



MCCLINTOCK
& ASSOCIATES

***NEW ORLEANS CULINARY & HOSPITALITY
INSTITUTE, INC.
AND SUPPORTING ORGANIZATION***

AUDITED CONSOLIDATED FINANCIAL STATEMENTS

**YEARS ENDED
DECEMBER 31, 2025 AND 2024**

OPE ID NUMBER: 04315600

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
New Orleans Culinary & Hospitality Institute, Inc.
and Supporting Organization
New Orleans, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of New Orleans Culinary & Hospitality Institute, Inc. and Supporting Organization (nonprofit organizations), which comprise the consolidated statements of financial position as of December 31, 2025 and 2024, and the related consolidated statements of activities and changes in net assets, 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 New Orleans Culinary & Hospitality Institute, Inc. and Supporting Organization as of December 31, 2025 and 2024, and the changes in their net assets and their 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of New Orleans Culinary & Hospitality Institute, Inc. and Supporting Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the 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 New Orleans Culinary & Hospitality Institute, Inc. and Supporting Organization'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 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 New Orleans Culinary & Hospitality Institute, Inc. and Supporting Organization'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 New Orleans Culinary & Hospitality Institute, Inc. and Supporting Organization'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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The Financial Responsibility Supplementary Information, as required by 34 C.F.R. Section 668.172 and 34 C.F.R. Appendix B to Subpart L of Part 668, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. The Financial Responsibility Supplementary 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 Financial Responsibility Supplementary 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 March 31, 2026 on our consideration of New Orleans Culinary & Hospitality Institute, Inc. and Supporting Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of New Orleans Culinary & Hospitality Institute, Inc. and Supporting Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering New Orleans Culinary & Hospitality Institute, Inc. and Supporting Organization's internal control over financial reporting and compliance.

McClintock & Associates, P.C.

Pittsburgh, Pennsylvania
March 31, 2026

New Orleans Culinary & Hospitality Institute, Inc. and Supporting Organization

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		December 31,	
		2025	2024
ASSETS			
CURRENT ASSETS			
Cash	\$	1,653,935	\$ 185,198
Cash, donor restricted		0	100,000
Accounts receivable, net		78,150	209,606
Contributions receivable, current portion		161,801	115,000
Prepaid expenses and other current assets		71,695	66,660
TOTAL CURRENT ASSETS		1,965,581	676,464
NON-CURRENT ASSETS			
Contributions receivable, net of current portion		370,760	96,762
Property and equipment, net		15,137,389	15,828,231
Straight line lease receivable		78,290	88,548
TOTAL NON-CURRENT ASSETS		15,586,439	16,013,541
TOTAL ASSETS	\$	17,552,020	\$ 16,690,005
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable		378,580	526,274
Accrued expenses		38,920	138,816
Prepaid revenue		95,033	238,330
Current portion of note payable		748,237	1,581,972
Current portion of lines of credit		499,990	250,000
Due to board members		840,000	890,000
TOTAL CURRENT LIABILITIES		2,600,760	3,625,392
LONG-TERM LIABILITIES			
Lines of credit, net of current portion		0	376,237
Note payable, net of current portion		1,884,900	1,124,078
TOTAL LONG-TERM LIABILITIES		1,884,900	1,500,315
NET ASSETS			
Without donor restrictions		12,405,349	11,160,829
With donor restrictions		661,011	403,469
TOTAL NET ASSETS		13,066,360	11,564,298
TOTAL LIABILITIES AND NET ASSETS	\$	17,552,020	\$ 16,690,005

See accompanying notes to consolidated financial statements.

New Orleans Culinary & Hospitality Institute, Inc.

and Supporting Organization

CONSOLIDATED STATEMENTS OF ACTIVITIES

	Years Ended December 31,					
	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND OTHER SUPPORT						
Contributions	\$ 3,631,067	\$ 870,620	\$ 4,501,687	\$ 647,469	\$ 408,104	\$ 1,055,573
Tuition and fee revenue, net	759,821	0	759,821	805,820	0	805,820
Continuing education revenue	400,093	0	400,093	456,573	0	456,573
Facility income	556,746	0	556,746	845,469	0	845,469
Special events and other revenue	232,149	0	232,149	155,713	0	155,713
	5,579,876	870,620	6,450,496	2,911,044	408,104	3,319,148
Net assets released from restrictions	613,078	(613,078)	0	1,139,134	(1,139,134)	0
TOTAL REVENUES AND OTHER SUPPORT	6,192,954	257,542	6,450,496	4,050,178	(731,030)	3,319,148
OPERATING EXPENSES						
Program service expense						
Certificate program	1,938,192	0	1,938,192	2,037,443	0	2,037,443
Community programming	508,441	0	508,441	460,503	0	460,503
Special events	859,441	0	859,441	1,128,765	0	1,128,765
Partner programs	539,696	0	539,696	469,910	0	469,910
Total program service expense	3,845,770	0	3,845,770	4,096,621	0	4,096,621
Supporting services expense						
Management and general	1,158,050	0	1,158,050	2,015,772	0	2,015,772
Fundraising expenses	456,004	0	456,004	175,255	0	175,255
Total supporting services expense	1,614,054	0	1,614,054	2,191,027	0	2,191,027
TOTAL OPERATING EXPENSES	5,459,824	0	5,459,824	6,287,648	0	6,287,648
NONOPERATING INCOME (EXPENSE)						
Lease income	505,991	0	505,991	572,577	0	572,577
Interest income	5,324	0	5,324	170,631	0	170,631
Other income	75	0	75	0	0	0
Loss on related party loan	0	0	0	(13,281,500)	0	(13,281,500)
Forgiveness of related party loan	0	0	0	16,863,027	0	16,863,027
TOTAL NONOPERATING INCOME (EXPENSE)	511,390	0	511,390	4,324,735	0	4,324,735
CHANGE IN NET ASSETS	1,244,520	257,542	1,502,062	2,087,265	(731,030)	1,356,235
NET ASSETS, BEGINNING OF YEAR	11,160,829	403,469	11,564,298	9,073,564	1,134,499	10,208,063
NET ASSETS, END OF YEAR	\$ 12,405,349	\$ 661,011	\$ 13,066,360	\$ 11,160,829	\$ 403,469	\$ 11,564,298

See accompanying notes to consolidated financial statements.

***New Orleans Culinary & Hospitality Institute, Inc.
and Supporting Organization***

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES

	Year Ended December 31, 2025									
	Program Services					Support Services				
	Certificate	Community Programing	Special Events	Partner Programs	Total Program Services	Management & General	Fundraising	Total Support Services	Totals	
Personnel										
Salaries and wages	\$ 856,261	\$ 264,145	\$ 388,637	\$ 0	\$ 1,509,043	\$ 407,630	\$ 280,982	\$ 688,612	\$	2,197,655
Employee benefits	159,461	22,579	33,315	0	215,355	62,253	44,641	106,894		322,249
Advertising	56,380	0	6,654	0	63,034	0	1,500	1,500		64,534
Bank charges	5,102	65	403	0	5,570	21,767	2,716	24,483		30,053
Credit loss expense	161,709	0	649	8,745	171,103	8,944	0	8,944		180,047
Cooking supplies / COGS	256,495	22,774	109,293	0	388,562	33,278	68,763	102,041		490,603
Depreciation expense	154,949	87,191	134,207	264,048	640,395	87,410	0	87,410		727,805
Dues and subscriptions	4,014	14	0	0	4,028	15,649	0	15,649		19,677
Freight and delivery	13	0	0	0	13	940	300	1,240		1,253
Insurance	0	0	0	0	0	77,034	0	77,034		77,034
Interest expense	25,830	14,535	22,372	44,017	106,754	22,746	0	22,746		129,500
Janitorial	0	0	0	0	0	28,373	140	28,513		28,513
Meals and entertainment	0	455	0	0	455	5,114	0	5,114		5,569
Office expenses	0	0	109	0	109	8,627	0	8,627		8,736
Supplies and materials	2,010	167	666	0	2,843	7,984	175	8,159		11,002
Printing	6,849	2,510	50	0	9,409	4,410	13,791	18,201		27,610
Professional fees	24,874	20,720	46,928	8,417	100,939	208,657	35,610	244,267		345,206
Rent or lease	0	0	0	0	0	2,499	0	2,499		2,499
Repairs and maintenance	34,020	19,143	29,466	57,973	140,602	18,724	375	19,099		159,701
Security	20,932	11,778	18,130	35,669	86,509	15,937	92	16,029		102,538
Software subscriptions	74,752	0	6,334	0	81,086	16,550	5,943	22,493		103,579
Taxes and licenses	0	0	902	0	902	2,913	402	3,315		4,217
Travel	23,727	2,614	21	0	26,362	3,865	115	3,980		30,342
Utilities	70,814	39,751	61,305	120,827	292,697	96,746	459	97,205		389,902
Totals	\$ 1,938,192	\$ 508,441	\$ 859,441	\$ 539,696	\$ 3,845,770	\$ 1,158,050	\$ 456,004	\$ 1,614,054	\$	5,459,824

See accompanying notes to consolidated financial statements.

New Orleans Culinary & Hospitality Institute, Inc. and Supporting Organization

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES (CONTINUED)

	Year Ended December 31, 2024									
	Program Services					Support Services				
	Certificate	Community Programing	Special Events	Partner Programs	Total Program Services	Management & General	Fundraising	Total Support Services	Totals	
Personnel										
Salaries and wages	\$ 717,599	\$ 213,884	\$ 532,616	\$ 0	\$ 1,464,099	\$ 503,719	\$ 110,656	\$ 614,375	\$ 2,078,474	
Employee benefits	107,433	0	45,016	0	152,449	94,458	26,854	121,312	273,761	
Advertising	91	247	0	0	338	67,999	0	67,999	68,337	
Bank charges	0	0	0	0	0	17,324	218	17,542	17,542	
Credit loss expense	197,167	750	8,949	0	206,866	626,824	300	627,124	833,990	
Cooking supplies / COGS	364,286	25,015	151,621	0	540,922	2,825	20,550	23,375	564,297	
Depreciation expense	148,561	78,375	128,672	253,224	608,832	89,052	0	89,052	697,884	
Dues and subscriptions	0	0	350	0	350	5,237	250	5,487	5,837	
Freight and delivery	0	0	0	0	0	894	64	958	958	
Insurance	23,053	7,684	15,368	0	46,105	33,174	0	33,174	79,279	
Interest expense	118,453	40,559	59,410	110,706	329,128	38,935	0	38,935	368,063	
Janitorial	13,057	3,264	6,528	0	22,849	9,793	0	9,793	32,642	
Meals and entertainment	0	0	367	0	367	1,238	0	1,238	1,605	
Office expenses	114	0	522	0	636	11,448	0	11,448	12,084	
Supplies and materials	797	22	1,309	0	2,128	26,575	2,441	29,016	31,144	
Printing	8,620	3,170	441	0	12,231	7,457	8,122	15,579	27,810	
Professional fees	36,615	19,473	31,380	61,742	149,210	244,653	1,120	245,773	394,983	
Rent or lease	0	0	0	0	0	2,281	0	2,281	2,281	
Repairs and maintenance	70,703	17,676	35,352	0	123,731	53,026	0	53,026	176,757	
Security	25,953	13,692	22,480	44,238	106,363	15,556	0	15,556	121,919	
Software subscriptions	54,797	26	1,554	0	56,377	30,457	2,721	33,178	89,555	
Taxes and licenses	100	0	21,000	0	21,100	1,959	0	1,959	23,059	
Travel	18,159	4,136	769	0	23,064	14,729	1,959	16,688	39,752	
Utilities	131,885	32,530	65,061	0	229,476	116,159	0	116,159	345,635	
Totals	<u>\$ 2,037,443</u>	<u>\$ 460,503</u>	<u>\$ 1,128,765</u>	<u>\$ 469,910</u>	<u>\$ 4,096,621</u>	<u>\$ 2,015,772</u>	<u>\$ 175,255</u>	<u>\$ 2,191,027</u>	<u>\$ 6,287,648</u>	

See accompanying notes to consolidated financial statements.

New Orleans Culinary & Hospitality Institute, Inc. and Supporting Organization

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31,	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 1,502,062	\$ 1,356,235
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	727,805	697,884
Amortization of deferred financing costs	0	62,934
Credit loss expense	180,047	833,990
Loss on NMTC leverage loan	0	13,281,500
Forgiveness of NMTC debt	0	(16,863,027)
Noncash lease receivable	10,258	2,700
Donated equipment	(36,963)	0
Board member advance forgiveness	(50,000)	0
Decrease (increase) in:		
Accounts receivable	(48,591)	(109,452)
Contributions receivable	(320,799)	137,455
Prepaid expenses and other current assets	(5,035)	(15,617)
Increase (decrease) in:		
Bank overdraft, unrestricted	0	(46,025)
Accounts payable	(147,694)	398,172
Accrued expenses	(99,896)	47,048
Prepaid revenue	(143,297)	86,142
Total net operating adjustments	65,835	(1,486,296)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	1,567,897	(130,061)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	0	(440,000)
NET CASH USED IN INVESTING ACTIVITIES	0	(440,000)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from line of credit	123,753	708,005
Payments on line of credit	0	(331,768)
Proceeds from advances from board members	100,000	498,000
Payments of advances from board members	(100,000)	0
Payments on notes payable	(322,913)	(314,652)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(199,160)	559,585
NET INCREASE (DECREASE) IN CASH AND RESTRICTED CASH	1,368,737	(10,476)
Cash and restricted cash at beginning of year	285,198	295,674
CASH AND RESTRICTED CASH AT END OF YEAR	<u>\$ 1,653,935</u>	<u>\$ 285,198</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the year for interest	<u>\$ 129,500</u>	<u>\$ 305,129</u>

See accompanying notes to consolidated financial statements.

New Orleans Culinary & Hospitality Institute, Inc. and Supporting Organization

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE A - NATURE OF OPERATIONS

New Orleans Culinary & Hospitality Institute, Inc. (NOCHI) is a nonprofit corporation organized under the laws of the State of Louisiana and is located in downtown New Orleans. NOCHI operates as a world-class, post-secondary vocational school for the culinary and hospitality industry, with instructional facilities that include two culinary labs, two baking and pastry labs, a beverage lab, a dining lab, a food science and sensory lab, and general classroom spaces. The facilities also include a café and space for private events, both of which are intended to generate revenue for the school and provide an opportunity for experiential learning for future students.

Program Services

Certificate Program - NOCHI offers two certificate programs in the culinary field that comprise the primary program services. Graduates of the NOCHI Culinary Arts Certificate and NOCHI Baking and Pastry Arts Certificate programs are expected to learn the basic foundational skills that are critical to a production-oriented professional cook or baker. Graduates will have the ability to understand job tasks associated with line level professional cooks or bakers and execute them as directed in a typical hotel, restaurant, or industry setting. They will be well suited for career growth within a culinary team setting based on their ability to build on the knowledge and skills gained during the program.

Community Programming / Enthusiast Programs / Professional Development - NOCHI offers public-facing cooking classes and demonstrations for interested community members in culinary arts, baking and pastry, and beverage. The classes aim to educate participants on food and beverage principles in a fun learning environment. These classes are intended for pleasure rather than professional development. NOCHI has developed strategic partnerships with organizations within the tourism, travel, and entertainment industries in which NOCHI offers a variety of trainings created for new employees of partner companies as well as entry-level training for those looking to enter the hospitality industry.

Special Events - NOCHI offers special events and catering in spaces throughout the building ranging from weddings and parties to corporate training events and receptions. Special events may also include private cooking demonstrations or classes. NOCHI has its own in-house catering and events team.

Partner Programs (continuing and higher education) - Additional spaces at NOCHI are used with community partners to offer higher education classes in areas such as entrepreneurship, business, and hospitality.

NOCHI was a candidate for accreditation with the Council on Occupational Education (COE) during 2024 and received full accreditation in September 2025.

NOCHI participates in Student Financial Aid (SFA) under the Title IV Programs administered by the U.S. Department of Education (ED) pursuant to the Higher Education Act of 1965, as amended (HEA).

NOCHI Real Estate, Inc. (Supporting Organization) was created during the year ended December 31, 2017, to facilitate the New Markets Tax Credit (NMTC) transaction and related financing for leasehold improvements. The NMTC structure was unwound during 2024. NOCHI Real Estate, Inc. continues to exist as a 501(c)(2) nonprofit corporation created as a real estate title-holding company for the benefit of NOCHI.

NOCHI and the Supporting Organization are collectively referred to as the “Organization.”

Management of the Organization has evaluated subsequent events through March 31, 2026, the date the consolidated financial statements were available to be issued and, except for the disclosure in Note G, has no material subsequent events to report.

New Orleans Culinary & Hospitality Institute, Inc. and Supporting Organization

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting and Financial Statement Presentation

The Organization maintains its accounting records on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). Accordingly, assets and revenues are recorded when the Organization obtains the rights of ownership or is entitled to claims for receipt, and liabilities and expenses are recorded when the obligation is incurred.

The Organization records information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. A description of the two net asset categories follows:

1. Net assets without donor restrictions include assets associated with the services provided by the Organization related to the principal operations of the Organization and gifts and contributions which are currently available at the discretion of the Board of Directors for use in the Organization's general operations. Net assets without donor restrictions also include restricted gifts and contributions whose restrictions have been met during the reporting period. The Board of Directors may designate, from net assets without donor restrictions, net assets for an operating reserve or board-designated endowment.
2. Net assets with donor restrictions include gifts for which donor-imposed restrictions are temporary in nature that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources are maintained in perpetuity but permit use of part or all of the income derived from those resources. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Consolidation

The consolidated financial statements include the accounts and activities of the NOCHI and the Supporting Organization. All significant intercompany account balances and transactions have been eliminated in consolidation.

Cash, Cash Equivalents and Restricted Cash

Cash, cash equivalents and restricted cash consist of cash in the bank and all short-term investments with an original maturity of 90 days or less. The Organization had no cash equivalents as of December 31, 2025 and 2024.

The restricted cash as of December 31, 2024 represents a contribution received from a donor, which was to be invested, with the earnings on the investment used for scholarships. During the year ended December 31, 2025, the Organization received a letter from the donor releasing the perpetual nature of the donation (Note I), with the entire amount of the contribution to be used for scholarships.

New Orleans Culinary & Hospitality Institute, Inc. and Supporting Organization

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash, Cash Equivalents and Restricted Cash (continued)

The following table provides a reconciliation of cash and restricted cash reported within the consolidated statement of financial position that sum to the total of the same such amounts shown in the consolidated statement of cash flows as of December 31, 2025 and 2024.

	<u>2025</u>	<u>2024</u>
Cash	\$ 1,653,935	\$ 185,198
Cash, donor restricted	<u>0</u>	<u>100,000</u>
Total cash and restricted cash shown in the consolidated statements of cash flows	<u>\$ 1,653,935</u>	<u>\$ 285,198</u>

Accounts Receivable and Allowance for Credit Losses

Accounts receivable includes amounts due to the Organization from its students for tuition and fees. Student accounts receivable are stated at the amount of consideration from students of which the Organization has an unconditional right to receive. Management has estimated an allowance for credit losses based upon historical losses and the sum of collection risks associated with each student's uncollected balance based upon a combination of student status as of year-end and an accounts receivable aging. Receivables for students who graduated or withdrew are written off once management has determined the balance is uncollectable. Recoveries of accounts receivable previously written off are recorded when received.

Accounts receivable also include amounts due to the Organization from customers, related to the special events and partner continuing education programs, are stated at the amount of consideration from customers of which the Organization has an unconditional right to receive. The collectability of the accounts receivable related to the special events and partner continuing education programs is evaluated throughout the year based on a combination of factors and balances are written off once management determined collectability is not possible. Receivables for are written off once management has determined the balance is uncollectable. Recoveries of accounts receivable previously written off are recorded when received

The rollforward of the total allowance for credit losses for the years ended December 31, 2025 and 2024 is as follows:

	<u>2025</u>	<u>2024</u>
Balance at beginning of year	\$ 11,241	\$ 90,228
Provision for credit losses	180,047	833,990
Write-offs, net of recoveries	<u>(124,084)</u>	<u>(912,977)</u>
Balance at end of year	<u>\$ 67,204</u>	<u>\$ 11,241</u>

New Orleans Culinary & Hospitality Institute, Inc. and Supporting Organization

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions and Revenue Recognition

The Organization reports gifts of cash and other assets as net assets with or without donor restrictions, depending on the existence and/or nature of any donor restrictions. Unconditional promises to give are recognized as support in the period the promises are received. Unconditional promises to give due in future periods are recorded at the present value of their estimated future cash flows. Accretion of the discounts is included in contributions revenue.

Conditional promises to give, that is, those with measurable performance or other barriers, are not recognized until the conditions on which they depend have been met. All donor-restricted support subject to donor stipulations that limit its use as restricted support is reported as an increase in net assets with donor restrictions depending on the nature of the restriction. When a donor 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 statement of activities as net assets released from restrictions. When contributions are received in the same period that the corresponding restrictions are met, such amounts are shown as increases in net assets without donor restrictions on the statement of activities.

The Organization determines the allowance for uncollectible promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectible. During the year ended December 31, 2024, the Organization recorded a net write-off of approximately \$627,000, which was recorded as credit loss expense, related to a promise to give, for which was no longer deemed collectable. The write-off amount was based on the \$975,000 face value of the original pledge, net of the present value of approximately \$348,000. Management has determined that an allowance for uncollectible contributions receivable is not required as of December 31, 2025 and 2024.

Property and Equipment

Property and equipment are recorded at cost, or if donated, are recorded at the approximate fair value as of the date of donation. Expenditures for renewals and betterments which extend the life of the assets are capitalized. Repairs and maintenance items are expensed as incurred. Gain or loss on the sale or disposal is recorded in the year of disposition. Depreciation of property and equipment is computed using the straight-line method based on the estimated useful lives of the assets. Improvements are being amortized over the shorter of the estimated useful life of the improvement or the remaining length of the lease.

In accordance with FASB ASC Subtopic 360-10-35, *Impairment or Disposal of Long-Lived Assets*, long-lived assets held and used are evaluated for possible impairment whenever events or changes in circumstances indicate that the carrying value of the asset may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the asset to the future net undiscounted cash flow expected to be generated and any estimated proceeds from the eventual disposition. If the long-lived assets are considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the asset exceeds the fair value as determined from an appraisal, undiscounted cash flow analysis, or other valuation technique.

New Orleans Culinary & Hospitality Institute, Inc. and Supporting Organization

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donated Assets and Services

Contributions of property and equipment without donor stipulations concerning the use of such long-lived assets are reported as revenue in the without donor restrictions net asset class. Contributions of assets other than cash are recorded at their estimated fair value. Contributions of cash or other assets to be used to acquire property and equipment are reported as revenue in the with donor restrictions net asset class and the restrictions are considered to be released at the time of acquisition of such long-lived assets.

At times, the Organization receives contributed nonfinancial assets which are recognized as donation revenue and reported separately on the statement of activities. Normally, contributed nonfinancial assets are obtained for use in the educational program and are not monetized via a sale. No restrictions were imposed by the donor on any in-kind contributions.

In addition to contributed nonfinancial assets, volunteers may contribute amounts of time to program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles.

Prepaid Tuition and Revenue Recognition

The Organization generates revenues from the certificate programs offered, enthusiast programs, special events and partner continuing education programs.

Revenue from contracts with students for certificate programs tuition and fees is reported at an amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing instruction and other services. No significant customer exists and are generally from the surrounding areas of the campus location. The Organization has adopted the portfolio approach in accounting for revenue since the economic substance of the contract is similar for all students and for the continuing education programs.

The related accounts receivable balances from contracts with students are recorded in the Organization's consolidated statement of financial position as student accounts receivable. The Organization has two terms in a fiscal year for its programs. As a result, the student tuition and fees for all the programs are earned over the periods which matches the related educational performance obligation. No material point in time revenue exists. Transaction prices for the various charges are fixed and are published in the Organization's catalog. Institutional scholarships reflect a reduction in the revenue recognized and are deemed to be related to the Organization's primary performance obligation which is tuition. Institutional scholarships were approximately \$309,000 and \$290,000 for the years ended December 31, 2025 and 2024, respectively. For students who have withdrawn, tuition and fee adjustments are calculated in accordance with federal, state, and accrediting agency regulatory standards. These tuition adjustments are recognized as they occur and, as of December 31, 2025 and 2024, potential tuition adjustments for active students are not deemed to be material. Changes that are determined to be the result of an adverse change in the customer's ability to pay are recorded as credit loss expense. Due to the short-term nature of each term, the Organization has elected not to provide disclosures about transaction prices allocated to unsatisfied performance obligations if contract durations are less than one-year, or if the Organization has the right to consideration from a student in an amount that corresponds directly with the value provided to the student for performance obligations completed to date.

New Orleans Culinary & Hospitality Institute, Inc. and Supporting Organization

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Prepaid Tuition and Revenue Recognition (continued)

The Organization's community programming, special events and partner programs are generally a few days to a few weeks long, and the revenue for the community programming, special events and partner programs are earned over the corresponding term of the program with each customer.

The Organization has assessed the costs incurred to obtain a contract with a student or a customer and determined them to be immaterial. There are no significant contract assets and prepaid tuition/revenue (contract liability) is the only significant contract liability. Prepaid tuition/revenue is a contract liability and represents the Organization's obligation to transfer goods or services to a student or customer when consideration has already been received from the student or customer. Revenue from prepaid tuition/revenue is deferred and recognized over the periods to which the tuition relates.

As of January 1, 2024, accounts receivable and prepaid revenue was \$397,548 and \$152,188, respectively. The change in the contract liability balance during the years ended December 31, 2025 and 2024 is the result of payments received in advance of satisfying performance obligations, offset by revenue recognized during that period.

Deferred Financing Costs

Costs relating to obtaining debt are capitalized and amortized over the term of the related debt using the straight-line method. In accordance with ASU No. 2015-03, *Interest – Imputation of Interest (Subtopic 835- 30): Simplifying the Presentation of Debt Issuance Costs*, these costs are presented (net of accumulated amortization) as a reduction in the carrying value of the related debt liability on the accompanying consolidated statement of financial position. Amortization expense of deferred financing costs for the year ended December 31, 2024 was \$62,934. In conjunction with the unwinding of the New Market Tax credit, during the year ended December 31, 2024, the remaining balance of the deferred financing costs of \$692,725 were written-off and were recorded as a reduction of the forgiveness of NMTC debt income recognized.

Leases

At lease inception, the Organization determines whether an arrangement is or contains a lease. Right of Use (ROU) assets represent the Organization's right to use leased assets over the term of the lease. Lease liabilities represent the Organization's contractual obligation to make lease payments over the lease term. The Organization has elected not to recognize an ROU asset and obligation for leases with an initial term of twelve months or less. The ASU requires leases to be evaluated on their legally enforceable terms and conditions. Based upon the conditions and terms of the Organization's leases, no ROU assets or lease liabilities were recognized on the consolidated statements of financial position as of December 31, 2025 and 2024.

Functional Allocation of Expenses

The cost of program and supporting services activities 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 program and supporting services benefited.

New Orleans Culinary & Hospitality Institute, Inc. and Supporting Organization

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Advertising

Advertising costs are expensed as incurred. The Organization incurred approximately \$65,000 and \$68,000 in advertising costs for the years ended December 31, 2025 and 2024, respectively.

Income Taxes

NOCHI is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Service Code. However, income from certain activities that are not directly related to NOCHI's exempt purpose is subject to federal and state income taxes as unrelated business income. During the years ended December 31, 2025 and 2024, NOCHI generated unrelated business income from certain event activities; the related income taxes were not material to the consolidated financial statements for either year. In addition, NOCHI qualifies for the charitable contribution deduction under Section 170(b)(1)(A) (vi) and (vii) and has been determined not to be a private foundation under IRC Sections 509 (a)(1) and (3), respectively.

The Supporting Organization is exempt from income taxes under Section 501(c)(2) of the Internal Revenue Service Code as a title holding corporation. However, income from certain activities, which are not directly related to NOCHI's tax-exempt purpose, would be subject to taxation as unrelated business activity. The Supporting Organization did not have any unrelated business activity for the years ended December 31, 2025 and 2024.

The Organization is generally no longer subject to examination from taxing authorities for years before 2022.

Financial Instruments

The fair values and carrying amounts of the Organization's financial instruments are approximately equivalent.

Use of Estimates in the Preparation of Consolidated Financial Statements

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Reclassification

Certain reclassifications have been made to prior year's balances to conform to the current year's consolidated financial statement presentation. These reclassifications had no effect on total assets, total liabilities, net assets or changes in net assets.

New Orleans Culinary & Hospitality Institute, Inc. and Supporting Organization

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE C - CONCENTRATION OF CREDIT RISK

The Organization, at times, has cash deposits which exceed \$250,000 in an individual bank. The Federal Deposit Insurance Corporation (FDIC) insures only the first \$250,000 of funds at member banks.

The accounts receivable represents unsecured amounts due from students for tuition and fees and customers for special events and partner continuing education programs. Many of the Organization's students are eligible for SFA which are administered by the Organization. The Organization's students may also receive funding from Veterans Administration programs, state grants, workforce training contracts and other fund sources. Students typically apply the funds received from SFA and other funding to pay their tuition and fees. The receipt of SFA and other funding reduces the amount due from the student and has no impact on revenue recognition.

NOTE D - CONTRIBUTIONS RECEIVABLE

Contributions receivable consist of the following unconditional promises to give as of December 31, 2025 and 2024.

	<u>2025</u>	<u>2024</u>
Within one year	\$ 161,801	\$ 115,000
In one to five years	425,000	90,000
Over five years	<u>0</u>	<u>30,000</u>
Total pledge receivable	586,801	235,000
Less: discount to net present value	<u>(54,240)</u>	<u>(23,238)</u>
Promises to give, net	<u><u>\$ 532,561</u></u>	<u><u>\$ 211,762</u></u>

The contributions receivable includes contributions with and without donor restrictions. The contributions receivable with donor restrictions are restricted for leasehold improvements and scholarships. Contributions receivable due in more than one year are recorded at the present value of estimated future cash flows using a discount rate of 7.00% as of December 31, 2025 and 2024. The accretion of the discount included in contributions revenue was \$6,773 and \$12,545 for the years ended December 31, 2025 and 2024, respectively.

NOTE E - PROPERTY AND EQUIPMENT

Property and equipment as of December 31, 2025 and 2024, consist of the following:

	<u>2025</u>	<u>2024</u>
Leasehold improvements	\$ 19,889,676	\$ 19,889,676
Furniture and fixtures	<u>56,193</u>	<u>19,231</u>
Total	19,945,869	19,908,907
Less: accumulated depreciation and amortization	<u>(4,808,480)</u>	<u>(4,080,676)</u>
Property and equipment, net	<u><u>\$ 15,137,389</u></u>	<u><u>\$ 15,828,231</u></u>

New Orleans Culinary & Hospitality Institute, Inc. and Supporting Organization

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE E - PROPERTY AND EQUIPMENT (CONTINUED)

Depreciation and amortization expense for the years ended December 31, 2025 and 2024 was \$727,805 and \$697,884, respectively.

No events or changes in circumstances have occurred that would indicate the property and equipment are impaired. As a result, there was no impairment loss recognized for the years ended December 31, 2025 and 2024.

Financial Responsibility Supplementary Information:

Pre-implementation property and equipment was \$14,647,792 as of the year ended December 31, 2025. Post-implementation property and equipment, net, financed with debt was \$379,500 as of the year ended December 31, 2025. Post-implementation property and equipment, net, not financed with debt was \$110,097 as of the year ended December 31, 2025.

NOTE F - NOTE RECEIVABLE

As part of a New Markets Tax Credit (NMTC) financing arrangement completed during December 2017, NOCHI and the Supporting Organization entered into a structured financial transaction to support the development of the rehabilitation, reconfiguration, and improvements to the premises located at 725 Howard Avenue for use as a culinary and hospitality education and workforce training facility. NOCHI provided a \$13,281,500 leverage loan to IBERIA NOCHI Impact Fund I, LLC (the "Leverage Lender"), evidenced by a promissory note. The leverage loan bore interest at 1.284041%, with quarterly interest-only payments beginning in March 2019 and continuing through December 2025. Beginning March 2026, the note was scheduled to convert to amortizing payments of principal and interest through final maturity in December 2043. These payment terms were designed to align with NMTC regulatory requirements and to provide flexibility over the full life of the loan.

The Leverage Lender combined the Institution's \$13,281,500 leverage loan with \$5,538,500 in equity from a tax credit investor to make a Qualified Equity Investments (QEI) in CDEs, which in turn made Qualified Low-Income Community Investments (QLICs) to the Supporting Organization to finance the designated project.

In December 2024, at the conclusion of the seven-year NMTC compliance period, the investor exercised its put option and exited the structure. Although the loan terms extended beyond this date, the unwind was consistent with the expected exit strategy of the NMTC arrangement. As part of this unwind, the Supporting Organization's debt obligations to various LLCs within the NMTC structure were forgiven. Simultaneously, NOCHI determined that the note receivable from the Leverage Lender was uncollectible and recorded a loss on the write-off of the \$13,281,500 note receivable in the non-operating income section of the statement of activities and changes in net assets for the year ended December 31, 2024. The write-off reflects the extinguishment of a receivable from a special purpose entity created solely for the NMTC transaction, and the transaction is considered concluded.

New Orleans Culinary & Hospitality Institute, Inc. and Supporting Organization

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE G - LINES OF CREDIT AND SUBSEQUENT EVENT

NOCHI had a \$250,000 revolving line of credit with a financial institution. The line of credit bore interest at 7% and was originally set to expire on January 3, 2024, but was subsequently extended through renewal agreements through the date of its conversion to a term note in September 2025. The line of credit was secured by general assets of the Organization. The outstanding principal balance of the line of credit as of December 31, 2024 was \$250,000. The outstanding principal balance of the line of credit of \$250,000 was converted into a term note during September 2025 (Note H).

During March 2024, NOCHI entered into a \$500,000 revolving line of credit agreement with a financial institution. The line of credit bears interest at the greater of 5% or the Prime Rate for the U.S. in the Money Rates section of the Wall Street Journal (the Prime Rate was 6.75% and 7.5 as of December 31, 2025 and 2024, respectively), plus 1%. The line of credit expires during March 2026. The outstanding principal balance of the line of credit as of December 31, 2025 and 2024 was \$499,990 and \$376,237, respectively. On March 14, 2026, the line of credit was extended to expire on June 14, 2026, while NOCHI and the financial institution negotiate the terms of converting this line of credit to a term loan. All other terms of the line of credit remained substantially unchanged during the extension period.

Financial Responsibility Supplementary Information:

The outstanding balance of \$110,000 of the revolving line of credit as of December 31, 2025 is considered qualified post-implementation debt used for long-term purposes. The outstanding balance of \$389,990 of the revolving lines of credit as of December 31, 2025 was not used for long-term purposes. The qualified post-implementation debt used for long-term purposes and the long-term debt not used for long-term purposes combined with the corresponding amounts from Note H arrive at the amounts used in the financial responsibility supplementary information.

New Orleans Culinary & Hospitality Institute, Inc. and Supporting Organization

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE H - NOTES PAYABLE / LONG-TERM DEBT

Notes payable consists of the following as of December 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
<i><u>Pre-implementation</u></i>		
Supporting Organization, note payable to lenders at 1.395531%, secured by leasehold improvements, due in quarterly interest payments, payment in full upon maturity. The initial maturity was December 2024 but was extended to December 2025. On December 29, 2025, the note was split into two notes with identical terms pursuant to a note split and restatement arrangement. The split did not result in additional borrowing, and the underlying obligation was not extinguished.	0	1,264,250
Supporting Organization, note payable to lender at 1.395531%, secured by leasehold improvements, payable in equal quarterly principal and interest installments beginning March 1, 2026, payment in full upon maturity in December 2028.	632,125	0
Supporting Organization, note payable to lender at 1.395531%, secured by leasehold improvements, payable in equal quarterly principal and interest installments beginning March 1, 2026, payment in full upon maturity in December 2028.	632,125	0
NOCHI, non-revolving line of credit of \$2,173,751 with a financial institution, secured by lease payments received from Tulane Educational Fund. Borrowings under the agreement bears interest at a fixed rate of 4.50%. Maturity date of December 31, 2028.	963,757	1,248,757
<i><u>Post-implementation Non-qualified</u></i>		
NOCHI, note payable to the U.S. Small Business Administration at 2.75%, secured by assets of the Organization, due in monthly principal and interest payments beginning two years from receipt of proceeds in June 2020, term of 30 years, maturity at June 2050. Proceeds to be used for working capital and normal operating expenses.	148,126	150,000
NOCHI, note payable with a financial institution that was converted from a line of credit (Note G) at 8% interest, secured by a continuing security interest in all deposit accounts the borrower holds at the financial institution. Monthly interest payments are due beginning October 2025, with monthly principal and interest payments commencing in October 2026. The note has a stated maturity of September 2030.	246,363	0

New Orleans Culinary & Hospitality Institute, Inc. and Supporting Organization

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE H - NOTES PAYABLE / LONG-TERM DEBT (CONTINUED)

Post-implementation Qualified

NOCHI, equipment financing agreement, secured by equipment of the Organization, due in monthly principal and interest payments of \$2,999 starting in June 2020 for a term of 60 months.

0 14,964

NOCHI, promissory note with a financial institution, interest rate of 6.0%, secured by equipment of the Organization, due in monthly principal and interest payments of \$1,412 for 48 months, maturity at August 29, 2026.

10,641 28,079

Total 2,633,137 2,706,050

Less: current portion of notes payable (748,237) (1,581,972)

\$ 1,884,900 \$ 1,124,078

The aggregate annual amounts of principal payments required on notes payable for years subsequent to December 31, 2025, and in the aggregate, are as follows:

Years Ending December 31,	Principal Payments
2026	\$ 748,237
2027	805,962
2028	825,240
2029	69,322
2030	55,922
Thereafter	128,454
	<u>\$ 2,633,137</u>

As indicated in Note F, NOCHI and the Supporting Organization participated in a NMTC financing transaction to support the development of the rehabilitation, reconfiguration, and improvements to the premises located at 725 Howard Avenue for use as a culinary and hospitality education and workforce training facility. Under this structure, the Supporting Organization received \$18,820,000 in loan proceeds from multiple special-purpose entities affiliated with CDEs which had received a QEI funded by a combination of a \$13,281,500 leverage loan from NOCHI and \$5,538,500 in equity from a tax credit investor. The loan proceeds were received under QLICI loan agreements and related New Markets Community Fund (NCF) QLICI loan agreements. These notes were structured to bear interest and had stated maturities through December 2043 but were expected to be extinguished upon completion of the NMTC compliance period.

During December 2024, at the end of the required seven-year NMTC compliance period, the investor exercised its put option and exited the structure. In connection with this planned unwind, the Supporting Organization was legally released from all but one of its obligations under the QLICI and NCF QLICI notes. The full balance of the applicable notes, totaling \$17,555,750, was extinguished and derecognized in the consolidated financial statements. As a result, the Supporting Organization recognized income from debt forgiveness in the amount of \$17,555,750, net of unamortized deferred loan fees (Note B) for the year ended December 31, 2024, which is included in the nonoperating income section of the statement of activities and changes in net assets. This income reflects the conclusion of the NMTC transaction and is nonrecurring in nature.

New Orleans Culinary & Hospitality Institute, Inc. and Supporting Organization

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE H - NOTES PAYABLE / LONG-TERM DEBT (CONTINUED)

Financial Responsibility Supplementary Information:

Pre-implementation debt was \$2,228,007 as of the year ended December 31, 2025. Qualified post-implementation debt used for long-term purposes was \$10,641 as of the year ended December 31, 2025. Long-term debt not used for long-term purposes was \$394,489 as of the year ended December 31, 2025. The qualified post-implementation debt used for long-term purposes and the long-term debt not used for long-term purposes combined with the corresponding amounts from Note G arrive at the amounts used in the financial responsibility supplementary information.

NOTE I - NET ASSETS

The Organization's net assets without donor restrictions and net assets with donor restrictions as of December 31, 2025 and 2024 are comprised of the following:

	<u>2025</u>	<u>2024</u>
Net assets without donor restrictions		
Undesignated	\$ 12,405,349	\$ 11,160,829
Designated by the Board	<u>0</u>	<u>0</u>
Total nets assets without donor restrictions	<u>\$ 12,405,349</u>	<u>\$ 11,160,829</u>
Net assets with donor restrictions		
Perpetual in nature	\$ 0	\$ 100,000
Purpose restrictions:		
Restricted for capital campaign	243,935	211,762
Restricted for scholarships	309,506	36,653
Restricted for certificate programming and workforce development	<u>107,570</u>	<u>55,054</u>
Total nets assets with donor restrictions	<u>\$ 661,011</u>	<u>\$ 403,469</u>

During the year ended December 31, 2025, the Organization received a letter from the donor releasing the perpetual nature of the donation of \$100,000 as of December 31, 2024 (Note B), with the entire amount of the contribution to be used restricted for scholarships.

New Orleans Culinary & Hospitality Institute, Inc. and Supporting Organization

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE J - LEASES

In February 2017, NOCHI entered into a lease agreement with the Ernest N. Morial New Orleans Exhibition Hall Authority (NOEHA) for the building, land, and improvements located at 725 Howard Avenue. The term of the lease has three components: (1) transition period from February 2017 to the operations commencement date or a period of 48 months, whichever comes first, (2) operations period of 40 years (480 months) from the end of the transition period, and (3) options period to extend the term of the lease for 5 successive 10-year option terms from the end of the operations period.

As an alternative to rent, NOCHI shall rehabilitate, reconfigure, and equip the leased premises for use as a culinary and hospitality education and workforce training facility. NOCHI has secured necessary financing for and completed the construction of the leasehold improvements to the building. NOCHI shall also make best efforts to maintain enrollment of no less than 300 students in its combined culinary and hospitality education and related vocational training and development programs beginning on the third anniversary of the opening of the school.

In accordance with ASC 842, NOCHI evaluated whether the use of the leased premises constitutes a contributed nonfinancial asset that should be recognized at fair value, with a corresponding rent expense under ASC 958-605. Management concluded that recognition is not appropriate based on the substance of the lease arrangement. Due to the unique and long-term nature of the lease and the lack of comparable market transactions, management believes the fair value of the right to use the premises cannot be reliably measured. Additionally, under the terms of the lease, NOCHI rehabilitated, reconfigured, and equipped the premises for use as a culinary and hospitality education and workforce training facility. These capital improvements were completed at NOCHI's expense and represent the primary consideration provided to the lessor in exchange for the right to use the premises. As such, management determined the arrangement constitutes an exchange transaction rather than a contribution of rent. Accordingly, no noncash contribution revenue or corresponding rent expense has been recognized in the accompanying consolidated financial statements. Management will continue to evaluate this conclusion in future reporting periods if facts and circumstances change.

NOCHI entered into a sub-lease agreement with the Tulane Educational Fund for approximately 21,000 square feet of classroom and office space. The sublease agreement expires during December 2028. The agreement provides for two five-year renewal options subsequent to the initial ten-year term. Minimum future sublease income for the years subsequent to December 31, 2025 and in the aggregate are as follows:

<u>Years Ending December 31,</u>	
2026	\$ 503,210
2027	511,201
2028	<u>519,408</u>
	<u><u>\$ 1,533,819</u></u>

NOTE K - RETIREMENT SAVINGS PLAN

The Organization sponsors a 403(b) plan for all eligible employees as defined by the Plan. The participants may contribute a portion of their salary not to exceed certain Internal Revenue Code limits. The Organization does not make contributions to the Plan.

New Orleans Culinary & Hospitality Institute, Inc. and Supporting Organization

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE L - LIQUIDITY AND AVAILABILITY

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments. As part of the Organization's liquidity plan, the Organization may invest cash in excess of daily requirements in short-term investment accounts.

The following table represents the financial assets held by the Organization readily available within one year of the consolidated statement of financial position to meet general expenditures as of December 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Financial assets, at year-end		
Cash and cash equivalents	\$ 1,653,935	\$ 185,198
Accounts receivable, net	78,150	209,606
Contributions receivable, current portion	<u>161,801</u>	<u>115,000</u>
Total financial assets readily available	<u>\$ 1,893,886</u>	<u>\$ 509,804</u>

NOTE M - RELATED PARTY TRANSACTIONS

NOCHI participates in SFA under the Title IV Programs administered by ED pursuant to the HEA. NOCHI must comply with the regulations promulgated under the HEA. Those regulations require that all related party transactions be disclosed, regardless of their materiality to the consolidated financial statements.

The Organization obtained loans from board members. The loans have no specific repayment terms and have no stated interest rates. The outstanding balance of the loans from board members as of December 31, 2025 and 2024 was \$840,000 and \$890,000, respectively. During the year ended December 31, 2025, a board member forgave \$50,000 of the board member's advances to the Organization, which is reported as contributions without donor restrictions in the accompanying consolidated statement of activities and changes in net assets.

This information is required by ED and is presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements.

NOTE N - REGULATORY

The Organization participates in SFA under the Title IV Programs administered by ED pursuant to the HEA. Political and budgetary concerns can significantly affect the Title IV Programs, and Congress may reauthorize the HEA approximately every six years. The Organization must also demonstrate to ED its compliance with the HEA and the regulations promulgated thereunder on an ongoing basis.

New Orleans Culinary & Hospitality Institute, Inc. and Supporting Organization

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE N – REGULATORY(CONTINUED)

To participate in the Title IV Programs, an institution is subject to extensive regulation and periodic reviews by the federal and state governmental agencies and accrediting bodies involved (TRIAD). An institution must be authorized to offer its programs of instruction by the relevant agencies of the state(s) in which it is located, accredited by an accrediting agency recognized by ED, and certified as eligible by ED. On a periodic basis, an institution must be re-approved by these agencies and bodies to continue to receive Title IV funds. The Organization may also receive funds from the Veterans Administration (VA) through various veterans' benefits programs. Similar to the Title IV Programs, the veterans benefit programs are subject to political and budgetary considerations and periodic reviews by the VA. Depending on the severity of a regulatory violations, a regulator can initiate repayment of the applicable funds awarded, transfer the Organization to a delayed method of funding, or begin proceedings related to suspension, limitation, or termination. As of December 31, 2025, the Organization was properly authorized by the regulatory agencies involved and no regulatory reviews were being conducted by the respective agencies.

Regulations have been established which impose limitations on institutions whose former students default on the repayment of their federally guaranteed or funded student loans above a specific Cohort Default Rate (CDR). An institution whose CDR equals or exceeds 30% for three consecutive years will no longer be eligible to participate in the William D. Ford Federal Direct Loan (Direct Loan) and Federal Pell Grant programs for the remainder of the fiscal year in which the school is notified of its sanction and for the following two fiscal years. An institution whose CDR exceeds 40% will lose Direct Loan program eligibility for the remainder of the fiscal year in which the school is notified of its sanction and for the following two fiscal years. The Organization has only recently begun participation in the Direct Loan program and does not yet have a CDR published by ED.

Under the federal regulations mentioned above, ED calculates the Organization's composite score based on a three-factor financial responsibility ratio. An institution which does not meet ED's minimum composite score of 1.5 can demonstrate financial responsibility by meeting the "zone alternative" or posting a letter of credit in favor of ED. The "zone alternative" includes a delayed method of cash funding for Title IV aid, and the providing of additional information to ED, upon request. As of December 31, 2025, the Organization had a composite score equal to 2.0, out of a possible score of 3.0.

In addition to the composite score noted above, institutions must comply with regulations surrounding financial responsibility. These regulations include general standards to encompass issues which could potentially reflect financial distress along with defined triggering events which an institution must report to ED within 21 days (previously 10 days). The purpose of these triggering events is to enable ED to monitor the financial health and viability of an institution between the annual submission of audits. These triggering events will either mandatorily require an institution to post a letter of credit or are at the discretion of ED.

Institutions are subject to borrower defense to repayment (BDTR) regulations which provide the right to student borrowers to have their federal loans discharged when certain circumstances or event occur. The applicable regulations were effective on July 1, 2020 (2020 Rule) and October 12, 2018 (2016 Rule) and are dependent on the date of the student's loan disbursement. New rules have been released which became effective on July 1, 2023 (2022 Rule). The 2022 Rule applies a single standard to all past loans regardless of disbursement date for purposes of determining a student's discharge, while limiting recoupment to claims that would have met the standard(s) in effect at the time of disbursement. In addition, the 2022 Rule has no statute of limitation as to when a BDTR claim can be filed. The 2022 Rule is favorable to claimants, not institutions, which could result in a significant liability to an institution if BDTR claims are filed. An injunction is pending against the 2022 Rule and the rule is delayed until July 1, 2035.

New Orleans Culinary & Hospitality Institute, Inc. and Supporting Organization

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE N - REGULATORY (CONTINUED)

In October 2023, ED issued Gainful Employment regulations that measure a students' ability to repay their educational loans and debts, incurred at an institution, subsequent to their enrollment and the student's subsequent earnings compared to a benchmark threshold. The metrics are computed separately for each eligible Title IV program. These regulations are effective for all Title IV eligible programs at a proprietary institution and for nondegree programs at a nonprofit. The regulations require a debt-to-earnings ratio (D/E Rate) be computed which is based upon the median loan debt repayment compared to median earnings of its program graduates. In addition, an earnings threshold exists which compares the program's graduated students' median earnings to either a state or national median earnings for a 25–34-year-old high school graduate. Each individual Title IV program subject to Gainful Employment is deemed to be either passing or failing. An individual program is deemed to be ineligible for Title IV aid if it fails two out of three consecutive years computed separately for each of the two metrics. A program deemed to be ineligible will lose Title IV aid beginning on the date ED notifies the institution or the institution voluntarily discontinues a failing program or program in the zone. Institutions will submit to ED the initial cohort of information by September 30, 2025 with the first official metrics expected to be published in 2026. In the One Big Beautiful Bill Act (OBBBA), Congress passed a new statute to establish a median earnings test for all post-secondary Title IV eligible programs (Do No Harm test). ED completed negotiated rule making sessions to design regulations to implement the Do No Harm test and is in the process of issuing a Notice of Proposed Rule Making. The Do No Harm regulations are expected to become effective on July 1, 2026 (in accordance with the OBBBA statute) and the first earnings test will be issued in early 2027. Failure of the earnings test for two out of three years will result in the loss of eligibility to participate in the Federal Direct Loan program. The Do No Harm regulations will phase out duplicative rules from the original Gainful Employment regulations. The Organization notes that these testing requirements will not be applicable to NOCHI for the initial reporting and testing periods, as the applicable student cohorts predate NOCHI's participation in the Title IV programs.

**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
New Orleans Culinary & Hospitality Institute, Inc.
and Supporting Organization
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 consolidated financial statements of New Orleans Culinary & Hospitality Institute, Inc. and Supporting Organization, which comprise the consolidated statement of financial position as of December 31, 2025, and the related consolidated statements of activities and changes in net assets, 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 March 31, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered New Orleans Culinary & Hospitality Institute, Inc. and Supporting Organization’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of New Orleans Culinary & Hospitality Institute, Inc. and Supporting Organization’s internal control. Accordingly, we do not express an opinion on the effectiveness of New Orleans Culinary & Hospitality Institute, Inc. and Supporting Organization’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than 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 New Orleans Culinary & Hospitality Institute, Inc. and Supporting Organization'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 consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

McClintock & Associates, P.C.

Pittsburgh, Pennsylvania
March 31, 2026

**FINANCIAL RESPONSIBILITY
SUPPLEMENTARY INFORMATION**

New Orleans Culinary & Hospitality Institute, Inc. and Supporting Organization

FINANCIAL RESPONSIBILITY SUPPLEMENTARY INFORMATION

	Ratio	Strength Factor	Weight	Score	
PRIMARY RESERVE RATIO					
Expendable Net Assets	\$ 277,619				
Total Expenses and Losses without Donor Restrictions	\$ 5,459,824 =	0.05	0.51	40%	0.2
EQUITY RATIO					
Modified Net Assets	\$ 13,066,360				
Modified Assets	\$ 17,552,020 =	0.74	3.00	40%	1.2
NET INCOME RATIO					
Change in Net Assets without Donor Restrictions	\$ 1,244,520				
Total Revenues and Gains without Donor Restrictions	\$ 6,704,344 =	0.19	3.00	20%	0.6
Composite Score				2.0	
PRIMARY RESERVE RATIO INFORMATION					
	December 31, 2025		Reference		
Expendable Net Assets					
Net assets without donor restrictions	\$ 12,405,349		Statement of Financial Position		
Net assets with donor restrictions	661,011		Statement of Financial Position		
Less net assets with donor restrictions: restricted in perpetuity	0		Note I		
Less annuities, term endowments, and life income funds with donor restrictions	0		N/A		
Less unsecured related party receivables	0		N/A		
Less property plant and equipment, net	(15,137,389)		Statement of Financial Position		
Less pre-implementation right-of-use assets	0		N/A		
Less post-implementation right-of-use assets	0		N/A		
Less intangible assets	0		N/A		
Plus allowable pre-implementation debt	2,228,007		CSR Note AA		
Plus allowable post-implementation debt	120,641		CSR Note AA		
Plus allowable post-implementation line of credit	0		CSR Note AA		
Plus pre-implementation lease liabilities	0		N/A		
Plus post-implementation lease liabilities	0		N/A		
Plus post-employment and defined benefit pension liabilities	0		N/A		
Total Expendable Net Assets	\$ 277,619				
Total Expenses and Losses without Donor Restrictions	\$ 5,459,824		Statement of Activities		
EQUITY RATIO INFORMATION					
Modified Net Assets					
Net assets without donor restrictions	\$ 12,405,349		Statement of Financial Position		
Net assets with donor restrictions	661,011		Statement of Financial Position		
Less unsecured related party receivables	0		N/A		
Less pre-implementation right-of-use assets	0		N/A		
Less intangible assets	0		N/A		
Plus pre-implementation lease liability	0		N/A		
Total Modified Net Assets	\$ 13,066,360				
Modified Assets					
Total assets	\$ 17,552,020		Statement of Financial Position		
Less unsecured related party receivables	0		N/A		
Less pre-implementation right-of-use assets	0		N/A		
Less intangible assets	0		N/A		
Total Modified Assets	\$ 17,552,020				
NET INCOME RATIO INFORMATION					
Change in Net Assets without Donor Restrictions	\$ 1,244,520		Statement of Activities		
Total Revenues and Gains without Donor Restrictions	\$ 6,704,344		CSR Note BB		

New Orleans Culinary & Hospitality Institute, Inc. and Supporting Organization

FINANCIAL RESPONSIBILITY SUPPLEMENTARY INFORMATION (CONTINUED)

	December 31, 2025	Reference
CSR Note AA - Long-term debt - for long-term purposes and construction in progress debt		
Property, Plant and Equipment, net		
PP&E, net - pre-implementation***	\$ 14,647,792	Note E
PP&E, net - post-implementation with debt for original purchase****	379,500	Note E
Construction in progress****	<u>0</u>	N/A
	15,027,292	
PP&E, net - post-implementation without debt for original purchase	<u>110,097</u>	Note E
Total Property, Plant and Equipment, net	<u><u>\$ 15,137,389</u></u>	
Debt		
Pre-implementation debt***	\$ 2,228,007	Note H
Qualified post-implementation debt used for PP&E****	120,641	Notes G and H
Line of credit for construction in progress****	<u>0</u>	N/A
	2,348,648	
Long-term debt not used for long-term purposes	<u>784,479</u>	Notes G and H
Total Debt	<u><u>\$ 3,133,127</u></u>	
*** Lesser of pre-implementation debt or net pre-implementation PP&E to be added back to expendable net assets		
**** Lesser of post-implementation debt or PP&E and CIP, net financed with debt to be added back to expendable net assets		
CSR Note BB - Total Revenues and Gains without Donor Restrictions		
Total Operating Revenue and Gains without Donor Restrictions	\$ 6,192,954	Statement of Activities
Non-Operating Revenue and Gains without Donor Restrictions		
Lease income	505,991	Statement of Activities
Interest income	5,324	Statement of Activities
Other income	<u>75</u>	Statement of Activities
Total Non-Operating Revenue and Gains without Donor Restrictions	<u>511,390</u>	
Total Revenues and Gains without Donor Restrictions	<u><u>\$ 6,704,344</u></u>	

SUPPLEMENTARY INFORMATION

**INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY INFORMATION**

To the Board of Directors
New Orleans Culinary & Hospitality Institute, Inc.
and Supporting Organization
New Orleans, Louisiana

We have audited the consolidated financial statements of New Orleans Culinary & Hospitality Institute, Inc. and Supporting Organization as of and for the year ended December 31, 2025, and our report thereon dated March 31, 2026, which expressed an unmodified opinion on those consolidated financial statements, appears on page one. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statement of financial position, consolidating statement of activities and changes in net assets and the schedule of compensation, benefits, and other payments to agency head or chief executive officer are 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.

McClintock & Associates, P.C.

Pittsburgh, Pennsylvania
March 31, 2026

***New Orleans Culinary & Hospitality Institute, Inc.
and Supporting Organization***

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

ASSETS				
December 31, 2025				
	New Orleans Culinary & Hospitality Institute, Inc.	NOCHI Real Estate, Inc.	Eliminations	Consolidated
CURRENT ASSETS				
Cash	\$ 1,648,785	\$ 5,150	\$ 0	\$ 1,653,935
Accounts receivable, net	78,150	0	0	78,150
Contributions receivable, current portion	161,801	0	0	161,801
Due from related entity	0	1,738,739	(1,738,739)	0
Prepaid expenses and other current assets	71,695	0	0	71,695
TOTAL CURRENT ASSETS	1,960,431	1,743,889	(1,738,739)	1,965,581
NON-CURRENT ASSETS				
Contributions receivable, net of current portion	370,760	0	0	370,760
Property and equipment, net	489,597	16,462,807	(1,815,015)	15,137,389
Straight line lease receivable	78,290	0	0	78,290
TOTAL NON-CURRENT ASSETS	938,647	16,462,807	(1,815,015)	15,586,439
TOTAL ASSETS	\$ 2,899,078	\$ 18,206,696	\$ (3,553,754)	\$ 17,552,020

See Independent Auditor's Report on Supplementary Information.

***New Orleans Culinary & Hospitality Institute, Inc.
and Supporting Organization***

CONSOLIDATING STATEMENT OF FINANCIAL POSITION (CONTINUED)

LIABILITIES AND NET ASSETS

December 31, 2025

	New Orleans Culinary & Hospitality Institute, Inc.	NOCHI Real Estate, Inc.	Eliminations	Consolidated
CURRENT LIABILITIES				
Accounts payable	\$ 378,580	\$ 0	\$ 0	\$ 378,580
Accrued expenses	38,920	0	0	38,920
Prepaid revenue	95,033	0	0	95,033
Current portion of note payable	332,647	415,590	0	748,237
Current portion of lines of credit	499,990	0	0	499,990
Due to board members	840,000	0	0	840,000
Due to related entity	1,738,739	0	(1,738,739)	0
TOTAL CURRENT LIABILITIES	3,923,909	415,590	(1,738,739)	2,600,760
LONG-TERM LIABILITIES				
Note payable, net of current portion	1,036,240	848,660	0	1,884,900
TOTAL LONG-TERM LIABILITIES	1,036,240	848,660	0	1,884,900
NET ASSETS				
Without donor restrictions	(2,722,082)	16,942,446	(1,815,015)	12,405,349
With donor restrictions	661,011	0	0	661,011
TOTAL NET ASSETS	(2,061,071)	16,942,446	(1,815,015)	13,066,360
TOTAL LIABILITIES AND NET ASSETS	\$ 2,899,078	\$ 18,206,696	\$ (3,553,754)	\$ 17,552,020

See Independent Auditor's Report on Supplementary Information.

New Orleans Culinary & Hospitality Institute, Inc. and Supporting Organization

CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

	Year Ended December 31, 2025			
	New Orleans Culinary & Hospitality Institute, Inc.	NOCHI Real Estate, Inc.	Eliminations	Consolidated
REVENUES AND OTHER SUPPORT				
Contributions, restricted	\$ 870,620	\$ 0	\$ 0	\$ 870,620
Tuition and fee revenue, net	759,821	0	0	759,821
Continuing education revenue	400,093	0	0	400,093
Facility revenue	556,746	0	0	556,746
Contributions	3,631,067	0	0	3,631,067
Special events and other revenue	232,149	0	0	232,149
TOTAL REVENUES AND OTHER SUPPORT	6,450,496	0	0	6,450,496
OPERATING EXPENSES				
Program service expense				
Certificate program	2,102,214	161,869	(325,891)	1,938,192
Community programming	600,738	91,084	(183,381)	508,441
Special events	1,001,504	140,202	(282,265)	859,441
Partner programs	819,203	275,839	(555,346)	539,696
Total program service expense	4,523,659	668,994	(1,346,883)	3,845,770
Supporting services expense				
Management and general	1,250,530	91,360	(183,840)	1,158,050
Fundraising expenses	456,004	0	0	456,004
Total supporting services expense	1,706,534	91,360	(183,840)	1,614,054
TOTAL OPERATING EXPENSES	6,230,193	760,354	(1,530,723)	5,459,824
NONOPERATING INCOME (EXPENSE)				
Lease income	505,991	1,475,723	(1,475,723)	505,991
Interest income	5,324	0	0	5,324
Other income	0	75	0	75
Loss on loan	(1,106,980)	0	1,106,980	0
Forgiveness of loan	0	1,106,980	(1,106,980)	0
TOTAL NONOPERATING INCOME (EXPENSE)	(595,665)	2,582,778	(1,475,723)	511,390
CHANGE IN NET ASSETS	(375,362)	1,822,424	55,000	1,502,062
NET ASSETS, BEGINNING OF YEAR	(1,685,709)	15,120,022	(1,870,015)	11,564,298
NET ASSETS, END OF YEAR	\$ (2,061,071)	\$ 16,942,446	\$ (1,815,015)	\$ 13,066,360

See Independent Auditor's Report on Supplementary Information.

New Orleans Culinary & Hospitality Institute, Inc. and Supporting Organization

SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER

Chief Executive Officer: Gerald Duhon, President & CEO

Purpose	Amount
Salary	\$ 0
Benefits - insurance	0
Benefits - retirement	0
Benefits - other	0
Car allowance	0
Vehicle provided by government	0
Per diem	0
Reimbursements	0
Travel	0
Registration fees	0
Conference travel	0
Housing	0
Unvouched expenses	0
Special meals	0
	<u>\$ 0</u>

There were no compensation, benefits, or other payments to the Chief Executive Officer derived from public funds during the year ended December 31, 2025.