



GUSTE I, LLC

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

DECEMBER 31, 2025
(With Independent Auditor's Report Thereon)

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INDEPENDENT AUDITOR'S REPORT

To the Members of
Guste I, LLC

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Guste I, LLC (the "Company"), which comprises the balance sheet as of December 31, 2025, and the related statements of operations, members' capital, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Company, as of December 31, 2025, and the results of operations and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company 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.

Emphasis of a Matter

As described in Note I to the financial statements, on February 11, 2026, the Company received and accepted a settlement from the Sewerage and Water Board of New Orleans ("S&WB"), related to outstanding unpaid water and utility billings. The Company had an obligation related to these unpaid billings as of December 31, 2025, and recorded a \$281,846 utility settlement expense and corresponding liability. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company'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 financial statements as a whole. The supplementary information, as listed in the table of contents, is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2026 on our consideration of the Company's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Company's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Company's internal control over financial reporting and compliance.

Doeren Mayhew Assurance

Melbourne, Florida
June 26, 2026

GUSTE I, LLC

BALANCE SHEET

December 31, 2025

ASSETS

CURRENT ASSETS

Cash and cash equivalents - unrestricted	\$ 15,695
Cash and cash equivalents - restricted	587,506
Tenant accounts receivable, net	44,275
Accounts receivable - other	49,031
Prepaid expenses	162,773
Current portion of prepaid ground lease	472
Total current assets	<u>859,752</u>

NONCURRENT ASSETS

Prepaid ground lease, net of current portion	31,129
Capital assets, net	<u>7,318,241</u>
Total noncurrent assets	<u>7,349,370</u>
Total assets	<u><u>\$ 8,209,122</u></u>

LIABILITIES AND MEMBERS' CAPITAL

CURRENT LIABILITIES

Accounts payable	\$ 187,194
Accrued salaries	9,097
Utility settlement	281,846
Due to affiliates	1,060,398
Tenant security deposits	27,709
Other accrued liabilities	68,212
Total current liabilities	<u>1,634,456</u>

MEMBERS' CAPITAL

Managing members' capital	150
Assigned members' capital	<u>6,574,516</u>
Total members' capital	<u>6,574,666</u>
Total liabilities and members' capital	<u><u>\$ 8,209,122</u></u>

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

GUSTE I, LLC

STATEMENT OF OPERATIONS

For the year ended December 31, 2025

REVENUES

Rental income	\$ 553,518
Other operating income	380,770
Total operating revenues	<u>934,288</u>

OPERATING EXPENSES

Repairs and maintenance	649,193
Depreciation	354,874
Insurance	211,265
Utilities	183,885
Protective services	158,829
General and administrative	77,943
Tenant services	42,955
Salaries	27,155
Credit losses	14,358
Asset management fee	8,033
Miscellaneous	4,591
Total operating expenses	<u>1,733,081</u>

OPERATING LOSS (798,793)

OTHER INCOME (EXPENSES)

Forgiveness of notes and interest payable	19,125,788
Interest income	1,530
Utility settlement	(281,846)
Interest expense - related party	<u>(288,295)</u>
Total other income (expenses)	<u>18,557,177</u>

NET INCOME \$ 17,758,384

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

GUSTE I, LLC

STATEMENT OF MEMBERS' CAPITAL

	Managing member	Assigned member	Total members' capital
Members' deficit, January 1, 2025	\$ (1,626)	\$ (11,182,092)	\$ (11,183,718)
Net income	1,776	17,756,608	17,758,384
Members' capital, December 31, 2025	<u>\$ 150</u>	<u>\$ 6,574,516</u>	<u>\$ 6,574,666</u>

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

GUSTE I, LLC

STATEMENT OF CASH FLOWS

For the year ended December 31, 2025

CASH FLOWS FROM OPERATING ACTIVITIES

Net income	\$ 17,758,384
Adjustments to reconcile net income to net cash used in operating activities	
Depreciation	354,874
Utility settlement	281,846
Provision for credit losses	14,358
Forgiveness of debt	(14,853,113)
Forgiveness of interest payable	(4,272,675)
(Increase) decrease in assets:	
Tenant accounts receivable, net	(22,257)
Accounts receivable - other	7,184
Prepaid expenses	4,013
Prepaid ground lease	472
Increase (decrease) in liabilities:	
Accounts payable	82,948
Accrued salaries	9,097
Due to affiliates	235,083
Contract retention	(21,658)
Accrued interest payable	288,295
Tenant security deposits	4,209
Net cash used in operating activities	(128,940)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(128,940)
Cash and cash equivalents - beginning of the year	732,141
CASH AND CASH EQUIVALENTS - END OF THE YEAR	<u><u>\$ 603,201</u></u>

RECONCILIATION TO BALANCE SHEET

Cash and cash equivalents - unrestricted	\$ 15,695
Cash and cash equivalents - restricted	587,506
	<u><u>\$ 603,201</u></u>

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

Guste I, LLC

NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2025

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Nature of operations

Guste I, LLC (the "Company"), was formed as a limited liability company under the laws of the State of Louisiana on December 11, 2003, to construct, develop and operate an 82-unit apartment complex known as Guste I Apartments (the "Apartments") in New Orleans, Louisiana.

During the year ended December 31, 2023, there was an amendment to the partnership agreement to permit the withdrawal of the existing Investment Member and Special Member and to add a new Assigned Member, Housing Authority of New Orleans (the "Authority" or "HANO"). Profits, losses, and ownership of the Company is allocated as follows:

Entity	Role	Percentage ownership
Lune d'Or Enterprises, LLC	Managing Member	0.01%
Housing Authority of New Orleans	Assigned Member	99.99%
		100.00%

The term of the Company shall continue until December 31, 2104, unless sooner dissolved in accordance with the provisions of the Amended and Restated Operating Agreement (the "Operating Agreement").

The Company is a component unit of the Authority under the requirements of Governmental Accounting Standards Board's Codification of *Governmental Accounting and Financial Reporting Standards* ("GASB Codification"), Section 2100, *Defining the Financial Reporting Entity*. The Company is presented as a blended component as it is 100% owned by HANO and its affiliated entities.

2. Basis of accounting

The accompanying financial statements have been prepared on the accrual basis of accounting and other accounting standards in accordance with Financial Accounting Standards Board ("FASB"). Accordingly, income is recognized as earned and expensed as incurred, regardless of the timing of payments.

3. Use of estimates

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

Guste I, LLC

NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2025

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4. Cash and cash equivalents

The Company considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

5. Tenant accounts receivable

The Company's accounts receivable includes rent due but not collected. Tenants are not charged interest on past due rent. Tenant security deposits are used to help offset any uncollected rent. Accounts receivable are stated net of an allowance for credit losses. The Company periodically assesses its methodologies for estimating credit losses in consideration of actual experience, trends, and changes in the overall economic environment. Management writes off accounts receivable as a charge to the allowance for credit losses when it is probable that the amount will not be collected.

6. Capital assets

Capital assets consists of property and equipment, which is recorded at cost. The Company's policy is to capitalize assets with a value in excess of \$5,000 and a useful life in excess of two years. Expenditures for maintenance and repairs are charged to expenses as incurred while major renewals and betterments are capitalized. Upon disposal of depreciable property, the appropriate property accounts are reduced by the related costs and accumulated depreciation. The resulting gains and losses are reflected in the statement of operations. Depreciation is provided using the straight-line method over the estimated useful lives of the assets.

Building and improvements	40 years
Land improvements	20 years
Furniture, fixtures and equipment	10 years

7. Impairment of long-lived assets

The Company reviews its investment in rental property for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. When recovery is reviewed, if the undiscounted cash flows estimated to be generated by the property are less than its carrying amount, management compares the carrying amount of the property to its fair value in order to determine whether an impairment loss has occurred. The amount of the impairment loss is equal to the excess of the asset's carrying value over its estimated fair value. Management has determined that there were no impairments as of December 31, 2025.

Guste I, LLC

NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2025

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

8. Rental income

Rental income is recognized as rents become due. Rental payments received in advance are deferred until earned and presented as prepaid rent on the balance sheet. All leases between the Company and the tenants of the Apartments are considered operating leases.

9. Leases

Under FASB Accounting Standards Codification ("ASC") 2016-02, *Leases* ("Topic 842"), the determination of whether an arrangement is a lease is made at the lease's inception and a contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed.

10. Income taxes

The Company is not a taxpaying entity for federal or state income tax purposes since taxable income or loss passes through to, and is reportable by, the members individually. Therefore, no provision or liability for state or federal income taxes has been included in the financial statements.

The Company accounts for income taxes in accordance with FASB ASC Topic 740, *Income Taxes*, which clarifies the accounting and disclosure requirements for uncertainty in tax positions. The two-step approach involves recognizing any tax positions that are "more likely than not" to occur and then measuring those positions to determine if they are recognizable in the financial statements. Management regularly reviews and analyzes all tax positions and has determined no aggressive tax positions have been taken. In evaluating the Company's tax provisions and accruals, future taxable income, the reversal of temporary differences, interpretations, and tax planning strategies are considered. The Company believes their estimates are appropriate based on current facts and circumstances.

The Company's income tax filings are subject to audit by various taxing authorities. The Company is subject to income tax examinations by tax authorities for the prior three years.

11. Economic concentrations

The Company operates one property in New Orleans, Louisiana. Future operations could be affected by changes in economic or other conditions in that geographical area or by changes in federal low-income housing subsidies or the demand for such housing.

Guste I, LLC

NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2025

NOTE B - CASH AND CASH EQUIVALENTS

As of December 31, 2025, the Company's cash and cash equivalents totaled \$603,201.

The Company maintains its cash and cash equivalents balances in financial institutions that are insured by the Federal Deposit Insurance Corporation ("FDIC") for up to \$250,000 per depositor. From time to time, the Company's balances in these institutions may be in excess of the FDIC insured limit. However, management does not believe the credit risk related to these balances is significant.

Restricted cash and cash equivalents consist of the following at December 31, 2025:

Replacement reserve	\$ 149,191
ACC subsidy reserve	399,148
Operating reserve	11,458
Tenant security deposits	27,709
	\$ 587,506

1. Replacement reserve

Pursuant to the Operating Agreement, the Company is required to make monthly deposits to a reserve for replacements account for use in funding maintenance and replacement costs. Monthly deposits are required in the amount of \$2,606, increasing annually by the Consumer Price Index commencing on the completion date. The activity in the replacement reserve for the year ended December 31, 2025 is as follows:

Balance, January 1, 2025	\$ 94,718
Deposits	91,756
Interest	1,615
Withdrawals	(38,898)
Balance, December 31, 2025	\$ 149,191

2. ACC subsidy reserve

Pursuant to the Operating Agreement, the Company shall establish a reserve account in the amount of \$227,000 as set forth in the Regulatory and Operating Agreement between the Company and HANO. Funds in the Annual Contribution Contract ("ACC") subsidy reserve may be used to pay operating expenses subject to approval and consent of the Assigned Member.

3. Operating reserve

Pursuant to the Operating Agreement, the Managing Member is required to establish an operating reserve of \$170,000 in a separate reserve account to fund operating expenses, to the extent required, subject to any requisite approvals and to the consent of the Assigned Member.

Guste I, LLC

NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2025

NOTE C - CREDIT LOSSES

Changes in the allowance for credit losses during the year ended December 31, 2025, are as follows:

Balance, beginning of year	\$	10,144
Increase in allowance for credit losses		14,358
Write-offs		(10)
Balance, end of year	\$	<u>24,492</u>

NOTE D - CAPITAL ASSETS, NET

Capital assets, net, is comprised of the following as of December 31, 2025:

Description	Amount
Building and improvements	\$ 12,839,170
Land improvements	2,401,278
Furniture, fixtures and equipment	281,800
	<u>15,522,248</u>
Less accumulated depreciation	<u>(8,204,007)</u>
	<u>\$ 7,318,241</u>

NOTE E - RELATED PARTY TRANSACTIONS

1. Operating subsidy from HANO

HANO has entered into the Operating Agreement with the Company which provides for an operating subsidy amount for annual operations. Pursuant to the Agreement, sixty-seven units of the Apartments are to be operated as Public Housing Units and are subject to all regulations therein. During 2025, the Company received operating subsidy from HANO in the amount of \$352,616, which is included in other operating income on the statement of operations.

2. Voucher subsidy from HANO

The Company is eligible to house tenants receiving Housing Choice Voucher rental assistance through vouchers issued by HANO. During 2025, the Company received rental payments from HANO in the amount of \$176,851, which is included in rental income on the statement of operations.

Guste I, LLC

NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2025

NOTE E - RELATED PARTY TRANSACTIONS (continued)

3. Due to affiliates

Due to affiliates consists of the following at December 31, 2025:

Due to management company	\$	844,672
Due to HANO		134,103
Due to CAHC		58,234
Asset management fee payable		23,389
	\$	1,060,398

a. Due to management company

The Company has entered into a management agreement with Guste Homes Resident Management Corporation ("GHRMC") for a monthly management fee equal to \$23.50 for each occupied unit per month. For the year ended December 31, 2025, \$21,620 was charged to operations and is included in general and administrative expense on the statement of operations.

The Company has a net payable to GHRMC of \$844,672 at December 31, 2025 for unpaid management fees, reimbursement of payroll, and other services.

b. Due to HANO

As of December 31, 2025, the Company owed HANO for reimbursement of miscellaneous costs associated with ongoing operation of the Company. The Company paid and received \$290,165 and \$404,980, respectively to and from HANO for the year ended December 31, 2025. The amount due to HANO as of December 31, 2025 is \$134,103.

c. Due to CAHC

During the development period, Crescent Affordable Housing Corporation ("CAHC"), an affiliate of the Managing Member, paid certain development costs for the Company and it is to be paid back in the amount of \$58,234 as of December 31, 2025. These development expenses typically pertain to construction, maintenance, and rehabilitation of the property.

d. Asset management fee

Pursuant to the Operating Agreement, the Assigned Member shall earn an annual cumulative fee in the amount of \$5,000 per annum. The fee is adjusted each year for changes in the Consumer Price Index. As of and for the year ended December 31, 2025, \$8,033 was charged to operations and \$23,389 remained payable.

Guste I, LLC

NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2025

NOTE F - NOTES PAYABLE - RELATED PARTY

1. Mortgage note payable

In December 2003, the Company entered into a financing agreement with HANO to use the proceeds from the issuance of Capital Fund Program Revenue Bonds for the construction and development of the Apartments and payment of bond redemption. The principal amount of the note was \$13,189,372. In January 2005, the Company entered into a new financing agreement in the amount of \$10,634,312 with HANO. During 2014, the Company converted the construction mortgage note into the permanent loan of \$8,698,042 plus capitalized interest of \$3,974,572 for a total of \$12,672,614 which accrues interest at 3%. Any principal and interest payments are subject to available cash flow. The entire amount of unpaid principal and interest is due January 31, 2060. This note is secured by the real property. Total interest expense for 2025 was \$285,133. During the year ended December 31, 2025, all outstanding principal and accrued interest balances were forgiven.

2. Supplemental loan

In November 2006, the Company obtained a supplemental loan in the amount of \$2,939,998 from HANO. The supplemental loan does not bear interest. The entire amount of unpaid principal is due and payable on November 1, 2061. This loan is secured by a program income construction loan mortgage. During the year ended December 31, 2025, all outstanding principal and accrued interest balances were forgiven.

3. Construction loan

In January 2005, the Company obtained a construction loan in the amount of \$248,999 from HANO. The construction loan accrues interest at 3% with both the unpaid principal and interest due on January 31, 2060. Total interest expense for 2025 was \$3,162. During the year ended December 31, 2025, all outstanding principal and accrued interest balances were forgiven.

NOTE G - MEMBERS' CAPITAL AND CASH FLOW DISTRIBUTION

Capital contributions totaling \$4,817,971, including an upward adjuster of \$11,722, were fully funded from the withdrawing Investor Member when certain milestones were achieved as disclosed in the Operating Agreement.

Guste I, LLC

NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2025

NOTE G - MEMBERS' CAPITAL AND CASH FLOW DISTRIBUTION (continued)

Cash Flow, as defined in the Operating Agreement, subject to certain restrictions outlined in the Operating Agreement, is to be distributed as follows:

1. To the payment of any Tax Credit Shortfall Payments owed to the Assigned Member;
2. To replenish any amounts withdrawn in such year from the Operating Reserve or the ACC Subsidy Reserve;
3. To pay the Company Management Fee to the Managing Member;
4. To the repayment of any Operating Expense Loans or Working Capital Loans then outstanding; and
5. Any balance shall be distributed, 0.01% to the Managing Member and 99.99% to the Assigned Member.

NOTE H - COMMITMENTS AND CONTINGENCIES

1. Legal

The Company may be party to various pending or threatened legal actions in the normal course of operations. As of the date of this report, management is not aware of any material threatened or pending legal actions against the Company.

2. Operating deficit guaranty

Pursuant to the Operating Agreement, if at any time the Company requires funds to discharge operating expenses, the Managing Member shall furnish to the Company the funds required. Amounts furnished to fund operating expenses incurred prior to the Development Obligation Date shall be deemed Special Capital Contributions and amounts furnished on or after the Development Obligation Date shall constitute Operating Expense Loans. Any such Operating Expense Loans shall not bear interest and be repayable only as provided for in the Operating Agreement. As of December 31, 2025, no amounts have been funded.

3. Ground lease

On December 30, 2003, the Company entered into an 89-year ground lease with HANO. In consideration of a \$41,979 lump sum payment from the Company on January 20, 2005, the payment obligations have been fully satisfied and discharged. As of December 31, 2025, the prepaid ground lease was \$31,601.

Guste I, LLC

NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2025

NOTE I - SUBSEQUENT EVENTS

The Company has evaluated subsequent events through the date noted on the Independent Auditor's Report, the date the financial statements were available to be issued, and aside from the item noted below, has determined that no material transactions have occurred that would warrant additional adjustment or disclosure in the financial statements.

On February 11, 2026, the Company received and accepted a formal settlement proposal from the Sewerage and Water Board of New Orleans ("S&WB"), related to outstanding unpaid water and utility billings totaling \$281,846. According to the terms of the settlement, upon receipt of a 50% down payment due within 45 days, the S&WB will establish a payment schedule for the remaining outstanding balance to be paid in full within 12 months. Accordingly, \$281,846 has been recorded as a utility settlement expense, with the corresponding amount reflected as utility settlement on the accompanying financial statements to recognize the obligation under the settlement.

SUPPLEMENTARY INFORMATION

GUSTE I, LLC

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

December 31, 2025

Agency Head Name:	Keva Landrum	Marjorianna Willman
Position of the Housing Authority of New Orleans:	Interim Executive Director	Executive Director
Date Range:	01/01/2025 - 01/20/2025	01/21/2025 - 12/31/2025

Purpose	Amount	Amount
Salary	None	None
Benefits-insurance	None	None
Benefits-retirement	None	None
Benefits-deferred comp	None	None
Car allowance	None	None
Vehicle provided by government	None	None
Per diem	None	None
Reimbursements	None	None
Travel	None	None
Registration fees	None	None
Conference travel	None	None
Continuing professional education fees	None	None
Housing	None	None
Unvouchered expenses	None	None
Special meals	None	None

Guste I, LLC, provides no compensation, benefits or other payments to the Executive Director of the Housing Authority of New Orleans ("HANO"). HANO is the governmental unit that controls Guste I, LLC. All compensation, benefits and other payments to HANO's Executive Director are included in the financial statements of HANO.

See independent auditor's report.

**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 Members of
Guste I, LLC

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Guste I, LLC (the "Company"), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Company's financial statements, and have issued our report thereon dated June 26, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Company's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company'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 Company's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Company'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 Company's internal control over compliance. Accordingly, this communication is not suitable for any other purpose.

Doeren Mayhew Assurance

Melbourne, Florida
June 26, 2026