1,344	5,698
15,368	53,959	179,261	197,454	197,454	376,715
<u>\$ 394,757</u>	<u>\$ 1,959,652</u>	<u>\$ 14,536,767</u>	<u>\$ 5,198,602</u>	<u>\$ 5,198,602</u>	<u>\$ 19,735,369</u>

GULF COAST TEACHING FAMILY SERVICES, INC.
d/b/a GULF COAST SOCIAL SERVICES AND AFFILIATE
(A NONPROFIT ORGANIZATION)
COMBINED STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (586,176)	\$ (1,084,072)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	169,645	148,048
Lease liabilities, net	79	29,995
Unrealized (gain) loss of marketable securities	(50,258)	-
Change in assets		
Program receivables	(221,318)	(253,712)
Accrued interest receivable	(8,951)	20,449
Prepaid expenses	97,555	(265,825)
Change in liabilities		
Accounts payable and accrued liabilities	(18,580)	176,497
	\$ (618,004)	\$ (1,228,620)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of certificates of deposit	\$ (1,603,302)	\$ (9,581,712)
Redemption of certificates of deposit	4,417,353	11,576,100
Purchases of marketable securities	(1,205,171)	-
Purchases of property and equipment	(644,917)	(814,415)
Deposits (made) returned	(2,491)	(12,987)
	\$ 961,472	\$ 1,166,986
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of debt principal	\$ (20,314)	\$ (49,812)
	\$ (20,314)	\$ (49,812)
Net change in cash and cash equivalents	\$ 323,154	\$ (111,446)
Cash and cash equivalents, beginning of year	1,938,116	2,049,562
Cash and cash equivalents, end of year	\$ 2,261,270	\$ 1,938,116

GULF COAST TEACHING FAMILY SERVICES, INC.
d/b/a GULF COAST SOCIAL SERVICES AND AFFILIATE
(A NONPROFIT ORGANIZATION)
COMBINED STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
Supplemental disclosures		
Cash paid for interest	\$ 30,870	\$ 22,946
Financing transactions		
Right-of-use assets obtained in exchange for new lease liabilities	\$ 88,150	\$ 437,658
Cash, cash equivalents and restricted cash as of June 30, 2025 and 2024 consisted of the following:		
Cash and cash equivalents	\$ 1,909,255	\$ 1,566,343
Cash restricted for		
Deposits securing lines of credit	350,000	350,000
Unemployment self insurance fund	2,015	21,773
	\$ 2,261,270	\$ 1,938,116

See Notes to Financial Statements

GULF COAST TEACHING FAMILY SERVICES, INC.
d/b/a GULF COAST SOCIAL SERVICES AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 1 – ORGANIZATION

Gulf Coast Teaching Family Services, Inc. d/b/a Gulf Coast Social Services and Affiliate is a non-profit organization organized exclusively for charitable, religious, educational, and scientific purposes. The Organization maintains group homes, child and family Organizations, and other related programs for the youth and families. It provides a program that will allow young people and their families to become normalized, independent, productive, and respected community citizens. These services are provided in the South Louisiana area.

Gulf Coast's Affiliate is Independent Living Properties, Inc., a non-profit corporation organized under the provisions of Louisiana. The Affiliate was formed to hold the real property of Gulf Coast.

The Organization's major programs include the following:

Professional Care Program - This program provides foster homes in the community for abused, neglected, or troubled children and adolescents, emotionally disturbed children, and children and adults with physical and mental disabilities. The program also locates and serves runaways and homeless youth through prevention, crisis intervention, and follow-up services.

Personal Care Attendant Services (PCA) - PCA assists adults or children with mental or physical disabilities in performing activities of daily living that they might otherwise not be able to accomplish alone.

Supported Independent Living (SIL) - The SIL program works with individuals with mental and physical disabilities and older adolescents needing extra support, assistance, and monitoring.

Respite Services - Respite Services are offered to parents with children or adults with physical/mental illness and are designed to provide relief from the demanding care for their unique needs.

Elderly - This type of service covers all needs of older adults, such as general hygiene needs, assisting with grocery shopping, meal planning, and preparation, teaching and helping with activities, finding resources, and encouraging interactions with other persons with similar interests.

Other - Other programs include services for Veterans, Adult Day Habilitation, Mental Health, Youth Mobile Crisis, Mentoring and Life Skills.

GULF COAST TEACHING FAMILY SERVICES, INC.
d/b/a GULF COAST SOCIAL SERVICES AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies used in the preparation of the accompanying combined financial statements follows:

1. Basis of Accounting

The accompanying combined financial statements are presented in conformity with accounting principles generally accepted in the United States on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other assets and liabilities.

2. Financial Statement Presentation

The Organization follows the financial statement presentation recommended by the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 958, Not-for-Profit Entities. The Organization reports information regarding its financial position and activities according to two classes of net assets based upon the existence or absence of restrictions on use placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are resources available to support operations and are not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into during its operations. The governing board has not designated net assets without donor restrictions for an operating reserve or a board-designated endowment.

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary, such as those that a donor restricts for use for a particular purpose or a specific future period. Other restrictions may be perpetual, such as those that a donor restricts to maintain the resources in perpetuity.

As of June 30, 2025 and 2024, the Organization has not received any contributions with donor-imposed conditions that would result in donor-restricted net assets.

3. Use of Estimates

Preparing the combined financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect specific reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

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NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Income Taxes

The Organization is a non-profit organization and exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Code as other than a private foundation. The Organization believes that it has appropriate support for any tax positions taken and, as such, does not have any uncertain tax positions that are material to the combined financial statements. The Organization's Federal Exempt Information Returns (Form 990) for the years ending June 30, 2023, 2024, and 2025 are subject to examination by the IRS, generally for three years after they were filed.

5. Cash and Cash Equivalents

Cash, held in interest-bearing accounts, consists of unrestricted balances. Unrestricted cash balances represent cash available for general operating purposes. For the combined statements of cash flows, the Organization considers all highly liquid investments available for current use with a maturity of three months or less to be cash equivalents.

The Organization maintains cash balances and specific certificates of deposit at several financial institutions located in Louisiana. The cash balances and certificates of deposit are insured by the Federal Deposit Insurance Corporation up to \$250,000 per institution. On June 30, 2025 and 2024 the amounts of \$974,308 and \$4,896,850, respectively, of cash and certificates of deposit were over the FDIC-insured limits.

6. Restricted Cash and Certificates of Deposit

Restricted cash and restricted certificates of deposit consist of balances held in accounts required by loan agreements and funding requirements of the Unemployment Insurance Fund Plan.

7. Accounts Receivable

Accounts receivables are stated at the amounts management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and credit to accounts receivable. The Organization has established an allowance for credit losses to allow corrections and billing adjustments related to accounts receivable balances on June 30, 2025 and 2024. If any, actual billing adjustments and bad debts are charged to the specific fund or programs as determined by management. Bad debt expenses for the years ended June 30, 2025 and 2024 were \$122,754 and \$94,086, respectively.

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NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

8. Depreciation

Property and equipment are carried at cost. Depreciation is calculated using the straight-line method. Depreciable lives for most assets in the class are as follows: buildings, 20-25 years; leasehold improvements, ten (10) years or lease term if shorter; furniture and fixtures, ten (10) years; computers and related equipment, 3 to 5 years; transportation equipment, 3 to 5 years.

The cost and related accumulated depreciation are removed when assets are disposed of or retired. Any resulting gain or loss is reflected in income for the period. The cost of maintenance and repairs is charged to income as incurred; significant renewals and betterments are capitalized. Donated property is capitalized at fair value. Depreciation expense amounted to \$169,645 and \$148,048 for the years ended June 30, 2025 and 2024, respectively.

9. Compensated Absences

Accumulated paid time off is payable upon termination of employment and is accrued. Gulf Coast's obligations as of June 30, 2025 and 2024 totaled \$565,478 and \$569,876, respectively, which are included in accrued expenses on the combined statements of financial position.

10. Revenue Recognition

Grants and fees for services

Revenues earned under reimbursement-type contracts are recorded in the appropriate program when the related expenses are incurred.

Fee-for-service and per-diem contracts that are considered exchange transactions are recorded as revenues when services are provided.

Medicaid is recognized under a fee-for-service model. Revenue is recorded as services are provided to individuals based on authorized rates established by Medicaid. The amount recognized reflects the consideration expected to be received in exchange for the services rendered. Payments are subject to adjustments for compliance reviews and any retroactive rate changes determined by Medicaid.

Contributions

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized.

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JUNE 30, 2025 AND 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

10. Revenue Recognition (Continued)

Contributions (continued)

All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the combined statements of activities as net assets released from restrictions.

Investment income

Interest income is recognized as earned and is included in investment income in the combined statements of activities.

11. Allocated Costs

Expenses are charged to each program directly when the charge is identified to the program. Program expenditures that cannot be directly identified to a program are allocated based on square footage, usage statistics, and the ratio of program payroll expenses to total payroll expenses as appropriate. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide the overall support and direction of the Organization.

For management analysis purposes, the Organization allocated administrative costs of the central and regional offices for \$5,158,546 and \$5,234,011 to the various programs it administered during the years ended June 30, 2025 and 2024, respectively. Directly identifiable expenses are charged to programs and support services. The allocation is based on the proportion of direct program costs to total direct program costs. The combined statements of activities includes these allocated costs in administrative and general expenses.

12. Contributed Nonfinancial Assets

Donations of property and equipment are recorded as contributions at fair value at the date of donation. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and cash contributions that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. To date, all contributions of property have been included as increases to the without donor restrictions support.

GULF COAST TEACHING FAMILY SERVICES, INC.
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NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

13. Investments

The Organization invests excess cash in certificates of deposit (CDs) and U.S. Treasury notes, bills and bonds with original maturities of greater than three months.

Certificates of deposit and U.S. Treasury notes, bills and bonds are generally classified as held-to-maturity debt securities when the Organization has both the positive intent and the ability to hold the investments to maturity. Held-to-maturity securities are recorded at amortized cost, which approximates fair value due to the short-term nature or market interest rates associated with the instruments. Premiums and discounts are amortized using the effective interest method over the life of the investment.

14. Investments in Marketable Securities

Marketable securities consist of equity and debt securities that are readily marketable and are held for investment purposes. Marketable securities are reported at fair value as of the reporting date in accordance with ASC 320 and ASC 321, Investments - Equity Securities.

Debt securities are classified as available-for-sale unless management has the intent and ability to hold the securities to maturity. Available-for-sale debt securities are recorded at fair value, with unrealized gains and losses reported as a component of other comprehensive income (or net assets without donor restrictions, as applicable), net of tax. Realized gains and losses on the sale of securities are determined using the specific identification method and are included in investment income. Equity securities with readily determinable fair values are recorded at fair value, with changes in fair value recognized in earnings in the period in which they occur.

15. Leases

The Organization determines if an arrangement is a financing or operating lease at the inception of the agreement. Leases, with an initial term over one year, are stated as right-of-use assets and leases payable in the combined statements of financial position. The Organization has elected to exclude leases with an initial term of one year or less from the requirements of the pronouncement.

The Organization applies judgment in determining whether a contract contains a lease and whether a lease is classified as an operating lease or a finance lease. The Organization defines the lease term as the non-cancellable term of the lease, which may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. The lease term is used in determining the classification between an operating lease and a finance lease, calculating the lease liability, the right-of-use asset, and assigning the incremental borrowing rate. Right-of-use assets represent the Organization's right to use an underlying asset for the lease term. Lease cost for lease payments is recognized on a straight-line basis over the lease term.

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NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

15. Leases (Continued)

The Organization is required to discount lease payments using the rate implicit in the lease if that rate is readily available. If that rate cannot be readily determined, the lessee is required to use its incremental borrowing rate. The Organization generally uses the incremental borrowing rate when initially recording real estate leases. Information from the lessor regarding the fair value of underlying assets and initial direct costs incurred by the lessor related to the leased assets is not available.

The Organization determines the incremental borrowing rate of each lease by estimating the credit rating of the Organization at the time the lease is recognized, referencing market yields corresponding to the credit rating and weighted average life of the lease, and factoring in other lease-specific factors such as assumed collateral.

16. Principles of Combination

The combined financial statements include the accounts of Gulf Coast Teaching Family Services, Inc., d/b/a Gulf Coast Social Services, and its wholly controlled Affiliate, Independent Living Properties, Inc. All significant intercompany accounts and transactions have been eliminated in combination.

17. New Accounting Pronouncements

The Organization has adopted the Current Expected Credit Losses (CECL) accounting standard, as per Accounting Standards Update (ASU) No. 2016-13. "Financial Instruments – Credit Losses (Topic 326)." The standard introduces a new model for estimating credit losses on financial instruments. After a thorough evaluation, management has determined that the impact of adopting the CECL standard on the combined financial statements is immaterial. The Organization has considered factors such as historical loss experience, current economic conditions, and other relevant factors in its credit loss estimation process. As a result, the adoption of the CECL standard has not had a material impact on the Organization's financial position, results of operations, or cash flows.

NOTE 3 – RESTRICTED CASH AND CERTIFICATES OF DEPOSIT AND LINE OF CREDIT

The Organization had restricted cash and certificates of deposit of \$629,343 and \$616,398 for the years ended June 30, 2025 and 2024, respectively.

Following the Unemployment Insurance Fund Plan requirements, the Organization maintained a restricted reserve balance of \$279,343 (\$2,015 in cash and \$277,328 in certificates of deposit) and \$267,533 (\$21,723 in cash and \$245,810 in certificates of deposit) for the years ended June 30, 2025 and 2024, respectively. The reserved funds are available for self-insured unemployment claims if such claims arise in the future.

GULF COAST TEACHING FAMILY SERVICES, INC.
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NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 3 – RESTRICTED CASH AND CERTIFICATES OF DEPOSIT AND LINE OF CREDIT (Continued)

The Organization also maintains a cash reserve of \$350,000 for the years ended June 30, 2025, and 2024 that secures a line of credit required by governmental funders for \$350,000. Interest on any funds used on the line of credit would be 2% above the prime lending rate. The line of credit was unused for the years ending June 30, 2025 and 2024.

NOTE 4 – INVESTMENTS

The following represents amounts the Organization had in investments at June 30, 2025:

		<u>Interest Rates</u>	<u>Due Dates</u>
Short-term:			
Investments:			
United States Treasury bills	\$ 823,251	0%	7/10/25-6/11/26
United States Treasury notes	11,006	4.50%	11/15/2025
Certificates of deposit	228,045	3.45%-4.9%	8/4/25-5/25/26
Total investments	<u>\$ 1,062,302</u>		
Investments in marketable securities:			
Equities	\$ 843,102		
Mutual funds	412,327		
Total investments in marketable securities	<u>\$ 1,255,429</u>		
Total short-term investments	<u>\$ 2,317,731</u>		
Long-term:			
United States Treasury bonds	\$ 9,620	4.57%	11/15/2052
United States Treasury notes	39,266	4%-4.25%	10/31/27-11/15/34
Mortgage Backed Securities	208,567	2.53%-5.49%	2051-2055
Corporate Bonds	158,907	5.35%-5.36%	4/22/27-10/15/52
Restricted certificates of deposit	277,328	0.7%-5.1%	7/9/25-8/11/26
Total long-term investments	<u>\$ 693,688</u>		
Total investments	<u>\$ 3,011,419</u>		

For the year ended June 30, 2024, the Organization had certificates of deposit held with various financial institutions, in the amount of \$4,568,857 (\$229,112 was restricted).

Investments with maturities over one year are reported as other assets. Rates of return on investments held on June 30, 2025, ranged from .04% and 5.10%. Rates of return on the investments held on June 30, 2024, range between 1.00% and 5.50%.

Investment income (loss) for the years ended June 30, 2025 and 2024 were \$268,178 and \$323,821 respectively.

GULF COAST TEACHING FAMILY SERVICES, INC.
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NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 5 – PROGRAM RECEIVABLES

Program receivables consist of reimbursements for expenses incurred or revenue earned on fees for service and per-diem contracts. Program receivables consist of the following as of June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Department of Health and Human Services	\$ 266,359	\$ 260,619
Medicaid	790,677	645,906
Insurance contracts	68,659	-
U.S. Department of Juvenile Justice and Delinquency Prevention	-	22,434
State of Louisiana:		
Office of Behavioral Health	32,507	34,156
Office of Community Services	475,727	524,708
South Central LA Human Services	32,638	114,203
Private	480	277
Terrebonne Parish Government	170,791	35,514
Veterans Affairs	151,122	72,373
Other	<u>18,515</u>	<u>99,923</u>
Subtotal	\$ 2,007,475	\$ 1,810,113
Less: Allowance for Credit Losses	<u>(56,042)</u>	<u>(80,000)</u>
Total, net	<u>\$ 1,951,431</u>	<u>\$ 1,730,113</u>

NOTE 6 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 23, 2025, the date which the combined financial statements were available for use. Management's evaluation revealed no subsequent events that require adjustment to or disclosure in the combined financial statements.

NOTE 7 – ACCRUED LIABILITIES

Accrued liabilities consist of the following on June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Accrued salaries and payroll taxes	\$ 879,577	\$ 827,944
Compensated absences	565,478	569,876
Other	-	-
Total	<u>\$ 1,445,055</u>	<u>\$ 1,397,820</u>

GULF COAST TEACHING FAMILY SERVICES, INC.
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NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 8 – MORTGAGE PAYABLE

The Organization purchased and financed its Houma administrative and program facility with a mortgage payable to the bank. The mortgage note requires annual interest payments of 3.5 percent per year. The monthly principal and interest payments are \$2,514 until the maturity date of January 19, 2036. Minimum future principal payments due under this mortgage note as of June 30, 2025, are as follows:

<u>Year Ending</u> <u>June 30th.</u>	<u>Annual</u> <u>Principal Payments</u>
2026	\$ 21,075
2027	21,835
2028	22,602
2029	23,438
2030	24,283
Thereafter	<u>152,695</u>
	\$ 265,928
Less: current maturities	<u>(21,075)</u>
Total	<u>\$ 244,853</u>

Total interest expense on the mortgage payable was \$9,093 and \$9,826 for the years ended June 30, 2025 and 2024, respectively.

NOTE 9 – LEASES

The Organization leases facilities and equipment under financing and operating leases expiring through 2027.

The components of lease expense were as follows:

	<u>2025</u>	<u>2024</u>
Operating lease cost	<u>\$ 149,616</u>	<u>\$ 157,731</u>
Finance lease cost:		
Amortization of right-of-use assets	\$ 23,302	\$ 25,575
Interest on finance leases payable	<u>2,607</u>	<u>2,657</u>
	<u>\$ 25,909</u>	<u>\$ 28,232</u>
Total lease expense	<u>\$ 175,525</u>	<u>\$ 185,963</u>

GULF COAST TEACHING FAMILY SERVICES, INC.
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JUNE 30, 2025 AND 2024

NOTE 9 – LEASES (Continued)

Minimum future rental payments due under these leases as of June 30, 2025 are as follows:

Year Ending June 30th,	Minimum rental payments
2026	140,296
2027	123,165
2028	109,548
2029	54,748
2030	958
Subtotal	428,715
Less imputed interest	(31,511)
Total	\$ 397,204

The weighted average remaining lease term and discount rate for financing and operating leases commencing on or before June 30, 2025 are as follows:

Weighted average term (in months)	
Operating leases	33
Finance leases	47
Weighted average discount rate	
Operating leases	4.01%
Finance leases	5.06%

NOTE 10 – UNEMPLOYMENT INSURANCE FUND

Effective July 1, 1992, the Organization became self-insured for employee unemployment compensation claims by establishing an Organization unemployment insurance fund. Actual payments to the State for Unemployment benefits totaled \$12,390 in 2025 and \$18,818 in 2024. As of June 30, 2025, all known claims have been recorded in the combined financial statements.

NOTE 11 – ECONOMIC DEPENDENCY

The Organization receives 99% of its revenue from funds provided through programs administered by the State of Louisiana. The program amounts are appropriated each year by the federal and state governments. Suppose significant budget cuts are affected at the federal and state levels. In that case, the Organization's funds could be reduced significantly and have an adverse impact on its operations. Management is unaware of any actions that will adversely affect the amount of funds the Organization will receive in the next fiscal year.

GULF COAST TEACHING FAMILY SERVICES, INC.
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NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 12 – FAIR VALUE MEASUREMENTS

Accounting principles generally accepted in the United States of America establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820 are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices in active markets for identical assets or liabilities that the Organization can access at the measurement date.

Level 2: Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, such as:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The Organization uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. The asset's fair value measurement level with the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. When available, valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used on June 30, 2025:

Equity Securities: The Organization holds domestic equity securities, which are valued at the daily closing price as reported by the securities stock exchange.

Mutual Funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Organization are open-end mutual funds that are registered with the U.S. Security Exchange Commission (SEC). These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Organization are deemed to be actively traded.

GULF COAST TEACHING FAMILY SERVICES, INC.
d/b/a GULF COAST SOCIAL SERVICES AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 12 – FAIR VALUE MEASUREMENTS (Continued)

The Organization recognizes transfers of assets into and out of levels as of the date an event or change in circumstances causes the transfer. There were no transfers between levels in the year ending June 30, 2025.

The following table sets forth, by level, within the fair value hierarchy, of the Organization's assets measured at fair value for the year ended June 30, 2025:

Recurring fair value measurements at June 30, 2025:	Total Assets Fair Value	Based On		
		Quoted Prices In Active (Level 1)	Other Observable (Level 2)	Unobservable (Level 3)
Equities	\$ 843,102	\$ 843,102	\$ -	\$ -
Mutual Funds	412,327	412,327	-	-
Total	<u>\$ 1,255,429</u>	<u>\$ 1,255,429</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 13 – CONTINGENCIES

Programs administered by the Organization are subject to review and audit by the various funding agencies. Accordingly, the funding agencies may recover any disallowed payments from these audits in subsequent years.

NOTE 14 – PENSION PLAN

Effective January 1, 2005, the Organization established the GCTFS Matching Retirement Plan (the Plan). The Organization revised the 403(b)-retirement plan effective January 1, 2022, requiring an employer matching provision. The Organization provides a 2% matching contribution on up to 6% of an employee's salary. The Plan is open to all employees who are 21 years of age or older and who completed one year of service during which they worked at least 1,000 hours of service.

The Plan has a calendar year-end and allows entrance into the Plan on two entry dates – January 1 and July 1. Employees can make a salary deferral election up to the IRS limits permitted. The Organization makes a matching contribution equal to the lesser of 25% of the participant's elective deferral or 6% of the participant's compensation. The Employer may make discretionary contributions equal to a uniform percentage or elective amount of the participant's deferral. No discretionary matching contributions were made for the years ending June 30, 2025 and 2024. The Organization made employer-matching contributions of \$57,203 and \$30,306 for the years ended June 30, 2025 and 2024, respectively.

GULF COAST TEACHING FAMILY SERVICES, INC.
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NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 15 – LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization had the following financial assets available on June 30, 2025 and 2024, within one year of the combined statements of financial position date for general expenditures:

	2025	2024
Cash and cash equivalents	\$ 1,909,255	\$ 1,566,343
Investments	1,060,299	4,294,797
Accrued interest receivable	10,572	1,621
Program receivables	<u>2,315,728</u>	<u>1,730,113</u>
Total	<u>\$ 5,295,854</u>	<u>\$ 7,592,874</u>

As noted above, the Organization has \$5,295,854 on June 30, 2025 and \$7,592,874 on June 30, 2024, of financial assets available to meet general expenditures' cash needs. None of the financial assets listed above are subject to a donor or other contractual restrictions that make them unavailable for general expenditures within one year of the combined statements of financial position. The Organization has the policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

Most of the Organization's expenditures are for fee-for-service arrangements under contracts with governmental agencies. Under these contracts, services are completed, and the vendor fee is billed after the service. Other governmental contracts are cost reimbursement arrangements where costs budgeted under the grant are expended, and a request for reimbursement is made at the end of the month of expenditure. Most program expenses will only be incurred if a contract or grant is obtained to provide the fee-for-service revenue for the costs or in accordance with a grant which will reimburse the Organization for the expenditure.

The Organization also maintains a \$350,000 line of credit with the bank for working capital emergencies. The line of credit is secured by restricted cash and investments and is required by a governmental funder. The line of credit was unused as of June 30, 2025.

SUPPLEMENTARY INFORMATION

**GULF COAST TEACHING FAMILY SERVICES, INC.
d/b/a GULF COAST SOCIAL SERVICES AND AFFILIATE
SCHEDULE OF COMPENSATION, BENEFITS, AND
OTHER PAYMENTS TO THE CHIEF EXECUTIVE OFFICER
YEAR ENDED JUNE 30, 2025**

<u>Purpose:</u>	<u>Willie Green</u>
Salary	\$ 272,176
Benefits-medical insurance	5,008
Benefits-dental insurance	157
Benefits-vision insurance	12
Cell Phone Reimbursement	780
	<u>\$ 278,133</u>

GULF COAST TEACHING FAMILY SERVICES, INC.
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(A NONPROFIT ORGANIZATION)

SCHEDULE 2- COMBINED STATEMENT OF EXPENSES BY PROGRAM AND FUND
YEAR ENDED JUNE 30, 2025

	Foster Care							
	20-105 Regular Foster Care Baton Rouge TIPS # 020008014	40-105 Regular Foster Care Houma	50-105 RFC Lafayette	60-105 Foster Care New Orleans TIPS Provider # 010007819	60-107 Out of State Foster Care	70-104 Brighter Futures Alexandria	70-105 Foster Care Alexandria	Subtotal Foster Care
Administrative and general	\$ 261,465	\$ 47,660	\$ 11,569	\$ 144,803	\$ 13,965	\$ 25,848	\$ 6,869	\$ 512,179
Plant operation and capital asset costs	-	-	-	-	-	2,866	-	2,866
Dietary, laundry & linen, and housekeeping	-	42	-	-	-	-	-	42
Personal client needs	821	1,666	-	5,148	1,098	-	-	8,733
Medical and nursing	-	-	-	-	-	-	-	-
Therapeutic and training	960,410	33,817	30,135	263,290	64,525	-	-	1,352,177
Recreational	116	-	-	259	-	-	-	375
Consultants	-	-	-	-	-	-	-	-
Subtotal	\$ 1,222,812	\$ 83,185	\$ 41,704	\$ 413,500	\$ 79,588	\$ 28,714	\$ 6,869	\$ 1,876,372
Administrative costs - allocated	471,684	26,192	17,565	151,538	29,840	11,985	2,650	711,454
Totals	<u>\$ 1,694,496</u>	<u>\$ 109,377</u>	<u>\$ 59,269</u>	<u>\$ 565,038</u>	<u>\$ 109,428</u>	<u>\$ 40,699</u>	<u>\$ 9,519</u>	<u>\$ 2,587,826</u>

GULF COAST TEACHING FAMILY SERVICES, INC.
d/b/a GULF COAST SOCIAL SERVICES AND AFFILIATE
(A NONPROFIT ORGANIZATION)

SCHEDULE 2- COMBINED STATEMENT OF EXPENSES BY PROGRAM AND FUND
YEAR ENDED JUNE 30, 2025

	Personal Care Attendants									
	20-101 PCA Baton Rouge Provider # 1912913	20-102 Children's Choice Waiver Baton Rouge	20-108 ROW-PCA Baton Rouge #1912913	20-119 PCS Baton Rouge Provider # 1173703	30-101 PCA Hammond Provider # 1690082	30-102 Children's Choice Hammond	30-108 ROW-PCA Hammond	30-118 LDA WAIVER Hammond Provider #1173789	30-119 PCS Hammond Provider # 1173789	
Administrative and general	\$ 729,657	\$ 4,407	\$ 171,382	\$ 104,863	\$ 340,948	\$ 713	\$ 15,444	\$ 144,805	\$ 83,973	
Plant operation and capital asset costs	-	-	-	-	-	-	-	-	-	-
Dietary, laundry & linen, and housekeeping	-	-	-	-	-	-	-	-	-	-
Personal client needs	-	-	88	-	-	-	-	-	-	-
Medical and nursing	629	-	131	81	331	-	-	-	-	-
Therapeutic and training	-	-	-	-	-	-	-	-	-	-
Recreational	8	-	11	-	125	-	-	-	-	-
Consultants	615	-	100	-	-	-	-	-	-	-
Subtotal	\$ 730,909	\$ 4,407	\$ 171,712	\$ 104,944	\$ 341,404	\$ 713	\$ 15,444	\$ 144,805	\$ 83,973	
Administrative costs - allocated	287,467	1,535	68,336	41,127	116,274	963	4,924	49,293	28,558	
Totals	<u>\$ 1,018,376</u>	<u>\$ 5,942</u>	<u>\$ 240,048</u>	<u>\$ 146,071</u>	<u>\$ 457,678</u>	<u>\$ 1,676</u>	<u>\$ 20,368</u>	<u>\$ 194,098</u>	<u>\$ 112,531</u>	

GULF COAST TEACHING FAMILY SERVICES, INC.
d/b/a GULF COAST SOCIAL SERVICES AND AFFILIATE
(A NONPROFIT ORGANIZATION)

SCHEDULE 2- COMBINED STATEMENT OF EXPENSES BY PROGRAM AND FUND
YEAR ENDED JUNE 30, 2025

	Personal Care Attendants									
	40-101 PCA Houma TIPS Provider # 1935166	40-102 Children's Choice Waiver Houma Provider # 2179870	40-108 ROW-PCA Houma	40-117 EPSDT Houma	40-119 PCS Houma Provider # 1173720	40-412 SCLHSA PCA Houma	50-101 PCA Lafayette TIPS #1910384	50-102 Children's Choice Lafayette		
Administrative and general	\$ 644,814	\$ 107,221	\$ 110,703	\$ 23,859	\$ 118,690	\$ 115,240	\$ 669,309	\$ 725		
Plant operation and capital asset costs	-	-	-	-	-	-	-	-		
Dietary, laundry & linen, and housekeeping	60	-	-	-	-	-	-	-		
Personal client needs	69	69	69	69	112	69	54	-		
Medical and nursing	-	-	-	-	-	-	930	-		
Therapeutic and training	-	-	-	-	-	-	-	-		
Recreational	-	-	-	-	-	-	-	-		
Consultants	<u>3,663</u>	<u>311</u>	<u>-</u>	<u>200</u>	<u>352</u>	<u>-</u>	<u>623</u>	<u>-</u>		
Subtotal	\$ 648,606	\$ 107,601	\$ 110,772	\$ 24,128	\$ 119,154	\$ 115,309	\$ 670,916	\$ 725		
Administrative costs - allocated	<u>203,454</u>	<u>33,347</u>	<u>34,398</u>	<u>7,569</u>	<u>38,084</u>	<u>36,625</u>	<u>289,398</u>	<u>320</u>		
Totals	<u>\$ 852,060</u>	<u>\$ 140,948</u>	<u>\$ 145,170</u>	<u>\$ 31,697</u>	<u>\$ 157,238</u>	<u>\$ 151,934</u>	<u>\$ 960,314</u>	<u>\$ 1,045</u>		

GULF COAST TEACHING FAMILY SERVICES, INC.
d/b/a GULF COAST SOCIAL SERVICES AND AFFILIATE
(A NONPROFIT ORGANIZATION)

SCHEDULE 2- COMBINED STATEMENT OF EXPENSES BY PROGRAM AND FUND
YEAR ENDED JUNE 30, 2025

Personal Care Attendants

	50-108 ROW-PCA Lafayette	50-119 PCS Lafayette	70-101 PCA Alexandria Provider # 1910384	70-102 Children's Choice Alexandria	70-118 EDA WAIVER Alexandria	70-119 PCS Alexandria	80-101 PCA Lake Charles Provider # 1984205	80-102 Children's Choice Lake Charles	80-108 ROW-PCA Lake Charles
Administrative and general	\$ 31,698	\$ 87,146	\$ 220,047	\$ 709	\$ 1,594	\$ 34,976	\$ 162,515	\$ 709	\$ 5,173
Plant operation and capital asset costs	-	-	-	-	-	-	-	-	-
Dietary, laundry & linen, and housekeeping	-	-	-	-	-	-	-	-	-
Personal client needs	-	-	-	-	-	-	-	-	-
Medical and nursing	-	115	-	-	-	-	12	-	-
Therapeutic and training	-	-	-	-	-	-	-	-	-
Recreational	-	-	-	-	-	-	-	-	-
Consultants	-	-	50	-	-	-	950	-	-
Subtotal	\$ 31,698	\$ 87,261	\$ 220,097	\$ 709	\$ 1,594	\$ 34,976	\$ 163,477	\$ 709	\$ 5,173
Administrative costs - allocated	12,815	37,874	102,494	341	603	16,428	81,045	374	1,875
Totals	<u>\$ 44,513</u>	<u>\$ 125,135</u>	<u>\$ 322,591</u>	<u>\$ 1,050</u>	<u>\$ 2,197</u>	<u>\$ 51,404</u>	<u>\$ 244,522</u>	<u>\$ 1,083</u>	<u>\$ 7,048</u>

GULF COAST TEACHING FAMILY SERVICES, INC.
d/b/a GULF COAST SOCIAL SERVICES AND AFFILIATE
(A NONPROFIT ORGANIZATION)

SCHEDULE 2- COMBINED STATEMENT OF EXPENSES BY PROGRAM AND FUND
YEAR ENDED JUNE 30, 2025

	Personal Care Attendants							
		60-101 PCA New Orleans	60-102 Children's Choice Waiver New Orleans	60-108 ROW-PCA New Orleans	60-117 EPSDT New Orleans	60-118 EDA WAIVER New Orleans	60-119 PCS New Orleans	Subtotal Personal Care Attendant
	80-119 PCS Lake Charles	Provider # 1910686	Provider # 2182277		Provider # 1912913	New Orleans	Provider # 1173754	
Administrative and general	\$ 58,307	\$ 255,737	\$ 101,071	\$ 199,394	\$ 76,401	\$ 68,640	\$ 65,157	\$ 4,756,027
Plant operation and capital asset costs	172	-	-	-	-	-	-	172
Dietary, laundry & linen, and housekeeping	-	-	-	-	-	-	-	60
Personal client needs	-	-	-	-	-	-	-	599
Medical and nursing	12	143	-	-	-	-	-	2,384
Therapeutic and training	-	-	-	-	-	-	-	-
Recreational	-	1,098	-	-	-	-	-	1,242
Consultants	950	-	-	-	-	-	-	7,814
Subtotal	\$ 59,441	\$ 256,977	\$ 101,071	\$ 199,394	\$ 76,401	\$ 68,640	\$ 65,157	\$ 4,768,298
Administrative costs - allocated	29,475	97,242	37,892	74,754	28,935	25,678	24,281	1,813,778
Totals	<u>\$ 88,916</u>	<u>\$ 354,220</u>	<u>\$ 138,963</u>	<u>\$ 274,148</u>	<u>\$ 105,336</u>	<u>\$ 94,318</u>	<u>\$ 89,438</u>	<u>\$ 6,582,076</u>

GULF COAST TEACHING FAMILY SERVICES, INC.
d/b/a GULF COAST SOCIAL SERVICES AND AFFILIATE
(A NONPROFIT ORGANIZATION)

SCHEDULE 2- COMBINED STATEMENT OF EXPENSES BY PROGRAM AND FUND
YEAR ENDED JUNE 30, 2025

	Supervised Independent Living							
	20-103 Supervised Living Title XIX Baton Rouge Provider # 1912913	30-103 SIL- Title XIX Hammond Provider # 1690082	40-103 SIL Title XIX Houma Provider # 1935166	50-103 SIL- Title XIX Lafayette Provider # 1910384	70-103 SIL- Title XIX Alexandria Provider # 1690538	80-103 SIL- Title XIX Alexandria Provider # 1984205	60-103 SIL- Title XIX New Orleans Provider # 1910686	Subtotal Supervised Independent Living
Administrative and general	\$ 481,263	\$ 101,129	\$ 725,069	\$ 752,344	\$ 827,451	\$ 286,718	\$ 236,506	\$ 3,410,480
Plant operation and capital asset costs	-	-	-	-	-	-	-	-
Dietary, laundry & linen, and housekeeping	-	-	121	-	-	-	-	121
Personal client needs	2,443	-	1,851	(4,122)	(539)	861	55	549
Medical and nursing	380	-	248	930	376	12	93	2,039
Therapeutic and training	-	-	-	-	-	-	-	-
Recreational	15	-	191	-	-	46	-	252
Consultants	<u>860</u>	<u>-</u>	<u>11,335</u>	<u>3,075</u>	<u>5,413</u>	<u>1,085</u>	<u>-</u>	<u>21,768</u>
Subtotal	\$ 484,961	\$ 101,129	\$ 738,815	\$ 752,227	\$ 832,701	\$ 288,722	\$ 236,654	\$ 3,435,209
Administrative costs - allocated	<u>191,812</u>	<u>34,409</u>	<u>232,613</u>	<u>323,248</u>	<u>388,249</u>	<u>144,160</u>	<u>88,806</u>	<u>1,403,297</u>
Totals	<u>\$ 676,773</u>	<u>\$ 135,538</u>	<u>\$ 971,428</u>	<u>\$ 1,075,475</u>	<u>\$ 1,220,950</u>	<u>\$ 432,882</u>	<u>\$ 325,460</u>	<u>\$ 4,838,506</u>

GULF COAST TEACHING FAMILY SERVICES, INC.
d/b/a GULF COAST SOCIAL SERVICES AND AFFILIATE
(A NONPROFIT ORGANIZATION)

SCHEDULE 2- COMBINED STATEMENT OF EXPENSES BY PROGRAM AND FUND
YEAR ENDED JUNE 30, 2025

	Respite							Subtotal Respite	Elderly Services 40-413 Houma Senior Center Houma
	20-426 Short Term Respite Baton Rouge	30-426 Short Term Respite Northshore	40-426 Short Term Respite Houma	50-426 Short Term Respite Lafayette	70-426 Short Term Respite Alexandria	80-426 Short Term Respite Lake Charles	60-426 Short Term Respite New Orleans		
Administrative and general	\$ 110,104	\$ 13,061	\$ 149,387	\$ 206,550	\$ 173,058	\$ 143,919	\$ 185,018	\$ 981,097	\$ 66,946
Plant operation and capital asset costs	-	-	-	-	-	-	-	-	120
Dietary, laundry & linen, and housekeeping	-	-	-	-	-	-	-	-	33,987
Personal client needs	-	-	-	-	221	-	-	221	-
Medical and nursing	-	-	-	-	-	-	-	-	-
Therapeutic and training	-	-	-	-	-	-	-	-	-
Recreational	1,423	434	3,057	950	(2,453)	1,031	10,674	15,116	18,301
Consultants	-	-	-	-	-	-	-	-	-
Subtotal	\$ 111,527	\$ 13,495	\$ 152,444	\$ 207,500	\$ 170,826	\$ 144,950	\$ 195,692	\$ 996,434	\$ 119,354
Administrative costs - allocated	43,122	4,457	45,497	87,548	77,497	72,355	71,256	401,732	36,832
Totals	<u>\$ 154,649</u>	<u>\$ 17,952</u>	<u>\$ 197,941</u>	<u>\$ 295,048</u>	<u>\$ 248,323</u>	<u>\$ 217,305</u>	<u>\$ 266,948</u>	<u>\$ 1,398,166</u>	<u>\$ 156,186</u>

GULF COAST TEACHING FAMILY SERVICES, INC.
 d/b/a GULF COAST SOCIAL SERVICES AND AFFILIATE
 (A NONPROFIT ORGANIZATION)

SCHEDULE 2- COMBINED STATEMENT OF EXPENSES BY PROGRAM AND FUND
 YEAR ENDED JUNE 30, 2025

	Elderly Services			Other Programs					
	40-414 Gibson Senior Center Houma	40-416 Gray Senior Center Houma	Subtotal Elderly Services	20-312 Dept. of Veterans Affairs Baton Rouge	20-710 Adult Day Habilitation Baton Rouge	20-711 Adult Day Habilitation Baton Rouge	30-312 Dept. of Veterans Affairs Northshore	40-312 Dept. of Veterans Affairs Houma	40-400 SCI.HSA Mental Health Houma
Administrative and general	\$ 66,523	\$ 68,494	\$ 201,963	\$ 24,294	\$ 202,274	\$ -	\$ 129,091	\$ 11,225	\$ 668,501
Plant operation and capital asset costs	120	13,570	13,810	-	16,880	-	-	-	-
Dietary, laundry & linen, and housekeeping	32,130	32,411	98,528	-	2,245	-	-	-	-
Personal client needs	-	-	-	-	(145)	-	-	69	-
Medical and nursing	-	-	-	21	362	-	-	-	-
Therapeutic and training	-	-	-	-	-	-	-	-	-
Recreational	19,947	16,410	54,658	-	2,506	-	-	-	-
Consultants	-	-	-	-	-	-	-	237	-
Subtotal	\$ 118,720	\$ 130,885	\$ 368,959	\$ 24,315	\$ 224,122	\$ -	\$ 129,091	\$ 11,531	\$ 668,501
Administrative costs - allocated	<u>36,450</u>	<u>40,435</u>	<u>113,717</u>	<u>9,386</u>	<u>102,791</u>	<u>-</u>	<u>43,914</u>	<u>3,749</u>	<u>210,480</u>
Totals	<u>\$ 155,170</u>	<u>\$ 171,320</u>	<u>\$ 482,676</u>	<u>\$ 33,701</u>	<u>\$ 326,913</u>	<u>\$ -</u>	<u>\$ 173,005</u>	<u>\$ 15,280</u>	<u>\$ 878,981</u>

GULF COAST TEACHING FAMILY SERVICES, INC.
d/b/a GULF COAST SOCIAL SERVICES AND AFFILIATE
(A NONPROFIT ORGANIZATION)

SCHEDULE 2- COMBINED STATEMENT OF EXPENSES BY PROGRAM AND FUND
YEAR ENDED JUNE 30, 2025

	Other Programs									
	40-402 SCLHSA Clinic Staffing Houma	40-415 Le Cirque Mentoring Houma	40-418 SCLHSA Life Skills Houma	40-608 MCR LA-CRS Houma	50-106 OJJ/YS Trackers Lafayette	50-229 Intensive Consumer Care Lafayette	50-312 Dept. of Veterans Affairs Lafayette	50-609 CART Lafayette		
Administrative and general	\$ 3,199	\$ 98,110	\$ 29,887	\$ 154,503	\$ 1,563	\$ 3,610	\$ 93,421	\$ 13,535		
Plant operation and capital asset costs	-	438	-	-	-	-	-	-		
Dietary, laundry & linen, and housekeeping	-	-	-	-	-	-	-	-		
Personal client needs	-	-	-	-	-	-	-	-		
Medical and nursing	-	-	-	-	-	-	585	-		
Therapeutic and training	-	-	-	-	-	-	-	-		
Recreational	-	10,552	23	-	-	-	-	-		
Consultants	-	-	-	46,583	-	-	645	-		
Subtotal	<u>\$ 3,199</u>	<u>\$ 109,100</u>	<u>\$ 29,910</u>	<u>\$ 201,086</u>	<u>\$ 1,563</u>	<u>\$ 3,610</u>	<u>\$ 94,651</u>	<u>\$ 13,535</u>		
Administrative costs - allocated	<u>1,117</u>	<u>34,338</u>	<u>9,305</u>	<u>58,139</u>	<u>703</u>	<u>1,607</u>	<u>41,331</u>	<u>6,025</u>		
Totals	<u>\$ 4,316</u>	<u>\$ 143,438</u>	<u>\$ 39,215</u>	<u>\$ 259,225</u>	<u>\$ 2,266</u>	<u>\$ 5,217</u>	<u>\$ 135,982</u>	<u>\$ 19,560</u>		

GULF COAST TEACHING FAMILY SERVICES, INC.
d/b/a GULF COAST SOCIAL SERVICES AND AFFILIATE
(A NONPROFIT ORGANIZATION)

SCHEDULE 2- COMBINED STATEMENT OF EXPENSES BY PROGRAM AND FUND
YEAR ENDED JUNE 30, 2025

	Other Programs					Total Programs	Administrative and General	
	70-312 Dept. of Veterans Affairs Alexandria	70-608 MCR LA-CRS Alexandria	80-312 Dept. of Veterans Affairs Lake Charles	60-312 Dept. of Veterans Affairs New Orleans	Subtotal Other Programs	Total Programs	10-198 Admin. Central	20-198 Admin. Baton Rouge
Administrative and general	\$ 236,503	\$ 77,081	\$ 88,362	\$ 2,133	\$ 1,837,292	\$ 11,699,038	\$ 2,604,133	\$ 494,847
Plant operation and capital asset costs	-	-	-	-	17,318	34,166	115,936	120,375
Dietary, laundry & linen, and housekeeping	-	-	-	-	2,245	100,996	-	-
Personal client needs	131	-	-	-	55	10,157	-	-
Medical and nursing	198	-	12	-	1,178	5,601	-	-
Therapeutic and training	-	-	-	-	-	1,352,177	-	-
Recreational	-	-	-	-	13,081	84,724	-	52
Consultants	<u>1,413</u>	<u>2,075</u>	<u>950</u>	<u>-</u>	<u>51,903</u>	<u>81,485</u>	<u>-</u>	<u>-</u>
Subtotal	\$ 238,245	\$ 79,156	\$ 89,324	\$ 2,133	\$ 1,923,072	\$ 13,368,344	\$ 2,720,069	\$ 615,274
Administrative costs - allocated	<u>110,793</u>	<u>35,651</u>	<u>44,641</u>	<u>598</u>	<u>714,568</u>	<u>5,158,546</u>	<u>(2,619,392)</u>	<u>(606,062)</u>
Totals	<u>\$ 349,038</u>	<u>\$ 114,807</u>	<u>\$ 133,965</u>	<u>\$ 2,731</u>	<u>\$ 2,637,640</u>	<u>\$ 18,526,890</u>	<u>\$ 100,677</u>	<u>\$ 9,212</u>

GULF COAST TEACHING FAMILY SERVICES, INC.
d/b/a GULF COAST SOCIAL SERVICES AND AFFILIATE
(A NONPROFIT ORGANIZATION)

SCHEDULE 2- COMBINED STATEMENT OF EXPENSES BY PROGRAM AND FUND
YEAR ENDED JUNE 30, 2025

	Administrative and General							
	30-198 Admin. Hammond	40-198 Admin. Houma	50-198 Admin. Lafayette	70-198 Admin. Alexandria	80-198 Admin, Lake Charles	60-198 Admin. New Orleans	Subtotal General and Administrative	Totals-Program, Administrative and General Funds
Administrative and general	\$ 91,526	\$ 390,329	\$ 338,011	\$ 326,323	\$ 178,439	\$ 248,011	\$ 4,671,619	\$ 16,370,657
Plant operation and capital asset costs	33,623	51,630	49,916	102,784	36,538	38,518	549,320	583,486
Dietary, laundry & linen, and housekeeping	-	94	-	-	-	-	94	101,090
Personal client needs	-	-	2,280	-	-	-	2,280	12,437
Medical and nursing	143	100	-	-	-	143	386	5,987
Therapeutic and training	-	-	-	-	-	-	-	1,352,177
Recreational	-	-	-	20	20	-	92	84,816
Consultants	-	-	-	-	-	-	-	81,485
Subtotal	\$ 125,292	\$ 442,153	\$ 390,207	\$ 429,127	\$ 214,997	\$ 286,672	\$ 5,223,791	\$ 18,592,135
Administrative costs - allocated	<u>(125,292)</u>	<u>(442,151)</u>	<u>(434,308)</u>	<u>(413,279)</u>	<u>(214,998)</u>	<u>(303,064)</u>	<u>(5,158,546)</u>	<u>-</u>
Totals	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ (44,101)</u>	<u>\$ 15,848</u>	<u>\$ (1)</u>	<u>\$ (16,392)</u>	<u>\$ 65,245</u>	<u>\$ 18,592,135</u>

SPECIAL REPORTS OF INDEPENDENT AUDITORS



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

To the Board of Directors
Gulf Coast Teaching Family Services, Inc.
d/b/a Gulf Coast Social Services and Affiliate
New Orleans, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the combined financial statements of Gulf Coast Teaching Family Services, Inc. d/b/a Gulf Coast Social Services (both non-profit organizations) and its Affiliate, which comprise the combined statements of financial position as of June 30, 2025 and 2024 and the related combined statements of activities, functional expenses, and cash flows for the years then ended, and the related combined notes to the financial statements, and have issued our report thereon dated December 23, 2025.

Internal Control over Financial Reporting

In planning and performing our audits of the combined financial statements, we considered Gulf Coast Teaching Family Services, Inc. d/b/a Gulf Coast Social Services and its Affiliate'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 combined financial statements, but not for the purpose of expressing an opinion on the effectiveness of Gulf Coast Teaching Family Services, Inc. d/b/a Gulf Coast Social Services and its Affiliate's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the organization's combined 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, we did not identify any internal control deficiencies that we considered material weaknesses during our audit. However, material weaknesses may exist that have not been identified.

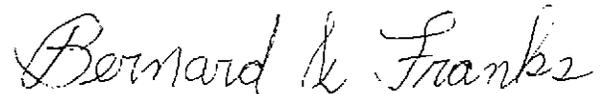
Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's combined 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 combined financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

This report is intended for the information of the Board of Directors, management, the State of Louisiana, the Legislative Auditor for the State of Louisiana, Federal Awarding Agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Metairie, Louisiana
December 23, 2025

GULF COAST TEACHING FAMILY SERVICES, INC.
d/b/a GULF COAST SOCIAL SERVICES AND AFFILIATE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2025

Section I - Summary of Auditors' Results

Financial Statements

1. The auditors' report expresses an unmodified opinion on the combined financial statements of Gulf Coast Teaching Family Services, Inc. d/b/a Gulf Coast Social Services and Affiliate, which was prepared in accordance with generally accepted accounting principles 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.
2. No significant deficiencies or material weaknesses in internal control were disclosed during the audits of the combined financial statements as reported in the Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the combined financial statements of Gulf Coast Teaching Family Services, Inc. d/b/a Gulf Coast Social Services and Affiliate were disclosed in the Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in accordance with *Government Auditing Standards*.

Federal Awards

The Organization received funds from the U.S. Department of Treasury under Assistance Listing Number 21.027 "Coronavirus State and Local Fiscal Recovery Funds" (SLFRF funds). The Treasury offered recipients an alternative approach if the other federal financial assistance expended did not exceed the \$750,000 audit threshold set forth at 2 CFR 200.501(a). The Organization expended \$1,871,398 in total federal funds for the year ended June 30, 2024. Of those funds, SLFRF consisted of \$1,455,300. Since the Organization's total expended federal funds were under the \$750,000 threshold at \$416,098, the Organization was permitted to choose an alternative approach.

Section II- Financial Statement Findings

There were no findings for the year ended June 30, 2025.

Section III - Federal Award Findings And Questioned Costs

There were no findings or questioned costs reported during the audit of the combined financial statements for the year ended June 30, 2025.

REPORTS BY MANAGEMENT

**GULF COAST TEACHING FAMILY SERVICES, INC.
d/b/a GULF COAST SOCIAL SERVICES AND AFFILIATE
SUMMARY OF PRIOR YEAR'S AUDIT FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2025**

**Section I – Internal Control over Financial Reporting and Compliance and Other Matters
Material to the Basic Financial Statements**

Internal Control over Financial Reporting

There were no findings regarding internal controls over financial reporting reported during the audit of the combined financial statements for June 30, 2024.

Compliance and Other Matters

No compliance findings material to the combined financial statements were reported during the audit for the combined financial statements for the year June 30, 2024.

Section II - Internal Control and Compliance Material to Federal Awards

There were no internal control and compliance findings during the audit regarding federal awards for the year ending June 30, 2024.

Section III - Management Letter

A management letter was not issued in connection with the audit of the combined financial statements for the year ending June 30, 2024.