

MONROE LAFAYETTE, LLC
HUD PROJECT NO.: 064-35689

FINANCIAL STATEMENTS
(WITH SUPPLEMENTAL INFORMATION)
AND INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2025

Monroe Lafayette, LLC
HUD Project No.: 064-35689

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Monroe Lafayette, LLC
HUD Project No.: 064-35689

December 31, 2025

MORTGAGOR'S CERTIFICATION

We hereby certify that we have examined the accompanying financial statements and supplemental data of Monroe Lafayette, LLC and, to the best of our knowledge and belief, the same are complete and accurate.

MANAGING MEMBER

Melissa Theriot, Chairman

Date

Telephone Number: _____

Monroe Lafayette, LLC
HUD Project No.: 064-35689

December 31, 2025

MANAGING AGENT'S CERTIFICATION

I hereby certify that I have examined the accompanying financial statements and supplemental data of Monroe Lafayette, LLC and, to the best of my knowledge and belief, the same are complete and accurate.

MANAGING AGENT

Vintage Realty Company, LLC

Spencer Lamb, CFO

Laura Brabham
Property Manager

Managing Agent Taxpayer
Identification Number:
72-1256094

INDEPENDENT AUDITOR'S REPORT

To the Member
Monroe Lafayette, LLC

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Monroe Lafayette, LLC, which comprise the balance sheet as of December 31, 2025, and the related statements of operations, member's equity (deficit), 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 financial position of Monroe Lafayette, LLC as of December 31, 2025, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 Monroe Lafayette, LLC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the 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 Monroe Lafayette, LLC'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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement due to fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Monroe Lafayette, LLC'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 Monroe Lafayette, LLC'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.



Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplemental information on pages 23 through 36 is presented for 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 accompanying supplemental information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Information

The accompanying other information on page 44 has not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2026 on our consideration of Monroe Lafayette, LLC'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 Monroe Lafayette, LLC'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 Monroe Lafayette, LLC's internal control over financial reporting and compliance.

EisnerAmper LLP

EISNERAMPER LLP
Atlanta, Georgia
March 27, 2026

Taxpayer Identification Number:
13-1639826

Lead Auditor: Clint A. Hamilton, CPA



Monroe Lafayette, LLC
HUD Project No.: 064-35689

BALANCE SHEET

December 31, 2025

ASSETS

CURRENT ASSETS

Cash - operations	\$	89,220
Cash - entity		5,283
Prepaid expenses		<u>50,063</u>

Total current assets 144,566

DEPOSITS HELD IN TRUST - FUNDED

Tenant deposits	38,847
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RESTRICTED DEPOSITS AND FUNDED RESERVES

Escrow deposits	\$	11,293
Reserve for replacements		<u>95,147</u>
		106,440

RENTAL PROPERTY

Land	1,196,460
Buildings	10,902,833
Furniture for project/tenant use	424,118
Maintenance equipment	<u>5,002</u>
	12,528,413
Less accumulated depreciation	<u>(950,039)</u>
	11,578,374

OTHER ASSETS

Miscellaneous other assets	<u>9,140</u>
	<u>9,140</u>

TOTAL ASSETS \$ 11,877,367

(continued)

Monroe Lafayette, LLC
HUD Project No.: 064-35689

BALANCE SHEET - CONTINUED

December 31, 2025

LIABILITIES AND MEMBER'S EQUITY (DEFICIT)

CURRENT LIABILITIES

Accounts payable - operations	\$	4,018
Accounts payable - entity		8,864
Accrued management fee payable		4,592
Accrued interest payable - first mortgage		21,606
Mortgage payable - first mortgage, current maturities		133,366
Prepaid revenue		10,140

Total current liabilities 182,586

DEPOSITS LIABILITY

Tenant deposits held in trust (contra)	36,932
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LONG-TERM LIABILITIES

Accounts payable - entity (long-term)	\$	713,454
Mortgage payable - first mortgage, net of current maturities		8,623,213
		<u>9,336,667</u>

Total liabilities 9,556,185

MEMBER'S EQUITY (DEFICIT)

2,321,182

TOTAL LIABILITIES AND MEMBERS' EQUITY (DEFICIT)

\$ 11,877,367

See notes to financial statements.

Monroe Lafayette, LLC
HUD Project No.: 064-35689

STATEMENT OF OPERATIONS

Year ended December 31, 2025

REVENUE	
Rental	\$ 976,450
Vacancies	<u>(249,695)</u>
Net rental revenue	726,755
Financial	49
Other	<u>47,262</u>
Total revenue	<u>774,066</u>
EXPENSES	
Administrative	316,272
Utilities	48,412
Operating and maintenance	232,258
Taxes and insurance	93,988
Financial (including interest of \$265,905)	<u>284,261</u>
Total cost of operations before depreciation	<u>975,191</u>
Income (loss) before depreciation	(201,125)
Depreciation	<u>407,469</u>
Operating income (loss)	(608,594)
Mortgagor entity expenses	<u>42,812</u>
Net income (loss)	<u><u>\$ (651,406)</u></u>

See notes to financial statements.

Monroe Lafayette, LLC
HUD Project No.: 064-35689

STATEMENT OF MEMBER'S EQUITY (DEFICIT)

Year ended December 31, 2025

Member's equity (deficit)	
December 31, 2024	\$ 2,572,588
Contributions	400,000
Net income (loss)	<u>(651,406)</u>
Member's equity (deficit)	
December 31, 2025	<u><u>\$ 2,321,182</u></u>

See notes to financial statements.

Monroe Lafayette, LLC
HUD Project No.: 064-35689

STATEMENT OF CASH FLOWS

Year ended December 31, 2025

Cash flows from operating activities		
Rental receipts	\$	706,146
Interest receipts		49
Other operating receipts		47,262
Total receipts		<u>753,457</u>
Administrative expenses paid		(150,959)
Management fees paid		(43,799)
Utilities paid		(48,782)
Salaries and wages paid		(161,270)
Operating and maintenance paid		(165,690)
Property insurance paid		(62,533)
Miscellaneous taxes and insurance paid		(35)
Net tenant security deposits received (paid)		18,187
Other operating expenses paid		(29,130)
Interest paid on first mortgage		(261,316)
Mortgage insurance premium paid		(22,309)
Entity/construction expenses paid (include detail)		
Miscellaneous entity expenses	\$	<u>(42,812)</u>
		(42,812)
Total disbursements		<u>(970,448)</u>
Net cash used in operating activities		<u>(216,991)</u>
Cash flows from investing activities		
Net purchases of fixed assets		<u>(5,002)</u>
Net cash used in investing activities		<u>(5,002)</u>
Cash flows from financing activities		
Mortgage principal payments - first mortgage		(129,558)
Contributions by member		400,000
Entity/construction financing activities (include detail)		
Advance from related party		<u>48,067</u>
		48,067
Net cash provided by financing activities		<u>318,509</u>
NET INCREASE IN CASH AND RESTRICTED CASH		96,516
Cash and restricted cash, beginning		<u>143,274</u>
Cash and restricted cash, end	\$	<u><u>239,790</u></u>

(continued)

Monroe Lafayette, LLC
HUD Project No.: 064-35689

STATEMENT OF CASH FLOWS - CONTINUED

Year ended December 31, 2025

Reconciliation of net income (loss) to net cash used in operating activities	
Net income (loss)	<u>\$ (651,406)</u>
Adjustments to reconcile net income (loss) to net cash used in operating activities	
Depreciation	407,469
Amortization of debt issuance costs	4,902
Changes in asset and liability accounts	
(Increase) decrease in assets	
Tenant accounts receivable	1,943
Prepaid expenses	(1,291)
Increase (decrease) in liabilities	
Accounts payable	(1,482)
Accrued liabilities	1,605
Accrued interest payable	(313)
Tenant security deposits held in trust	18,187
Prepaid revenue	<u>3,395</u>
Total adjustments	<u>434,415</u>
Net cash used in operating activities	<u><u>\$ (216,991)</u></u>

See notes to financial statements.

Monroe Lafayette, LLC
HUD Project No.: 064-35689

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS

Monroe Lafayette, LLC (the Company) is a Texas limited liability company organized on June 10, 2019 for the purpose of acquiring, constructing, owning and operating a 70-unit apartment community located in Lafayette (Lafayette Parish), Louisiana and operates under the name The Monroe (the Project).

The Company has entered into a regulatory agreement with the U.S. Department of Housing and Urban Development (HUD) under Section 221(d)(4) of the National Housing Act (the "Regulatory Agreement"). The agreement, among other things, requires the Company to operate the Project in accordance with HUD regulations and restricts the distributions of cash to members to amounts of surplus cash, as defined.

All profits and losses are allocated to the sole member, Lafayette Public Trust Financing Authority.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Company prepares its financial statements on the accrual basis of accounting consistent with accounting principles generally accepted in the United States of America (GAAP).

Cash and Restricted Cash

Under HUD regulations, the Project must be maintained in federally insured banks one or more general operating accounts which are used for depositing rental receipts and to pay operating expenses of the Project.

The Company segregates cash received from non-operating resources (such as contributed capital and mortgage loan proceeds) in a bank account separate from cash derived from the Project operations. Development cash is not subject to surplus cash restrictions and is available for payment of construction and development costs and other entity-related expenses of the Company.

Cash and restricted cash as of December 31, 2025 consisted of the following:

Cash	\$ 94,503
Restricted deposits and funded reserves	<u>145,287</u>
Total cash and restricted cash shown on the statement of cash flows	<u><u>\$ 239,790</u></u>

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2025

Trade Accounts Receivable

Tenant receivables are charged to bad debt expense when they are determined to be uncollectible based upon a periodic review of the accounts by management. GAAP requires that the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method.

Fixed Assets and Depreciation

The apartment units are constantly undergoing repairs and replacements. The Company capitalizes the cost of asset betterments and major renewals that extend the original useful life of the Project. Replacements of moveable property with a cost of more than \$2,000 and an economic useful life of twelve months or more are also capitalized.

Fixed assets are stated at historical cost. Buildings are depreciated over their estimated useful lives of forty years using the straight-line method. Land improvements and building improvements are depreciated over their estimated useful lives of fifteen years using the straight-line method. Furnishings and equipment are depreciated over their estimated useful lives of five to seven years using the straight-line method. Improvements are capitalized, while expenditures for maintenance and repairs are charged to expense as incurred. Upon disposal of depreciable property, the appropriate accounts will be reduced by the related costs and accumulated depreciation. The resulting gains and losses will be reflected in the statement of operations.

Impairment of Long-Lived Assets

The Company reviews its 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. No impairment losses have been recognized during the year ended December 31, 2025.

Debt Issuance Costs

In accordance with GAAP, the debt issuance costs are presented as an offset of the related debt instruments within the liabilities section of the balance sheet. Debt issuance costs are being amortized using the straight-line method over the term of the mortgage and amortization expense is included in interest expense on the accompanying statement of operations.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2025

GAAP requires that the effective interest method be used to amortize debt issuance costs; however, the effect of using the straight-line method is not materially different from the results that would have been obtained under the effective interest method. Debt issuance costs of \$203,438 are presented as an offset of the related debt instruments in the liabilities section of the accompanying balance sheet. Estimated amortization expense for the five ensuing years is expected to be \$4,902, annually.

Rental Income

Rental income is recognized as rentals become due. Rental payments received in advance are deferred until earned. All leases between the Company and the tenants of the Project are operating leases and are typically for terms of one year or less.

Advertising

The Company's policy is to expense advertising costs when incurred. During the year ended December 31, 2025, advertising costs of \$80,869 were incurred, which are included in administrative expense on the accompanying statement of operations.

Income Taxes

The Company is a single member limited liability company and is considered a disregarded entity for income tax purposes. The Company is not required to file a separate tax return with the Internal Revenue Service as its income is reported within the tax return of its sole member. Accordingly, these financial statements do not reflect a provision for income taxes and the Company has no other tax positions which must be considered for disclosure. The Company is required to file and does file tax returns with other taxing authorities. Generally, income tax returns filed by the Company are subject to examination by other taxing authorities for a period of three years. While no income tax returns are currently being examined by other taxing authorities, tax years since 2022 remain open.

Use of Estimates

The preparation of financial statements in conformity with GAAP 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.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2025

NOTE 3 - RESTRICTED DEPOSITS AND FUNDED RESERVES

Tenant Security Deposits

HUD regulations require that security deposits be segregated from the general funds of the Company. Accordingly, the Company holds all security deposit funds in a separate account. Tenant security deposits retained by the Company as of December 31, 2025 were \$38,847.

Mortgage Escrow

In connection with the loan, the Company is required to make monthly deposits into an account held by the lender for mortgage insurance and property insurance incurred by the Project. As of December 31, 2025, the insurance escrow totaled \$11,293.

Replacement Reserve

Under the terms of the regulatory agreement with HUD, the Company is required to establish a reserve for replacement of project assets. The regulatory agreement requires the Company to make monthly deposits into a replacement reserve account. As of December 31, 2025, the replacement reserve totaled \$95,147.

NOTE 4 - MORTGAGE NOTE PAYABLE

The first mortgage payable in the maximum amount of \$9,247,200 was issued by Wells Fargo Bank, National Association (the Lender). The mortgage note is insured by the Federal Housing Administration (FHA) and is collateralized by a deed of trust on the rental property. The mortgage bears interest at 2.90 percent per annum. The Company is required to make principal and interest payments of \$32,573 until the maturity date of the note on July 1, 2063. As of December 31, 2025, \$8,756,579 remains payable, which includes unamortized debt issuance costs of \$183,829. During the year ended December 31, 2025, interest of \$265,905 was incurred, which includes amortization of debt issuance costs of \$4,902. As of December 31, 2025, accrued interest of \$21,606 remains payable.

Under agreements with the Lender and HUD, the Company is required to make monthly escrow deposits for property taxes, insurance, mortgage insurance, and replacement of project assets, and is subject to restriction as to operating policies, rental charges, operating expenditures and distributions to member.

The liability of the Company under the mortgage note is limited to the underlying value of the real estate collateral and other amounts deposited with the Lender.

Monroe Lafayette, LLC
HUD Project No.: 064-35689

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2025

Principal payments due on the mortgage note are as follows:

2026	\$ 133,366
2027	137,285
2028	141,320
2029	145,473
2030	149,748
Thereafter	8,233,216
Total	<u>8,940,408</u>
Less unamortized debt issuance costs	<u>(183,829)</u>
Net	8,756,579
Less current maturities	<u>(133,366)</u>
Total long-term portion	<u><u>\$ 8,623,213</u></u>

NOTE 5 - MANAGEMENT FEE

The Company entered into a management agreement with Vintage Realty Company, LLC. The agreement provides for a minimum management fee equal to \$2,500 per month or 6 percent of the gross receipts of the property. The Project's management agent's certification approved by HUD limits the fee that can be paid from projection operations to 3.50 percent of gross receipts of the property. During the year ended December 31, 2025, total management fees of \$45,404 have been incurred. As of December 31, 2025, \$4,592 remains payable.

NOTE 6 - DUE TO AFFILIATE

The Company was advanced funds from the Member to fund development and entity activities. The advances are non-interest bearing and payable from available surplus cash or entity cash. As of December 31, 2025, \$713,454 was outstanding and is included in accounts payable - entity, long term on the accompanying balance sheet.

The Company was advanced funds from the Member to fund operating activities. The advances are non-interest bearing and payable on demand from available surplus cash or entity cash. As of December 31, 2025, \$8,864 was outstanding and is included in accounts payable - entity on the accompanying balance sheet.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2025

NOTE 7 - MEMBER'S CAPITAL AND ALLOWABLE DISTRIBUTIONS

Distributions are paid at the Manager's discretion in the following order of priority:

- a. First, whether there are any Class B Interests outstanding, 100% of all amounts available and approved for distribution shall be distributed to the Members holding a Class B interest in proportion to their respective Class B Percentages, to the extent of the Unrecovered Class B amount; and
- b. Second, whenever there are no Class B Interest outstanding, all remaining amounts available and approved for distribution shall be distributed to the Members holding a Class A Interest in proportion to their Class A Percentages.

Under the provisions of the Regulatory Agreement between the Company and HUD, semi-annual distributions of funds provided by rental operations are permitted provided (1) Surplus Cash, as defined by HUD, is available for such purposes; (2) the Company is in compliance with all outstanding notices of requirements of proper maintenance; and (3) there is no default under the Regulatory Agreement or under the Mortgage Note. The Project must demonstrate at least six months of operations after construction completion before it is eligible to pay distributions of Surplus Cash. Furthermore, Surplus Cash can only be calculated as of semi-annual measurement dates (June 30th and December 31st).

No distributions to members were paid during the year ended December 31, 2025.

NOTE 8 - CONCENTRATION OF CREDIT RISK

The Company maintains its cash, restricted deposits, and reserves with financial institutions. The bank balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 at each bank. At times, these balances may exceed the federal insurance limits; however, the Company has not experienced any losses with respect to its bank balances in excess of government provided insurance. Management believes that no significant concentration of credit risk exists with respect to these bank balances at December 31, 2025.

NOTE 9 - COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD

There were no compensation, benefits, or other payments made to Melissa Theriot, Chairman of Lafayette Public Trust Financing Authority for the year ended December 31, 2025.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2025

NOTE 10 - CURRENT VULNERABILITY DUE TO CERTAIN CONCENTRATIONS

The Company's principal asset is a 70-unit apartment project. The Company's operations are concentrated in the multifamily real estate market. In addition, the Company operates in a heavily regulated environment. The operations of the Company are subject to the administrative directives, rules and regulations of federal agencies, including, but not limited to, HUD. Such administrative directives, rules and regulations are subject to change by an act of Congress or an administrative change mandated by HUD. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change.

NOTE 11 - LITIGATION

During year ended December 31, 2024, the Company was named in a lawsuit initiated by the General Contractor regarding disputes with the construction contract. This matter is currently in the discovery phase and management intends to pursue the case vigorously. Based upon information currently available, management believes the likelihood of an unfavorable outcome is uncertain, and an estimate of the possible loss cannot be made as of December 31, 2025.

NOTE 12 - SUBSEQUENT EVENTS

Events that occur after the balance sheet date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the balance sheet date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the balance sheet date require disclosure in the accompanying notes. Management evaluated the activity of Monroe Lafayette, LLC through March 27, 2026 (the date the financial statements were available to be issued) and concluded that no subsequent events have occurred that would require recognition in the Financial Statements or disclosure in the Notes to the Financial Statements.

SUPPLEMENTAL INFORMATION REQUIRED BY HUD

Monroe Lafayette, LLC
HUD Project No.: 064-35689

SUPPLEMENTAL INFORMATION REQUIRED BY HUD

BALANCE SHEET DATA

December 31, 2025

ASSETS

Account No.

CURRENT ASSETS

1120	Cash - operations	\$	89,220
1125	Cash - entity		5,283
1200	Prepaid expenses		<u>50,063</u>
1100T	Total current assets		144,566

DEPOSITS HELD IN TRUST - FUNDED

1191	Tenant deposits		38,847
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RESTRICTED DEPOSITS AND FUNDED RESERVES

1310	Escrow deposits	\$	11,293
1320	Reserve for replacements		<u>95,147</u>
1300T	Total deposits		106,440

RENTAL PROPERTY

1410	Land		1,196,460
1420	Buildings		10,902,833
1450	Furniture for project/tenant use		424,118
1470	Maintenance equipment		<u>5,002</u>
1400T	Total fixed assets		<u>12,528,413</u>
1495	Less accumulated depreciation		<u>(950,039)</u>
1400N	Net fixed assets		11,578,374

OTHER ASSETS

1590	Miscellaneous other assets		<u>9,140</u>
1500T	Total other assets		<u>9,140</u>
1000T	Total assets		<u><u>\$ 11,877,367</u></u>

See Independent Auditor's Report.

Monroe Lafayette, LLC
HUD Project No.: 064-35689

SUPPLEMENTAL INFORMATION REQUIRED BY HUD - CONTINUED

BALANCE SHEET DATA - CONTINUED

December 31, 2025

LIABILITIES AND MEMBER'S EQUITY (DEFICIT)

Account No.

CURRENT LIABILITIES

2110	Accounts payable - operations	\$	4,018
2113	Accounts payable - entity		8,864
2123	Accrued management fee payable		4,592
2131	Accrued interest payable - first mortgage		21,606
2170	Mortgage payable - first mortgage, current maturities		133,366
2210	Prepaid revenue		<u>10,140</u>
2122T	Total current liabilities		182,586

DEPOSITS LIABILITY

2191	Tenant deposits held in trust (contra)		36,932
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LONG-TERM LIABILITIES

2305	Accounts payable - entity (long-term)	\$	713,454
2320	Mortgage payable - first mortgage, net of current maturities		<u>8,623,213</u>
2300T	Total long term liabilities		<u>9,336,667</u>

2000T	Total liabilities		9,556,185
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3130	MEMBER'S EQUITY (DEFICIT)		<u>2,321,182</u>
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2033T	Total liabilities and member's equity (deficit)		<u><u>\$ 11,877,367</u></u>
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See Independent Auditor's Report.

Monroe Lafayette, LLC
HUD Project No.: 064-35689

SUPPLEMENTAL INFORMATION REQUIRED BY HUD - CONTINUED

STATEMENT OF OPERATIONS DATA

Year ended December 31, 2025

Account No.

RENTAL REVENUE

5120	Rent revenue - gross potential	\$	976,440	
5170	Garage and parking spaces		<u>10</u>	
5100T	Total rental revenue			\$ 976,450
<u>VACANCIES</u>				
5220	Apartments		(211,975)	
5250	Rental concessions		<u>(37,720)</u>	
5200T	Total vacancies			<u>(249,695)</u>
5152N	Net rental revenue			726,755
<u>FINANCIAL REVENUE</u>				
5440	Revenue from investments - replacement reserve		<u>49</u>	
5400T	Total financial revenue			49
<u>OTHER REVENUE</u>				
5920	Tenant charges		25,921	
5990	Miscellaneous revenue		<u>21,341</u>	
5900T	Total other revenue			<u>47,262</u>
5000T	Total revenue			<u>774,066</u>

See Independent Auditor's Report.

Monroe Lafayette, LLC
HUD Project No.: 064-35689

SUPPLEMENTAL INFORMATION REQUIRED BY HUD - CONTINUED

STATEMENT OF OPERATIONS DATA - CONTINUED

Year ended December 31, 2025

Account No.

ADMINISTRATIVE EXPENSES

6210	Advertising and marketing	80,869	
6250	Other renting expenses	10,507	
6310	Office salaries	38,629	
6311	Office expenses	19,636	
6312	Office or model apartment rent	13,920	
6320	Management fee	45,404	
6330	Manager or superintendent salaries	55,703	
6331	Administrative rent free unit	2,217	
6340	Legal expense - project	1,876	
6350	Auditing expense	11,000	
6370	Bad debts	9,810	
6390	Miscellaneous administrative expenses	26,701	
6263T	Total administrative expenses		316,272

UTILITIES EXPENSE

6450	Electricity	15,417	
6451	Water	32,995	
6400T	Total utilities expense		48,412

OPERATING AND MAINTENANCE EXPENSES

6510	Payroll	58,833	
6515	Supplies	13,558	
6520	Contracts	127,407	
6525	Garbage and trash removal	15,417	
6530	Security payroll/contract	8,105	
6546	Heating/cooling repairs and maintenance	5,997	
6590	Miscellaneous operating and maintenance expenses	2,941	
6500T	Total operating and maintenance expenses		232,258

See Independent Auditor's Report.

Monroe Lafayette, LLC
HUD Project No.: 064-35689

SUPPLEMENTAL INFORMATION REQUIRED BY HUD - CONTINUED

STATEMENT OF OPERATIONS DATA - CONTINUED

Year ended December 31, 2025

<u>Account No.</u>		
TAXES AND INSURANCE		
6711	Payroll taxes	16,828
6720	Property and liability insurance	65,195
6723	Health insurance and other employee benefits	11,930
6790	Miscellaneous taxes, licenses, permits and insurance	<u>35</u>
6700T	Total taxes and insurance	93,988
FINANCIAL EXPENSES		
6820	Interest on first mortgage payable	265,905
6850	Mortgage insurance premium/service charge	<u>18,356</u>
6800T	Total financial expenses	<u>284,261</u>
6000T	Total cost of operations before depreciation and amortization	<u>975,191</u>
5060T	Income (loss) before depreciation and amortization	<u>(201,125)</u>
DEPRECIATION AND AMORTIZATION		
6600	Depreciation expense	<u>407,469</u>
	Total depreciation and amortization	<u>407,469</u>
5060N	Operating income (loss)	<u>(608,594)</u>
CORPORATE OR MORTGAGOR ENTITY REVENUE AND EXPENSES		
7120	Legal expenses	42,701
7190	Other expenses	<u>111</u>
7100T	Net entity expenses	<u>42,812</u>
	Total expenses	<u>1,425,472</u>
3250	Net income (loss)	<u><u>\$ (651,406)</u></u>

See Independent Auditor's Report.

Monroe Lafayette, LLC
HUD Project No.: 064-35689

SUPPLEMENTAL INFORMATION REQUIRED BY HUD - CONTINUED

STATEMENT OF OPERATIONS DATA - CONTINUED

Year ended December 31, 2025

<u>Account No.</u>		
S1000-010	Total first mortgage (or bond) principal payments required during the audit year (12 monthly payments). Applies to all direct loans and HUD-held and fully-insured first mortgages.	\$ 129,558
S1000-020	Total of 12 monthly deposits in the audit year made to the replacement reserve account, as required by the regulatory agreement, even if payments may be temporarily suspended or reduced.	\$ 39,596
S1000-030	Replacement reserve, or residual receipts and releases which are included as expense items on the statement of operations.	\$ -
S1000-040	Project improvement reserve releases under the flexible subsidy program which are included as expense items on the statement of operations.	\$ -
S3100-120	Mortgage payable note detail (Section 236 only) Interest reduction payments from subsidy.	\$ -

See Independent Auditor's Report.

Monroe Lafayette, LLC
HUD Project No.: 064-35689

SUPPLEMENTAL INFORMATION REQUIRED BY HUD - CONTINUED

STATEMENT OF MEMBER'S EQUITY (DEFICIT) DATA

Year ended December 31, 2025

<u>Account No.</u>		
S1100-010	Member's equity (deficit) December 31, 2024	\$ 2,572,588
S1200-430	Contributions	400,000
3250	Net income (loss)	<u>(651,406)</u>
3130	Member's equity (deficit) December 31, 2025	<u>\$ 2,321,182</u>

See Independent Auditor's Report.

Monroe Lafayette, LLC
HUD Project No.: 064-35689

SUPPLEMENTAL INFORMATION REQUIRED BY HUD - CONTINUED

STATEMENT OF CASH FLOWS DATA

Year ended December 31, 2025

<u>Account No.</u>		
	Cash flows from operating activities	
S1200-010	Rental receipts	\$ 706,146
S1200-020	Interest receipts	49
S1200-030	Other operating receipts	47,262
S1200-040	Total receipts	<u>753,457</u>
S1200-050	Administrative expenses paid	(150,959)
S1200-070	Management fees paid	(43,799)
S1200-090	Utilities paid	(48,782)
S1200-100	Salaries and wages paid	(161,270)
S1200-110	Operating and maintenance paid	(165,690)
S1200-140	Property insurance paid	(62,533)
S1200-150	Miscellaneous taxes and insurance paid	(35)
S1200-160	Net tenant security deposits received (paid)	(615)
S1200-170	Other operating expenses paid	(29,130)
S1200-180	Interest paid on first mortgage	(261,316)
S1200-210	Mortgage insurance premium paid	(22,309)
S1200-225	Entity/construction expenses paid (include detail)	
S1200-226	Miscellaneous entity expenses	<u>\$ (42,812)</u>
		(42,812)
S1200-230	Total disbursements	<u>(989,250)</u>
S1200-240	Net cash used in operating activities	<u>(235,793)</u>
	Cash flows from investing activities	
S1200-245	Net withdrawals from mortgage escrows	24,259
S1200-250	Net deposits to reserve for replacements	(39,645)
S1200-330	Net purchases of fixed assets	(5,002)
S1200-350	Net cash used in investing activities	<u>(20,388)</u>
	Cash flows from financing activities	
S1200-360	Mortgage principal payments - first mortgage	(129,558)
S1200-430	Contributions	400,000
S1200-455	Entity/construction financing activities (include detail)	
S1200-456	Advance from related party	<u>48,067</u>
		48,067
S1200-460	Net cash provided by financing activities	<u>318,509</u>
S1200-470	NET INCREASE IN CASH	62,328
S1200-480	Cash, beginning	<u>32,175</u>
S1200T	Cash, end	<u>\$ 94,503</u>

See Independent Auditor's Report.

Monroe Lafayette, LLC
HUD Project No.: 064-35689

SUPPLEMENTAL INFORMATION REQUIRED BY HUD - CONTINUED

STATEMENT OF CASH FLOWS DATA - CONTINUED

Year ended December 31, 2025

<u>Account No.</u>		
	Reconciliation of net income (loss) to net cash used in operating activities	
3250	Net income (loss)	<u>\$ (651,406)</u>
	Adjustments to reconcile net income (loss) to net cash used in operating activities	
6600	Depreciation	407,469
S1200-486	Amortization of debt issuance costs	4,902
	Changes in asset and liability accounts	
	(Increase) decrease in assets	
S1200-490	Tenant accounts receivable	1,943
S1200-520	Prepaid expenses	(1,291)
S1200-530	Tenant security deposits funded	(18,802)
	Increase (decrease) in liabilities	
S1200-540	Accounts payable	(1,482)
S1200-560	Accrued liabilities	1,605
S1200-570	Accrued interest payable	(313)
S1200-580	Tenant security deposits held in trust	18,187
S1200-590	Prepaid revenue	<u>3,395</u>
	Total adjustments	<u>415,613</u>
S1200-610	Net cash used in operating activities	<u><u>\$ (235,793)</u></u>

See Independent Auditor's Report.

Monroe Lafayette, LLC
HUD Project No.: 064-35689

SUPPLEMENTAL INFORMATION REQUIRED BY HUD - CONTINUED

Year ended December 31, 2025

RESERVE FOR REPLACEMENTS

<u>Account No.</u>			
1320P	Balance at December 31, 2024	\$	55,502
1320DT	Total monthly deposits		39,596
1320INT	Interest income		<u>49</u>
1320	Balance at December 31, 2025	\$	<u><u>95,147</u></u>

See Independent Auditor's Report.

Monroe Lafayette, LLC
HUD Project No.: 064-35689

SUPPLEMENTAL INFORMATION REQUIRED BY HUD - CONTINUED

December 31, 2025

COMPUTATION OF SURPLUS CASH, DISTRIBUTIONS AND RESIDUAL RECEIPTS

<u>Account No.</u>	<u>Part A - Compute Surplus Cash</u>		
S1300-010	Cash (Accounts 1120, 1170 and 1191)	\$	128,067
1135	Accounts receivable - HUD		<u>-</u>
S1300-040	Total cash		<u>128,067</u>
S1300-050	Accrued mortgage interest payable		21,606
S1300-060	Delinquent mortgage principal payments		-
S1300-070	Delinquent deposits to reserve for replacements		-
S1300-075	Accounts payable (due within 30 days)		4,018
S1300-080	Loans and notes payable (due within 30 days)		-
S1300-090	Deficient tax, insurance or MIP escrow deposits		-
S1300-100	Accrued expenses (not escrowed)		4,592
2210	Prepaid revenue (Account 2210)		10,140
2191	Tenant security deposits liability (Account 2191)		36,932
S1300-110	Other current obligations (describe in detail)		
	Next month's principal payment and deposits to		
S1300-120	escrows and reserves	<u>\$</u>	<u>17,708</u>
			<u>17,708</u>
S1300-140	Less total current obligations		<u>94,996</u>
S1300-150	Surplus cash (deficiency)	<u>\$</u>	<u>33,071</u>

See Independent Auditor's Report.

Monroe Lafayette, LLC
HUD Project No.: 064-35689

SUPPLEMENTAL INFORMATION REQUIRED BY HUD - CONTINUED

Year ended December 31, 2025

CHANGES IN FIXED ASSET ACCOUNTS

	Assets			Balance 12/31/25
	Balance 12/31/24	Additions	Deletions	
Land	\$ 1,196,460	\$ -	\$ -	\$ 1,196,460
Buildings	10,902,833	-	-	10,902,833
Furniture for project/tenant use	424,118	-	-	424,118
Maintenance equipment	-	5,002	-	5,002
	<u>\$ 12,523,411</u>	<u>\$ 5,002</u>	<u>\$ -</u>	<u>\$ 12,528,413</u>
Accumulated depreciation	<u>\$ 542,570</u>	<u>\$ 407,469</u>	<u>\$ -</u>	<u>\$ 950,039</u>
Total net book value				<u>\$ 11,578,374</u>

Fixed Asset Detail

Additions to Maintenance Equipment Account

<u>Item and quantity</u>	<u>Amount</u>
Maintenance equipment	<u>\$ 5,002</u>
	<u>\$ 5,002</u>

See Independent Auditor's Report.

Monroe Lafayette, LLC
HUD Project No.: 064-35689

SUPPLEMENTAL INFORMATION REQUIRED BY HUD - CONTINUED

December 31, 2025

DETAIL OF ACCOUNTS - BALANCE SHEET

MISCELLANEOUS OTHER ASSETS (ACCOUNT NO. 1590)

Utility deposits	<u>\$ 9,140</u>
	<u><u>\$ 9,140</u></u>

See Independent Auditor's Report.

Monroe Lafayette, LLC
HUD Project No.: 064-35689

SUPPLEMENTAL INFORMATION REQUIRED BY HUD - CONTINUED

Year ended December 31, 2025

DETAIL OF ACCOUNTS - STATEMENT OF OPERATIONS

MISCELLANEOUS OTHER REVENUE (ACCOUNT NO. 5990)

Water reimbursement income	\$ 14,714
Other revenue	<u>6,627</u>
	<u>\$ 21,341</u>

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 Member
Monroe Lafayette, LLC

We have audited Monroe Lafayette, LLC, 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 statement of Monroe Lafayette, LLC, which comprise the balance sheet as of December 31, 2025, and the related statements of operations, member's equity (deficit), and cash flows for year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 27, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Monroe Lafayette, LLC'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 Monroe Lafayette, LLC's internal control. Accordingly, we do not express an opinion on the effectiveness of Monroe Lafayette, LLC'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 Monroe Lafayette, LLC's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.



EISNERAMPER LLP
Atlanta, Georgia
March 27, 2026



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR MAJOR HUD
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE
CONSOLIDATED AUDIT GUIDE FOR AUDITS OF HUD PROGRAMS**

To the Member
Monroe Lafayette, LLC

Report on Compliance for Major HUD Program

Opinion on Major HUD Program

We have audited Monroe Lafayette, LLC's compliance with the compliance requirements described in the *Consolidated Audit Guide for Audits of HUD Programs* (the audit guide) that could have a direct and material effect on Monroe Lafayette, LLC's major U.S. Department of Housing and Urban Development (HUD) programs for the year ended December 31, 2025. Monroe Lafayette, LLC's major HUD programs and the related direct and material compliance requirements are as follows:

Name of Major HUD Program	Direct and Material Compliance Requirements
Section 221 (d)(4) mortgage insurance program	Federal financial reports; fair housing and nondiscrimination; mortgage status; replacement reserve; distributions to owners; equity skimming; cash receipts; cash disbursements; tenant security deposits; management functions; unauthorized change in ownership/acquisition of liabilities; unauthorized loan of project funds

In our opinion, Monroe Lafayette, LLC complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major HUD programs for the year ended December 31, 2025.

Basis for Opinion on Major HUD Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit guide. Our responsibilities under those standards and the audit guide are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Monroe Lafayette, LLC and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that our audit provides a reasonable basis for our opinion on compliance for the major HUD program. Our audit does not provide a legal determination of Monroe Lafayette, LLC's compliance.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.



- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Monroe Lafayette, LLC's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Monroe Lafayette, LLC's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the audit guide, but not for the purpose of expressing an opinion on the effectiveness of Monroe Lafayette, LLC's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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



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

EisnerAmper LLP

EISNERAMPER LLP
Atlanta, Georgia
March 27, 2026



Monroe Lafayette, LLC
HUD Project No.: 064-35689

SCHEDULE OF FINDINGS, QUESTIONED COSTS AND RECOMMENDATIONS

Year ended December 31, 2025

Our Audit disclosed no findings that are required to be reported herein under the HUD Consolidated Audit Guide.

Monroe Lafayette, LLC
HUD Project No.: 064-35689

SCHEDULE OF THE STATUS OF PRIOR AUDIT FINDINGS,
QUESTIONED COSTS AND RECOMMENDATIONS (UNAUDITED)

Year ended December 31, 2025

1. Audit report, dated May 14, 2025, for the period from October 1, 2023 (day after cost certification) through December 31, 2024, issued by Tidwell Group, LLC:

There are no open findings from the prior report.

2. There were no letters or reports issued by the HUD Office of Inspector General or other federal agencies or contract administrators during the period covered by this audit.
3. There were no letters or reports issued by HUD management during the period covered by this audit.

MONROE LAFAYETTE, LLC

INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES

DECEMBER 31, 2025

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To: Board of the Monroe Lafayette, LLC and the Louisiana Legislative Auditor

We have performed the procedures enumerated in Schedule A on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) of Monroe Lafayette, LLC for the fiscal period January 1, 2025 through December 31, 2025. Monroe Lafayette, LLC's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures we performed, and the associated findings are summarized in the attached Schedule A, which is an integral part of this report.

We were engaged by Monroe Lafayette, LLC to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the AICPA and the standards applicable to attestation engagements contained in Government Auditing Standards issued by the Comptroller General of the United States. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs of Monroe Lafayette, LLC for the fiscal period January 1, 2025 through December 31, 2025. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

The purpose of this report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

EisnerAmper LLP

EISNERAMPER LLP
Atlanta, Georgia
August 7, 2026

EISNERAMPER
LLP



The procedures performed and the results thereof are set forth below. The procedure is stated first, followed by the results of the procedure presented in italics. If the item being subjected to the procedures is positively identified or present, then the results will read “*no exception noted*” or for step 13 “*we performed the procedure and discussed the results with management*”. If not, then a description of the exception ensues.

1) Written Policies and Procedures

A. Obtain and inspect the entity’s written policies and procedures and observe whether they address each of the following categories and subcategories (if applicable to public funds and the entity’s operations):

- i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

No exception noted.

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

No exception noted.

- iii. ***Disbursements***, including processing, reviewing, and approving

No exception noted.

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

Exception noted: Written policies and procedures did not address receiving, recording, and preparing deposits and Management’s actions to determine completeness of all collections for each type of revenue.

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

No exception noted.

**AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
DECEMBER 31, 2025**

Schedule A

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

No exception noted.

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

No exception noted.

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

No exception noted.

- ix. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

No exception noted.

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

No exception noted.

- xi. **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

No exception noted.

- xii. **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

No exception noted.

2) Board or Finance Committee

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

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

No exception noted.

- ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual comparisons, at a minimum, on all proprietary funds, and semi-annual budget- to-actual comparisons, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

No exception noted.

- iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

No exception noted.

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

No exception noted.

3) Bank Reconciliations

A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the

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fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

A listing of bank accounts was provided and included a total of 3 bank accounts. Management identified the entity's main operating account. No exceptions were noted as a result of performing this procedure.

From the listing provided, we selected 3 bank accounts (1 main operating and 2 remaining) and obtained the bank reconciliations for the month ending December 2025, resulting in 3 bank reconciliations obtained and subjected to the below procedures.

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

No exception noted.

- ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated, electronically logged); and

Exception noted: The Entity's bank reconciliation selected for testing did not include evidence of management's review for the month tested.

- iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

No exception noted.

4) Collections (excluding electronic funds transfers)

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

A listing of deposit sites was provided and included a total of 1 deposit site. No exceptions were noted as a result of performing this procedure.

We selected the 1 deposit site and performed the procedures below.

- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g. 5 collection locations for 5 deposit sites), obtain and inspect written policies

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and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

A listing of collection locations for each deposit site selected in procedure #4A was provided and included a total of 1 collection location. No exceptions were noted as a result of performing this procedure.

From each of the listings provided, we randomly selected one collection location for each deposit site. Review of the Entity's written policies and procedures or inquiry with employee(s) regarding job duties was performed in order to perform the procedures below.

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

No exception noted.

- ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit;

Exception noted: The individual responsible for collecting cash is also responsible for preparing/making bank deposits, and another individual does not reconcile collection documentation.

- iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and

Exception noted: The individual responsible for collecting cash is also responsible for posting collection entries to the general ledger or subsidiary ledger, and another individual/official does not reconcile the general ledger postings to each other and to the deposit.

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

Exception noted: The individual responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source is also responsible for collecting cash, and another individual does not verify the reconciliation.

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

No exception noted.

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

We randomly selected 2 deposit dates for each of the 3 bank accounts selected in procedure #3A. We obtained supporting documentation for each of the 6 deposits and performed the procedures below.

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

No exception noted.

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

No exception noted.

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

No exception noted.

- iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

No exception noted.

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

No exception noted.

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

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

The listing of locations that process payments for the fiscal period was provided. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected 1 location and performed the procedures below.

- B. For each location selected under #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that:

The listing of employees involved with non-payroll purchasing and payment functions for each payment processing location selected in procedure #5A was provided. No exceptions were noted as a result of performing this procedure.

Review of the Entity's written policies and procedures or inquiry with employee(s) regarding job duties was performed in order to perform the procedures below.

- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;

No exception noted.

- ii. At least two employees are involved in processing and approving payments to vendors;

No exception noted.

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

No exception noted.

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- iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and

No exception noted.

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

No exception noted.

- C. For each location selected under #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and

A listing of non-payroll disbursements for each payment processing location selected in procedures #5A was provided related to the reporting period. No exceptions were noted as a result of performing this procedure.

From each of the listings provided, we randomly selected 5 disbursements and performed the procedures below.

- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice, and that supporting documentation indicates that deliverables included on the invoice were received by the entity, and

No exceptions noted.

- ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

No exception noted.

- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

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No exception noted.

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

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

Monroe Lafayette, LLC does not have any credit cards, debit cards, fuel cards, or purchase cards associated with the property; therefore, this procedure is not applicable.

- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and

Monroe Lafayette, LLC does not have any credit cards, debit cards, fuel cards, or purchase cards associated with the property; therefore, this procedure is not applicable.

- i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported; and

Monroe Lafayette, LLC does not have any credit cards, debit cards, fuel cards, or purchase cards associated with the property; therefore, this procedure is not applicable.

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

Monroe Lafayette, LLC does not have any credit cards, debit cards, fuel cards, or purchase cards associated with the property; therefore, this procedure is not applicable.

- C. Using the monthly statements or combined statements selected under procedure #6B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a

compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

Monroe Lafayette, LLC does not have any credit cards, debit cards, fuel cards, or purchase cards associated with the property; therefore, this procedure is not applicable.

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

Monroe Lafayette, LLC does not have any credit cards, debit cards, fuel cards, or purchase cards associated with the property; therefore, this procedure is not applicable.

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

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements, and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

The listing of travel and travel-related expense reimbursements was provided for the fiscal period. No exceptions were noted as a result of performing this procedure.

Monroe Lafayette, LLC incurred no travel or travel related expense during the fiscal period; therefore, this procedure is not applicable.

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

Monroe Lafayette, LLC incurred no travel or travel related expense during the fiscal period; therefore, this procedure is not applicable.

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

Monroe Lafayette, LLC incurred no travel or travel related expense during the fiscal period; therefore, this procedure is not applicable.

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- iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by “Written Policies and Procedures”, procedure #1A(vii); and

Monroe Lafayette, LLC incurred no travel or travel related expense during the fiscal period; therefore, this procedure is not applicable.

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

Monroe Lafayette, LLC incurred no travel or travel related expense during the fiscal period; therefore, this procedure is not applicable.

8) Contracts

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management’s representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner’s contract, and

Monroe Lafayette, LLC entered no new agreements/contracts for professional services, materials and supplies, leases, and constructions activities during the fiscal period; therefore, this procedure is not applicable.

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

Monroe Lafayette, LLC entered no new agreements/contracts for professional services, materials and supplies, leases, and constructions activities during the fiscal period; therefore, this procedure is not applicable.

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

Monroe Lafayette, LLC entered no new agreements/contracts for professional services, materials and supplies, leases, and constructions activities during the fiscal period; therefore, this procedure is not applicable.

- iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the

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contract terms (e.g., if approval is required for any amendment, the documented approval);
and

Monroe Lafayette, LLC entered no new agreements/contracts for professional services, materials and supplies, leases, and constructions activities during the fiscal period; therefore, this procedure is not applicable.

- iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Monroe Lafayette, LLC entered no new agreements/contracts for professional services, materials and supplies, leases, and constructions activities during the fiscal period; therefore, this procedure is not applicable.

9) Payroll and Personnel

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

Monroe Lafayette, LLC does not have any employees; therefore, this procedure is not applicable.

- B. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and

Monroe Lafayette, LLC does not have any employees; therefore, this procedure is not applicable

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

Monroe Lafayette, LLC does not have any employees; therefore, this procedure is not applicable

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

Monroe Lafayette, LLC does not have any employees; therefore, this procedure is not applicable

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

Monroe Lafayette, LLC does not have any employees; therefore, this procedure is not applicable

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

Monroe Lafayette, LLC does not have any employees; therefore, this procedure is not applicable

- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.

Monroe Lafayette, LLC does not have any employees; therefore, this procedure is not applicable

- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Monroe Lafayette, LLC does not have any employees; therefore, this procedure is not applicable

10) Ethics

- A. Using the 5 randomly selected employees/officials from procedure "Payroll and Personnel" procedure #9A, above obtain ethics documentation from management, and

- i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

Monroe Lafayette, LLC does not have any employees; therefore, this procedure is not applicable

- ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

Monroe Lafayette, LLC does not have any employees; therefore, this procedure is not applicable

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

Monroe Lafayette, LLC does not have any employees; therefore, this procedure is not applicable

11) Debt Service

- A. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued as required by Article VII, Section 8 of the Louisiana Constitution.

No exception noted.

- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

A listing of bonds/notes outstanding at the end of the fiscal period was provided. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected 1 bond/note and performed the specified procedures.

12) Fraud Notice

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

No exception noted.

- B. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

No exception noted.

13) Information Technology Disaster Recovery/Business Continuity

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

- i. Obtain and inspect the entity’s most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government’s local server or network, and (c) was encrypted.

We performed the procedure and discussed the results with management.

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

We performed the procedure and discussed the results with management.

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

We performed the procedure and discussed the results with management.

- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in Payroll and Personnel procedure #9C. Observe evidenced that the selected terminated employees have been removed or disabled from the network.

Monroe Lafayette, LLC does not have any employees; therefore, this procedure is not applicable

- C. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency’s

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information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:

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

Monroe Lafayette, LLC does not have any employees; therefore, this procedure is not applicable

14) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from “Payroll and Personnel” procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

Monroe Lafayette, LLC does not have any employees; therefore, this procedure is not applicable

- B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity’s premises if the entity does not have a website).

Monroe Lafayette, LLC does not have any employees; therefore, this procedure is not applicable

- C. Obtain the entity’s annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:

- i. Number and percentage of public servants in the agency who have completed the training requirements;

Monroe Lafayette, LLC does not have any employees; therefore, this procedure is not applicable

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

Monroe Lafayette, LLC does not have any employees; therefore, this procedure is not applicable

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

Monroe Lafayette, LLC does not have any employees; therefore, this procedure is not applicable

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

Monroe Lafayette, LLC does not have any employees; therefore, this procedure is not applicable

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

Monroe Lafayette, LLC does not have any employees; therefore, this procedure is not applicable

Management has reviewed and will address the exceptions noted above.