CYPRESS AT GARDERE, LP

AUDITED FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

CYPRESS AT GARDERE, LP

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AS OF AND
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

INDEPENDENT AUDITORS' REPORT

To the Partners and Management
of Cypress at Gardere, LP
Baton Rouge, Louisiana

Opinion

We have audited the accompanying financial statements of Cypress at Gardere, LP (a Louisiana Limited Partnership), which comprise the balance sheets as of December 31, 2025 and 2024 and the related statements of operations, partners' equity (deficit), and cash flows for the years 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 Cypress at Gardere, LP as of December 31, 2025 and 2024, and the results of its operations, changes in partners' equity (deficit) and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 Cypress at Gardere, LP's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Cypress at Gardere, LP'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 Cypress at Gardere, LP's ability to continue as a going concern for a reasonable period of time.

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

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Expenses, the Computation of Surplus Cash – LHC CDBG, and the Schedule of Compensation, Benefits, and Other Payments to the Agency Head or Chief Executive Officer are presented for purposes of additional analysis and are 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 audits 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 information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 2, 2026 on our consideration of Cypress at Gardere, LP'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 Cypress at Gardere, LP'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 Cypress at Gardere, LP's internal control over financial reporting and compliance.

Little & Associates, LLC

Monroe, LA
April 2, 2026

CYPRESS AT GARDERE, LP
BALANCE SHEETS
DECEMBER 31,

ASSETS

	2025	2024
CURRENT ASSETS		
Cash - Operations	$ 205,993	$ 244,342
Cash - Development	53,163	820
Accounts Receivable - Tenants	2,190	597
Accounts Receivable - Other	4,349	-
Prepaid Expenses	60,642	59,090
Total Current Assets	326,337	304,849
RESTRICTED DEPOSITS AND FUNDED RESERVES		
Replacement Reserve	395,787	277,329
Operating Reserve	486,771	456,046
Real Estate Tax and Insurance Escrow	175,433	213,178
Tenants' Security Deposits	12,530	10,748
Total Restricted Deposits and Funded Reserves	1,070,521	957,301
PROPERTY AND EQUIPMENT		
Buildings	19,004,514	19,004,514
Site Improvements	1,372,243	1,372,243
Furniture and Equipment	731,004	685,803
Total	21,107,761	21,062,560
Less: Accumulated Depreciation	(2,081,668)	(1,468,232)
Total Property and Equipment	19,026,093	19,594,328
OTHER ASSETS		
Tax Credit Costs	79,995	79,995
Accumulated Amortization	(18,264)	(12,931)
Net Amortizable Assets	61,731	67,064
Utility Deposits	150	150
Total Other Assets	61,881	67,214
Total Assets	$ 20,484,832	$ 20,923,692

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

CYPRESS AT GARDERE, LP
BALANCE SHEETS
DECEMBER 31,

LIABILITIES AND PARTNERS' EQUITY

	2025	2024
CURRENT LIABILITIES		
Accounts Payable	$ 10,839	$ 4,793
Deferred Income	9,862	3,564
Due To Related Parties	-	105,388
Asset Management Fees Payable	5,464	5,464
Developer Fees Payable	-	483,407
Accrued Interest Payable - Walker Dunlop - Construction Loan	-	17,908
Accrued Interest Payable - Walker Dunlop - Permanent Loan	17,791	-
Note Payable - Walker Dunlop - Construction Loan	-	4,840,000
Current Portion of Long-Term Debt	60,445	-
Current Portion of Long-Term Debt - LHC - CDBG Loan	105,021	-
Total Current Liabilities	209,422	5,460,524
DEPOSITS		
Tenants' Security Deposits	11,816	10,500
Total Deposits	11,816	10,500
LONG-TERM LIABILITIES		
Note Payable - Walker Dunlop - Permanent Loan	4,747,865	-
Note Payable - LHC - CDBG Loan	3,739,979	3,652,750
Note Payable - PFP - Seller Loan	4,900,000	4,900,000
Accrued Interest Payable - PFP - Seller Loan	1,577,913	1,185,913
Note Payable - PFP - AHP Dallas Loan	750,000	750,000
Accrued Interest Payable - PFP - AHP Dallas Loan	17,688	13,938
Partnership Management Fees Payable	99,516	77,006
Total Long-Term Liabilities	15,832,961	10,579,607
Total Liabilities	16,054,199	16,050,631
PARTNERS' EQUITY		
Partners' Equity	4,430,633	4,873,061
Total Partners' Equity	4,430,633	4,873,061
Total Liabilities and Partners' Equity	$ 20,484,832	$ 20,923,692

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

CYPRESS AT GARDERE, LP
STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31,

	2025	2024
REVENUE		
Rental Income	$ 280,863	$ 301,325
Rental Assistance Subsidy	869,679	854,571
Vacancies	(52,700)	(96,980)
Concessions	(60)	(359)
Bad Debts	(8,558)	(8,765)
Late Fees, Forfeited Deposits, etc.	19,732	11,598
Other Income	5,464	69
Total Revenue	1,114,420	1,061,459
EXPENSES		
Maintenance and Repairs	257,760	206,893
Utilities	97,425	92,645
Administrative	215,934	165,330
Management Fees	55,722	52,852
Insurance	115,245	61,144
Taxes	37,591	37,085
Interest	608,717	614,228
Depreciation and Amortization	618,769	617,638
Total Expenses	2,007,163	1,847,815
Net Operating Income (Loss)	(892,743)	(786,356)
OTHER INCOME (EXPENSE)		
Interest Income	40,283	5,963
Construction Loan Extension Fees	-	(20,000)
Claim Gain (Loss)	-	(2,532)
Asset Management Fees	(5,464)	(5,464)
Partnership Management Fees	(22,510)	(21,855)
Total Other Income (Expense)	12,309	(43,888)
Net Income (Loss)	$ (880,434)	$ (830,244)

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

CYPRESS AT GARDERE, LP
STATEMENTS OF PARTNERS' EQUITY (DEFICIT)
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

		General Partner	Special Limited Partner	Limited Partner
	Total	Cypress at Gardere GP, LLC	RBC Community Investments Manager II, Inc.	RBC Community Investments National Fund-30, L.P.
Partners' Equity (Deficit), December 31, 2023	$ 5,703,305	$ (275)	$ (31)	$ 5,703,611
Net Income (Loss)	(830,244)	(75)	(8)	(830,161)
Partners' Equity (Deficit), December 31, 2024	4,873,061	(350)	(39)	4,873,450
Contributions	438,006	-	-	438,006
Net Income (Loss)	(880,434)	(79)	(9)	(880,346)
Partners' Equity (Deficit), December 31, 2025	$ 4,430,633	$ (429)	$ (48)	$ 4,431,110
Profit and Loss Percentages	100.00%	0.009%	0.001%	99.990%

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

CYPRESS AT GARDERE, LP
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income (Loss)	$ (880,434)	$ (830,244)
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Depreciation and Amortization	618,769	617,638
(Increase) Decrease in Accounts Receivable - Tenants	(1,593)	1,264
(Increase) Decrease in Accounts Receivable - Other	(4,349)	-
(Increase) Decrease in Prepaid Expenses	(1,552)	(58,381)
Increase (Decrease) in Accounts Payable	6,046	(6,225)
Increase (Decrease) in Deferred Income	6,298	(5,575)
Increase (Decrease) in Asset Management Fees Payable	-	(8,324)
Increase (Decrease) in Partnership Management Fees Payable	22,510	21,855
Increase (Decrease) in Accrued Interest Payable	395,633	395,750
Increase (Decrease) in Security Deposit Liability	1,316	(1,300)
Total Adjustments	1,043,078	956,702
Net Cash Provided (Used) by Operating Activities	162,644	126,458
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments for Property and Equipment	(45,201)	-
Net Cash Provided (Used) by Investing Activities	(45,201)	-
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from Long-Term Debt	192,250	-
Principal Payments of Long-Term Debt	(31,690)	-
Payment of Development Costs Payable	-	(7,026)
Payment of Developer Fees Payable	(483,407)	-
Net Change in Due To Related Parties	(105,388)	20,000
Capital Contributions Received from Partners	438,006	-
Net Cash Provided (Used) by Financing Activities	9,771	12,974
Net Increase (Decrease) in Cash and Cash Equivalents	127,214	139,432
Cash and Cash Equivalents, Beginning of Year	1,202,463	1,063,031
Cash and Cash Equivalents, End of Year	$ 1,329,677	$ 1,202,463

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

CYPRESS AT GARDERE, LP
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,

	2025	2024
Supplemental Disclosures of Cash Flow Information:		
Cash and Cash Equivalents		
Cash - Operations	$ 205,993	$ 244,342
Cash - Development	53,163	820
Replacement Reserve	395,787	277,329
Operating Reserve	486,771	456,046
Real Estate Tax and Insurance Escrow	175,433	213,178
Tenants' Security Deposits	12,530	10,748
Total Cash and Cash Equivalents	$ 1,329,677	$ 1,202,463
Cash paid During the Year for:		
Interest	$ 213,084	$ 218,478

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

NOTE A – ORGANIZATION

Cypress at Gardere, LP (the "Partnership") was organized on November 29, 2017 as a Louisiana limited partnership to develop, construct, own, maintain, and operate a 99-unit rental housing apartment complex for person of low income. The apartment complex is located in Baton Rouge, Louisiana and is known as Cypress at Gardere. All units of the apartment complex are rented under the requirements of Code Section 42 (Section 42) of the Internal Revenue Code (low-income housing tax credit) which regulates the use of the apartment complex as to occupant eligibility and unit gross rent, among other requirements. The initial 15-year compliance period has expired; however, the property remains subject to an extended use agreement with the state housing agency, which imposes certain rent and tenant income restrictions. The major activities of the Partnership are governed by the Amended and Restated Agreement of Limited Partnership dated April 21, 2021 (the "Partnership Agreement") and are subject to the administrative directives, rules, and regulations of federal and state regulatory agencies, including but not limited to, the state housing finance agency. Such administrative directives, rules, and regulations are subject to change by federal and state agencies.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

Basis of Accounting

The financial statements of the Partnership are prepared on the accrual basis of accounting and in accordance with U.S. generally accepted accounting principles.

Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statements of cash flows, cash and cash equivalents represent unrestricted cash, restricted deposits, funded reserves and all highly liquid and unrestricted and restricted debt instruments purchased with a maturity of three months or less.

Cash and Other Deposits

The Partnership maintains various checking, escrow, and other deposits at various financial institutions. All interest-bearing and noninterest-bearing accounts, in the aggregate, are insured up to $250,000 at each financial institution by the Federal Deposit Insurance Corporation (FDIC). As of December 31, 2025, there were uninsured deposits in the amount of $601,176.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Debt Issuance Costs

Debt issuance costs, net of accumulated amortization, will be reported as a direct reduction of the obligation to which such costs relate. Amortization of debt issuance costs will be reported as a component of interest expense and will be computed using the interest method.

Operating Reserve

In accordance with Section 4.02(m) of the Partnership Agreement, the General Partner is required to establish and maintain an operating reserve account (the "Operating Reserve") with an initial deposit of $456,046 no later than the making of the Third Capital Contribution. The Third Capital Contribution is due to be paid on the later of March 1, 2023, or 10 Business Days after the occurrence and satisfaction of a series of conditions described in the Partnership Agreement. The Operating Reserve is to be funded from Capital Contributions and/or the proceeds of the Project Loan. Funds in the Operating Reserve shall be used exclusively to fund operating deficits, as approved by the Special Limited Partner in an approved annual budget for the Project or upon request of the General Partner. In no event shall the General Partners withdraw funds for Operating Deficits if the balance is less than $228,023 at any time. This Reserve is also required by Section 2.2(b) of the CDBG-DR 2018 Piggyback Program GAP Financing Loan Agreement dated April 22, 2021. Deposits occurring after the placed in service date shall only be made from Surplus Cash remaining after payment of the Annual Installment (regardless of whether the deposit is being made to replenish reserve funds drawn down to pay prior Operating Deficits). As of December 31, 2025 and 2024, this account had a balance of $486,771 and $456,046, respectively.

Replacement Reserve

In accordance with Section 4.02(l) of the Partnership Agreement, the General Partner is required to establish and maintain a replacement reserve account (the "Replacement Reserve") with an initial deposit of $99,000 no later than the making of the Second Capital Contribution and annual deposits commencing upon Substantial Completion in an amount equal to the greater of (i) $250.00 per unit, increasing 3% annually, and (ii) the amount required by the permanent lender (underwritten at $600 per unit increasing 3% annually) from the Partnership's gross operating revenues into a segregated Reserve Fund for Replacements. The Second Capital Contribution is due to be paid on the later of August 1, 2022, or 10 Business Days after the occurrence and satisfaction of a series of conditions described in the Partnership Agreement. Funds in the Replacement Reserve shall be withdrawn subject to the Special Limited Partner's consent which may be evidenced in an approved annual budget for the Project or upon request of the General Partners.

In accordance with Section 2.2(b) of the CDBG-DR 2018 Piggyback Program GAP Financing Loan Agreement dated April 22, 2021, the Partnership shall establish and maintain a reserve ("Replacement Reserve") for the payment of costs and expenses incurred by the Partnership in connection with fixtures, furniture and equipment, capital improvements, repairs and replacements performed at the Project. Prior to the release of the Loan retainage (the final

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Replacement Reserve (Continued)

payment of Loan proceeds), the Partnership must produce evidence that the Partnership has deposited $99,000 into the Replacement Reserve Account as an initial deposit. Commencing on the first day of the month in which the Project is placed in service, and continuing thereafter on the 1st of each year of the Project's operation during the term of the Agreement mentioned above, the Partnership shall deposit to the Replacement Reserve Account an amount equal to $600 per unit per year, or a total of $59,400 per year, until the Maturity Date of the CDBG Loan on May 1, 2056. The Partnership shall pay $4,950 each month to Walker and Dunlop, LLC for deposit into the Replacement Reserve Account. For the year ended December 31, 2025, $61,182 was required to be funded to the Replacement Reserve account. The actual amount funded during the year ended December 31, 2025 was $109,080, which resulted in the account being adequately funded for the year ended December 31, 2025. For the year ended December 31, 2024, $59,400 was required to be funded to the Replacement Reserve account. The actual amount funded during the year ended December 31, 2024 was $267,315, which resulted in the account being adequately funded for the year ended December 31, 2024. As of December 31, 2025 and 2024, this account had a balance of $395,787 and $277,329, respectively.

Replacement Reserve Account activity for the years ended December 31, 2025 and 2024 is as follows:

Beginning Balance 12/31/2023	$ 4,126
Deposits	267,315
Interest	5,963
Withdrawals	(75)
Ending Balance 12/31/2024	277,329
Deposits	109,080
Interest	9,558
Withdrawals	(180)
Ending Balance 12/31/2025	$ 395,787

Rent-Up Reserve

In accordance with Section 4.02(l) of the Partnership Agreement, the General Partner is required to establish and maintain a rent-up reserve account (the "Rent-Up Reserve") with an initial deposit of $149,249 no later than ninety days prior to the date on which the buildings in the Project are "placed into service". The Rent-Up Reserve is to be funded from Capital Contributions and/or the proceeds of the Project Loan. The General Partner shall be entitled to withdraw funds from the Rent-Up Reserve to fund operating expenses and debt service of the Project prior to the Stabilization Date subject to the Special Limited Partner's Consent (such Consent not to be unreasonably withheld, conditioned or delayed), which may be evidenced in an approved annual budget for the Project or, upon the request of the General Partner. The unused balance of the Rent-Up Reserve shall be distributed as Net Cash Flows prior to the Final Capital

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Rent-Up Reserve (Continued)

Contribution. The Final Capital Contribution is due to be paid on the later of June 1, 2023, or 10 Business Days after the occurrence and satisfaction of a series of conditions described in the Partnership Agreement. As of December 31, 2025, this account was not funded.

Credit Risk Collateralization Policy

The Partnership does not require collateral to support financial instruments subject to credit risk.

Property, Equipment and Depreciation

Land, buildings, improvements, and equipment are recorded at cost. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations using the straight-line method over their estimated service lives as follows:

Buildings	40 years
Furniture, Fixtures and Equipment	10 years
Site Improvements	20 years

Improvements are capitalized, while expenditures for maintenance and repairs are charged to expense as incurred. Upon disposal of depreciable property, the appropriate property accounts are reduced by the related costs and accumulated depreciation. The resulting gains and losses are reflected in the statements of operations.

Amortization

Organization costs are expensed as incurred. Tax credit costs are be amortized over the fifteen year tax credit period using the straight-line method. As of December 31, 2025 and 2024, accumulated amortization was in the amount of $18,264 and $12,931, respectively. Amortization expense of tax credit costs amounted to $5,333 and $5,333 for the years ended December 31, 2025 and 2024, respectively.

Estimated future amortization expense for each of the five succeeding fiscal years:

Year Ending December 31,	Estimated Amortization Expense
2026	$ 5,333
2027	5,333
2028	5,333
2029	5,333

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Amortization (Continued)

Estimated future amortization expense for each of the five succeeding fiscal years (continued):

Year Ending December 31,	Estimated Amortization Expense
2030	5,333
Thereafter	35,066
Total Future Amortization	$ 61,731

Tenants' Security

Tenants' security deposits are to be held in a separate bank account in the name of the apartment complex. At December 31, 2025, this account was funded in an amount greater than the security deposit liability.

Revenue Recognition for Tenant Leases and Tenant Charges and Accounts Receivable

Rental income is recognized as rentals become due. Rental payments received in advance are deferred until earned. All leases between the Partnership and the tenants of the property are operating leases.

The Partnership determines if a contract is a lease or contains a lease at inception. At the commencement of an operating lease, no income is recognized; subsequently, lease payments received are recognized on a straight-line basis. Rental revenue attributable to tenant leases is recorded when due from residents, generally upon the first day of each month. Leases are for periods of up to one year, with rental payments due monthly. Other revenue includes fees for late payments, cleaning, damages, laundry facilities and other tenant charges and is recorded when earned. Advance receipts of revenue are deferred and classified as liabilities until earned. Tenants who are evicted or move out are charged with damages and cleaning fees, if applicable. Tenant receivable consists of amounts due for rental income, other tenant charges and charges for damages and cleaning fees in excess of forfeited security deposits. The Partnership does not accrue interest on the tenant receivable balances.

The Partnership uses the direct write-off method to provide for uncollectible accounts. Use of this method does not result in a material difference from the valuation method required by accounting principles generally accepted in the United States of America.

Income Taxes

No provision or benefit for income taxes has been included in these financial statements since taxable income or loss passes through to, and is reportable by, the partners individually. The time

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes (Continued)

limit for taxing authorities to examine the Partnership's income tax returns is generally three years from the date of filing or the due date, whichever is later, unless civil or criminal fraud is proven, for which there is no time limit. The Partnership files income tax returns in the U.S. federal jurisdiction, and various state jurisdictions. The Partnership is no longer subject to U.S. federal and state income tax examinations by tax authorities for years before 2022.

FASB ASC 360, *Property, Plant, and Equipment*

FASB ASC 360, *Property, Plant, and Equipment* requires that long-lived assets and certain identifiable intangibles held and used by an entity be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Application of the impairment provisions of FASB ASC 360, *Property, Plant, and Equipment* has not materially affected the Partnership's reported earnings, financial condition or cash flows.

Ground Lease

The Company determines if an arrangement is a lease at inception. An arrangement is a lease if the arrangement conveys a right to direct the use of and to obtain substantially all of the economic benefits from the use of an asset for a period of time in exchange for consideration.

Operating lease right-of use assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. The Company uses a risk-free rate at the commencement date in determining the present value of lease payments.

The operating lease right-of-use asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. The ground lease agreement does not contain material residual value guarantees or material restrictive covenants.

The Company accounts for the ground lease as an operating lease (see Note I).

NOTE C – PARTNERS AND CAPITAL CONTRIBUTIONS

The Partnership has one General Partner – Cypress at Gardere GP, LLC, a Louisiana limited liability company, one Special Limited Partner – RBC Community Investments Manager II, Inc., a Delaware corporation, and one Limited Partner – RBC Community Investments National Fund-30, L.P., a Delaware limited partnership. The Partnership records capital contributions as received and distributions as paid. During the years ended December 31, 2025 and 2024, capital contributions were received in the amount of $438,006 and $0 from the Limited Partner, respectively, and no capital contributions were received from the other Partners. Pursuant to the terms of the Partnership Agreement, the Limited Partner is required to provide capital contributions totaling $9,113,524, subject to potential adjustments based on the amount of low-income housing tax credits ultimately allocated to the Property in addition to other potential

NOTE C – PARTNERS AND CAPITAL CONTRIBUTIONS (CONTINUED)

occurrences as more fully explained in the Partnership Agreement. As of December 31, 2025 and 2024, Limited Partner capital contributions totaled $9,291,530 and $8,853,524, respectively. During the years ended December 31, 2025 and 2024, no distributions were paid to the Partners.

NOTE D – LONG-TERM DEBT

Note Payable – Walker and Dunlop, LLC – Construction Loan/Permanent Loan

On October 4, 2023, the Partnership entered into a loan agreement with Walker and Dunlop, LLC (Walker Dunlop) in the amount of $4,840,000. The loan is secured by the Project, has an interest rate of 4.31% plus servicing fee of 0.13%, and matures May 1, 2038. Interest only payments commenced on November 1, 2023 and continued until June 1, 2025. Monthly payments of principal and interest in the amount of $22,726 commenced on June 1, 2025 and will continue until maturity of the loan. At maturity, a balloon payment of the remaining principal balance and any accrued, but unpaid interest will be due in full. As of December 31, 2025 and 2024, the principal balance on the loan was $4,808,310 and $4,840,000 and accrued interest was $17,791 and $17,908, respectively.

Note Payable – Louisiana Housing Corporation – CDBG Loan

On April 22, 2021, the Partnership entered into a loan agreement with the Louisiana Housing Corporation (LHC) in the amount of $3,845,000. The loan is secured by the Project, has an interest rate of 0% per annum, and matures on May 1, 2056, the May 1 that is thirty-five (35) years from the Effective Date of the Regulatory Agreement. The principal balance is paid from 50% of Surplus Cash. The remaining principal balance is due and payable as a lump sum at maturity. As of December 31, 2025 and 2024, the balance due on the loan was $3,845,000 and $3,652,750, respectively. Based on the 2024 surplus cash calculation, the Partnership should have made a payment to LHC in the amount of $105,021, but no payment has been made.

Note Payable – Partners-For-Progress, Inc. – Seller Loan

On April 22, 2021, the Partnership entered into a loan agreement with Partners-For-Progress, Inc. (PFP) in the amount of $4,900,000. Partners-For-Progress, Inc. is an affiliate of the General Partner. The loan is secured by the Project, has a simple interest rate of 8% per annum, and matures April 22, 2056. The principal balance and accrued interest shall be paid annually commencing in 2023 with payments solely from 75% of Surplus Cash (as defined in the Subordination Agreement between Lender and Regions Bank, as a fiscal agent). The remaining principal balance and accrued interest shall be due and payable on maturity. As of December 31, 2025 and 2024, the principal balance on the loan was $4,900,000 and $4,900,000 and accrued interest was $1,577,913 and $1,185,913, respectively.

Note Payable – Partners-For-Progress, Inc. – AHP Dallas Loan

On April 22, 2021, the Partnership entered into a loan agreement with Partners-For-Progress, Inc. (PFP) in the amount of $750,000. Partners-For-Progress, Inc. is an affiliate of the General Partner. The loan is secured by the Project, has a simple interest rate of 0.5% per annum, and matures 35

NOTE D – LONG-TERM DEBT (CONTINUED)

Note Payable – Partners-For-Progress, Inc. – AHP Dallas Loan (Continued)

years on April 22, 2056. At maturity, the principal balance and accrued interest is due and payable as a lump sum. As of December 31, 2025 and 2024, the principal balance on the loan was $750,000 and $750,000 and accrued interest was $17,688 and $13,938, respectively.

Maturities of Long-Term Debt

Aggregate maturities of long-term debt for the next five years and thereafter are as follows:

Year Ending December 31	Amount
2026	$ 165,466
2027	$ 63,184
2028	$ 66,047
2029	$ 69,040
2030	$ 72,168
Thereafter	$ 13,867,405

The Partnership's CDBG loan and Seller loan are to be repaid from surplus cash. As a result, the aggregate maturities of the CDBG loan and Seller loan for the next five years cannot be reasonably estimated.

NOTE E – TRANSACTIONS WITH AFFILIATES AND RELATED PARTIES

Developer Fees/Developer Fee Note

Pursuant to the Development Agreement dated April 21, 2021 (the "Development Agreement"), the Partnership agreed to pay Partners-For-Progress, Incorporated, an affiliate of the General Partner, and Integral Development, LLC (collectively, the "Developer") a total combined fee of $2,275,000 for services relating to the development of the Property. The Development Note is unsecured, bears interest at 3% per annum, and is fully incurred upon the placement in service of 100% of the Project units and is payable from available Net Cash Flow. As of December 31, 2024, the Partnership owed developer fees in the amount of $483,407. During the year ended December 31, 2025, the Partnership paid the remaining developer fees in full to the Developer.

Partnership Management Fee

In accordance with Section 13.04(j)(iii) of the Partnership Agreement, the Partnership pays an annual partnership management fee of $20,000, increasing annually by 3%, to the General Partner. The fee will be paid annually, beginning on the first anniversary of the Initial Closing as defined in the Partnership Agreement and continuing through the scheduled maturity date of the Permanent Loan. The fee is payable from available Net Cash Flow. During the years ended December 31,

NOTE E – TRANSACTIONS WITH AFFILIATES AND RELATED PARTIES (CONTINUED)

Partnership Management Fee (Continued)

2025 and 2024, a Partnership Management Fee was incurred in the amount of $22,510 and $21,855, respectively. At December 31, 2025 and 2024, the Partnership owed Partnership Management Fees in the amount of $99,516 and $77,006, respectively.

Asset Management Fee

In accordance with Section 13.04(j)(iv) of the Partnership Agreement, the Partnership pays an annual asset management fee of $5,000, increasing 3% annually, to the Limited Partner. The fee will be paid annually, beginning on the first anniversary of the Initial Closing as defined in the Partnership Agreement. The fee accrues and is payable from available Net Cash Flow. During the years ended December 31, 2025 and 2024, an Asset Management Fee was incurred in the amount of $5,464 and $5,464, respectively. At December 31, 2025 and 2024, the Partnership owed Asset Management Fees in the amount of $5,464 and $5,464, respectively.

Due To Related Parties

During the year ended December 31, 2024, The Integral Group, an affiliate of the General Partner, paid development costs in the amount of $20,000 on behalf of the Partnership to cover loan extension costs. As of December 31, 2024, the Partnership owed $20,000 to The Integral Group. During the year ended December 31, 2025, the Partnership paid the remaining development costs in the amount of $20,000 to The Integral Group.

During the year ended December 31, 2023, Partners Southeast, an affiliate of the General Partner, paid development costs in the amount of $85,388 on behalf of the Partnership. As of December 31, 2024, the Partnership owed $85,388 to Partners Southeast. During the year ended December 31, 2025, the Partnership paid the remaining development costs in the amount of $85,388 to Partners Southeast.

NOTE F – MANAGEMENT AGENT COMPENSATION

On September 2, 2022, the Partnership entered into a Co Property Management Agreement with Integral Property Management LLC (Manager) and Latter & Blum Property Management Inc. (L&B). In accordance with Article 4 of the Agreement mentioned above, for services provided by both L&B and Manager, the Partnership shall pay L&B and Manager compensation equal to 5% and 0.5% of gross collections received during the month, respectively. Management Fees incurred during the years ended December 31, 2025 and 2024 were $55,722 and $52,852, respectively. At December 31, 2025 and 2024, the Partnership did not owe any Management Fees.

NOTE G – PARTNERSHIP PROFITS AND LOSSES AND DISTRIBUTIONS

In accordance with Section 11.01(b) of the Partnership Agreement, all profits and losses are allocated 0.009% to the General Partner, 0.001% to the Special Limited Partner, and 99.99% to the Limited Partner.

In accordance with Section 11.03(b) of the Partnership Agreement, Net Cash Flow shall be distributed annually in the following priority:

(i) *First*, to the Limited Partner until the aggregate amount of distributions made to the Limited Partner under Section 11.03(b)(i) of the Partnership Agreement for the current and all prior years equals the Limited Partner's Assumed Tax Liability for the current and all prior years;

(ii) *Second*, to the Limited Partner in an amount equal to any Unpaid Tax Credit Shortfall, for any outstanding Limited Partner Loans, and for any other amounts due and owing to the Limited Partner;

(iii) *Third*, to the Special Limited Partner for any Asset Management Fees that were not paid in full when due pursuant to Section 13.04(j)(iv) of the Partnership Agreement;

(iv) *Fourth*, to replenish the Operating Reserve and maintain a balance of $456,046, pursuant to Section 4.02(m) of the Partnership Agreement;

(v) *Fifth*, until all amounts due under the Development Agreement have been paid in full, to the Developer for payment of such amounts;

(vi) *Sixth*, to the General Partner for any Partnership Management Fees that were not paid if full when due pursuant to Section 13.04(j)(iii) of the Partnership Agreement;

(vii) *Seventh*, 50% to the payment of the CDBG Loan until such loan is paid in full;

(viii) *Eighth*, 75% of the remaining Cash Flow to the payment of the Partners-For-Progress Loan (Seller Loan) until such loan is paid in full;

(ix) *Ninth*, to the General Partner until the aggregate amount of distributions made to the General Partner for the current and all prior years equals the General Partner's Assumed Tax Liability for the current and all prior years;

(x) *Tenth*, to the payment of any outstanding Operating Deficit Loans and General Partner Loans, based on the respective outstanding balances of each;

(xi) *Eleventh*, the remaining Cash Flow shall be distributed 99.99% to the Limited Partner, 0.001% to the Special Limited Partner, and 0.009% to the General Partner; and,

NOTE G – PARTNERSHIP PROFITS AND LOSSES AND DISTRIBUTIONS (CONTINUED)

(xii) *Twelfth*, to the Limited Partner as a Priority Distribution; provided, however, that notwithstanding anything to the contrary, if the amount of the distribution to the Limited Partner under Section (xii) of the Partnership Agreement is less than 10% of the aggregate amount distributed pursuant to Sections 11.03(b)(xi) and (xii) of the Partnership Agreement, then the Limited Partner shall receive a priority distribution before any distributions under Sections 11.03(b)(xi) and11.03(b)(xii) of the Partnership Agreement in an amount such that, when added to the sum distributable to the Limited Partner under Section (xii) of the Partnership Agreement, shall equal 10% of the aggregate amount distributed pursuant to Sections 11.03(b)(xi) and (xii) of the Partnership Agreement.

NOTE H – OPERATING DEFICIT GUARANTY

In accordance with Section 8.10(b) of the Partnership Agreement, in the event that, at any time during the period commencing on achievement of the Stabilization Date and ending on the Release Date, an Operating Deficit shall exist, the General Partner shall provide such funds to the Partnership as shall be necessary to pay such Operating Deficit(s); provided, however, that the General Partner shall not be obligated to provide such funds to the extent that the provision of such funds, if considered an Operating Deficit Loan, would cause the aggregate unpaid balance of all Operating Deficit Loans to exceed $456,046. Funds provided after the achievement of the Stabilization Date shall be in the form of a loan to the Partnership (the "Operating Deficit Loan(s)"). Any Operating Deficit Loan shall be on the following terms: (i) it shall be unsecured; (ii) it shall not bear interest; (iii) it shall be repayable solely from Net Cash Flow and proceeds of a Capital Transaction at the time and in the amounts set forth in Sections 11.03(b), 11.04 and 12.02(a) of the Partnership Agreement; and (iv) Operating Deficit Loans shall be fully subordinated to payment of Project Loans, Limited Partner Loans, General Partner Loans, indebtedness of the Partnership to all Persons other than Partners and the Asset Management Fee. In the event that the General Partner shall fail to make any such Operating Deficit Loan as aforesaid, the Partnership, after obtaining the Consent of the Limited Partner, may suspend amounts otherwise payable as installments of the Development Fee pursuant to Section 8.11 of the Partnership Agreement until such obligation to fund the Operating Deficit Loan is met by the General Partner. Any amounts of the Development Fee so suspended shall not constitute reductions of amounts owed pursuant to Section 8.11 of the Partnership Agreement and the Development Agreement, and the General Partner shall have the obligation to make a Capital Contribution pursuant to Section 5.01(b) of the Partnership Agreement sufficient to make such installment payments as they become due under the Development Agreement. For the purpose of Section 8.10(b) of the Partnership Agreement, all expenses shall be paid on a 60-day current basis. Notwithstanding the foregoing, if, as of the Release Date, the balance of the Operating Reserve is less than $456,046, the obligation of the General Partner to provide funds to pay Operating Deficits shall continue until the balance in the Operating Reserve is equal to or greater than $456,046.

NOTE I – GROUND LEASE

On April 1, 2021, the Partnership entered into an Amended and Restated Ground Lease Agreement with the Housing Authority of the Parish of East Baton Rouge, Louisiana (EBRHA). The lease

NOTE I – GROUND LEASE (CONTINUED)

shall have an initial term of 75 years, commencing on April 1, 2021. The Partnership covenants and agrees to pay to EBRHA as rent for the Premises, annual payments in the amount of $10 per year. The entire lease has been prepaid as of the lease commencement date.

NOTE J – FEDERAL FINANCIAL ASSISTANCE

Effective October 1, 2022, the Partnership entered into a HAP contract with the Housing Authority of East Baton Rouge, Louisiana. Through the HAP contract the Partnership receives housing assistance payments from HUD under Section 8 of the United States Housing Act. Assistance payments included in income for the years ended December 31, 2025 and 2024 was $869,679 and $854,571, respectively. The HAP contract has an expiration date of not earlier than October 1, 2042.

NOTE K – TAX CREDITS

The Partnership was awarded an allocation of low income housing tax credits in the amount of $1,101,608 annually for ten years for total tax credits of $11,016,080. For the years ended December 31, 2025 and 2024, tax credits in the amount of $1,101,608 and $1,101,608 have been claimed, respectively. The remaining credits to be claimed in future years are as follows:

Credit Year	Credits	Credit Year	Credits
12/31/2026	$ 1,101,608	12/31/2030	$ 1,101,608
12/31/2027	$ 1,101,608	12/31/2031	$ 1,101,608
12/31/2028	$ 1,101,608	12/31/2032	$ 973,640
12/31/2029	$ 1,101,608		

NOTE L – CONTINGENCY

The Partnership's Low Income Housing Tax Credits are contingent on its ability to maintain compliance with applicable sections of Section 42. Failure to maintain compliance with the occupant eligibility, and/or unit gross rent, or to correct noncompliance within a specified time period could result in recapture of previously taken tax credits plus interest.

NOTE M – ADVERTISING

Advertising costs are expensed as incurred. During the years ended December 31, 2025 and 2024, there was advertising expense in the amount of $1,888 and $1,086, respectively.

NOTE N – PROPERTY TAXES

During the years ended December 31, 2025 and 2024, the Partnership incurred property taxes in the amount of $0 and $100, respectively. As of December 31, 2025 and 2024, the Partnership did not owe any property taxes.

NOTE O – TAXABLE INCOME (LOSS)

A reconciliation of financial statement net income (loss) to taxable income (loss) of the Partnership for the years ended December 31, 2025 and 2024 is as follows:

	2025	2024
Financial Statement Net Income (Loss)	$ (880,434)	$ (830,244)
Adjustments:		
Excess of depreciation and amortization for income tax purposes over financial reporting purposes	(81,618)	(40,494)
Other Book/Tax Timing Differences	(30,725)	–
Taxable Income (Loss) as shown on tax return	$ (992,777)	$ (870,738)

NOTE P – CURRENT VULNERABILITY DUE TO CERTAIN CONCENTRATIONS

The Partnership's sole asset is Cypress at Gardere. The Partnership's operations are concentrated in the low-income real estate market. In addition, the Partnership operates in a heavily regulated environment. The operations of the Partnership are subject to the administrative directives, rules and regulations of federal and state regulatory agencies, including but not limited to, the state housing financing agency. Such administrative directives, rules and regulations are subject to change by federal and state agencies. Such changes may occur with little notice or inadequate funding to pay for related cost, including the additional administrative burden, to comply with a change.

NOTE Q – CLAIM LOSS

On June 15, 2023, a slip-and-fall incident occurred on the premises of the apartment complex. As a result, a claim was filed against the Partnership. As of the report date, the claim is still ongoing, but is expected to be covered by insurance. The maximum out-of-pocket is limited to the deductible of $50,000.

During the year ended December 31, 2024, a slip-and-fall incident occurred on the premises of the apartment complex. As a result, a claim was filed against the Partnership. As of the report date, the claim is still ongoing, but is expected to be covered by insurance. The maximum out-of-pocket is limited to the deductible of $50,000. The net claim loss for the year ended December 31, 2024 is $2,532 in relation to this claim.

NOTE R – SUBSEQUENT EVENTS

The Partnership has evaluated subsequent events through, April 2, 2026, the date which the financial statements were available for issue.

SUPPLEMENTARY INFORMATION

CYPRESS AT GARDERE, LP
SCHEDULE OF EXPENSES
FOR THE YEARS ENDED DECEMBER 31,

	2025	2024
MAINTENANCE AND REPAIRS		
Payroll	$ 39,983	$ 40,282
Supplies	111,400	61,115
HVAC	16,145	11,019
Contracts	51,654	35,824
Grounds Maintenance	22,019	36,379
Pest Control	7,910	8,628
Security	2,916	9,857
Garbage and Trash Removal	5,733	3,789
Total Maintenance and Repairs	$ 257,760	$ 206,893
UTILITIES		
Electricity	$ 36,565	$ 35,188
Water	17,415	16,450
Sewer	43,445	41,007
Total Utilities	$ 97,425	$ 92,645
ADMINISTRATIVE		
Manager's Salary	$ 52,473	$ 52,473
Leasing Agent's Salary	30,220	30,528
Temporary/Contract Labor	12,342	3,382
Advertising	1,888	1,086
Professional Fees	73,198	38,333
Administrative Fees	3,300	3,300
Office Expenses	11,701	8,944
Postage	47	87
Telephone	7,704	7,236
Internet	8,194	7,264
Travel	2,531	511
Credit Bureau	1,200	831
Bank Charges	1,547	1,860
Other Administrative Expenses	9,589	9,495
Total Administrative	$ 215,934	$ 165,330
INSURANCE		
Property and Liability Insurance	$ 107,651	$ 50,294
Health Insurance and Other Employee Benefits	7,594	10,850
Total Insurance	$ 115,245	$ 61,144

CYPRESS AT GARDERE, LP
SCHEDULE OF EXPENSES
FOR THE YEARS ENDED DECEMBER 31,

	2025	2024
TAXES		
Property Taxes	$ -	$ 100
Payroll Taxes	37,591	36,985
Total Taxes	$ 37,591	$ 37,085
INTEREST EXPENSE		
Mortgage Interest Expense	$ 122,830	$ -
Interest on Walker Dunlop Construction Loan	90,137	218,478
Interest on PFP - Seller Loan	392,000	392,000
Interest on PFP - AHP Dallas Loan	3,750	3,750
Total Interest Expense	$ 608,717	$ 614,228

CYPRESS AT GARDERE, LP
COMPUTATION OF SURPLUS CASH - LHC CDBG
DECEMBER 31, 2025

Project Name: Cypress at Gardere

Cash	$ 205,993	
Security Deposit Cash	12,530	
Other - Subsidies Due but not Received	-	
Over Funding of Tax & Insurance Escrow (See Calculation Below)	-	
Replacement Reserve Withdrawals That Have Been Approved But Not Received	-	
Total Cash	218,523	
Accrued Interest	17,791	
Accounts Payable	10,839	
Property Taxes Payable	-	
Management Fees Payable	-	
Insurance Payable	-	
Escrow (Overage) or Shortage (See Calculation Below)	- *	
Accrued Expenses	-	
Prepaid Revenue	9,862	
Security Deposit Liability	11,816	
Other - Required Replacement Reserve Deposits That Have Not Been Made	-	
Other - Bank Overdraft Liability	-	
Other - Undistributed 2023 and 2024 Surplus Cash	181,563	
Total Obligations	231,871	
Surplus Cash (Deficiency)	$ (13,348)	
Less: 50% Due to Payment on LHC - CDBG	-	
Surplus Cash Available for Distribution	$ -	
Computation of Required Insurance Escrow:		
Property & Liability Insurance:		
Premium for the Period 7/1/2025 - 7/1/2026	$ 78,367	
Amount Required to be Escrowed (6 months at $6,531 per month)		$ 39,186
Standard Flood Insurance:		
Renewal Insurance Premiums for the Period 10/1/2025 - 10/1/2026	$ 13,261	
Amount Required to be Escrowed (3 months at $1,105 per month)		3,315
Standard Flood Insurance:		
Renewal Insurance Premiums for the Period 10/1/2025 - 10/1/2026	$ 16,167	
Amount Required to be Escrowed (3 months at $1,347 per month)		4,041
Total Required Insurance Escrow		46,542
Computation of Required Tax Escrow:		
Property Tax:		
Assessment for the Period 1/1/2025 - 12/31/2025	$ -	
Amount Required to be Escrowed (If Not Paid By 12/31/2025)		-
Total Required Tax Escrow		-
Total Required Insurance and Property Tax Escrows		46,542
Less: Total Tax and Insurance Escrow at December 31, 2025		175,433
Total Escrow Shortage (Over Funding)		$ (128,891)

* Tax and Insurance Escrow is held with the Mortgage Company and cannot be withdrawn for Surplus Cash.

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

To the Partners and Management of
Cypress at Gardere, LP
Baton Rouge, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Cypress at Gardere, LP, which comprise the balance sheet as of December 31, 2025, and the related statements of operations, partners' equity (deficit), and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated April 2, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Cypress at Gardere, LP'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 Cypress at Gardere, LP's internal control. Accordingly, we do not express an opinion on the effectiveness of Cypress at Gardere, LP'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 Cypress at Gardere, LP'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings, questioned costs, and recommendations as item 2025-1 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Cypress at Gardere, LP'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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings, questioned costs, and recommendations as item 2025-1.

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Cypress at Gardere, LP's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Cypress at Gardere, LP's response to the findings identified in our audit and described in the accompanying schedule of findings, questioned costs, and recommendations. Cypress at Gardere, LP's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 Cypress at Gardere, LP's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Cypress at Gardere, LP's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Little & Associates, LLC

Monroe, Louisiana
April 2, 2026

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CYPRESS AT GARDERE, LP

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

FOR THE YEAR ENDED DECEMBER 31, 2025

Please refer to the Schedule of Compensation, Benefits and Other Payments to the Agency Head or Chief Executive Officer included in Partners for Progress, Inc.'s audit report for information relative to compensation, benefits and other payments to the agency head or chief executive officer.

Cypress at Gardere, LP
Schedule of Findings and Responses
For the Year Ended December 31, 2025

SECTION I – SUMMARY OF AUDIT RESULTS

Financial Statement Audit

Type of auditors' report issued:		Unmodified
Internal Control over financial reporting: Material Weaknesses identified?	___ Yes	X No
Significant deficiencies identified that are not considered to be material weaknesses?	X Yes	___ None Noted
Noncompliance material to financial statements noted?	X Yes	___ None Noted

SECTION II – FINDINGS - FINANCIAL STATEMENTS AUDIT

Current Year Findings and Questioned Costs

Finding: 2025-1 Lack of Internal Controls Over Payments from Surplus Cash

Finding Resolution Status: Unresolved **Questioned Costs:** $0

Information on Universal Population Size: One instance **Sample Size:** N/A

Noncompliance Information: The controls in place were not adequate to ensure the timely payment of the LHC CDBG loan of the required 50% surplus cash.

Condition: The project is required to make payment to LHC on the CDBG loan of the required amount of 50% of surplus cash. Based on the 2024 Surplus Cash calculation, the project had available surplus cash of $21,403 and unpaid available surplus cash from 2023 in the amount of $188,638 for total available surplus cash of $210,041. The loan payment due to LHC for the CDBG loan would be one half of the total available surplus cash which amounted to $105,021. No payment was made on this loan as of December 31, 2025. The project did distribute money as repayment of related party payables from available surplus cash, but failed to pay the required amount to LHC for the CDBG loan.

Criteria: The project shall make the required payment of 50% surplus cash to LHC on the CDBG loan annually in accordance with the surplus cash calculation based on the previous year's audit.

Cypress at Gardere, LP
Schedule of Findings and Responses
For the Year Ended December 31, 2025

SECTION II – FINDINGS - FINANCIAL STATEMENTS AUDIT (CONTINUED)

Current Year Findings and Questioned Costs (Continued)

Finding: 2025-1 Lack of Internal Controls Over Payments from Surplus Cash (Continued)

Effect: The Partnership is not in compliance with their CDBG loan agreement.

Cause: Unknown.

Recommendation: Controls should be implemented to make sure payment is made to LHC for the CDBG loan in the required amount when necessary.

Reporting Views of Responsible Officials: We concur with the finding and agree to the corrective action plan to make the required payment for the CDBG loan and put proper controls in place to ensure payment are made on time in the future.

Corrective Action Plan: The Partnership will make the required payment for the CDBG loan and will put proper controls in place to ensure payments are made on time in the future.

Concur or Do Not Concur With this Finding: Concur

Agree or Disagree with auditor Recommendations: Agree

Completion Date or Proposed Completion Date: 05/27/2026

Contact Person: Beeleng Chan

Schedule 2

Cypress at Gardere, LP
Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2024

The status of the prior year audit findings are summarized as follows:

None