Gulf Coast Housing Partnership, Inc. CONSOLIDATED FINANCIAL STATEMENTS December 31, 2024 and 2023

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Gulf Coast Housing Partnership, Inc.

Opinion

We have audited the accompanying consolidated financial statements of Gulf Coast Housing Partnership, Inc., (GCHP) which comprise the consolidated statements of financial position as of December 31, 2024 and December 31, 2023 and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of GCHP as of December 31, 2024 and December 31, 2023, and the changes in its net assets 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 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 Consolidated Financial Statements section of our report. We are required to be independent of GCHP 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 Consolidated Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when

it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 GCHP'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 GCHP'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 audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The schedule of compensation, benefits, and other payments to agency head is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 15, 2025, on our consideration of GCHP'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 GCHP'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 GCHP's internal control over financial reporting and compliance.

Metairie, Louisiana May 16, 2025

Carr, Riggs & Ungram, L.L.C.

Gulf Coast Housing Partnership, Inc. Consolidated Statements of Financial Position December 31, 2024 and 2023

ASSETS

ASSETS		
	2024	2023
Cash and cash equivalents	\$5,201,891	\$7,908,101
Restricted cash and cash equivalents	30,838,551	30,340,559
Accounts receivable, net	2,577,280	1,776,764
Grants and contributions receivable	249,903	324,887
Prepaids	1,588,101	1,632,024
Developer fees receivable	1,079,479	1,003,329
Notes receivable	69,811,099	64,397,829
Allowance for credit losses	(1,834,237)	(1,698,789)
Net notes receivable	67,976,862	62,699,040
Real estate held for development and sale	14,224,546	16,494,848
Property and equipment, net	409,596,466	382,439,109
Other assets	3,745,151	4,171,591
Investments	62,683	123,435
Total assets	\$537,140,913	\$508,913,687
LIABILITIES AND NET A	SSETS	
LIABILITIES		
Accounts payable and accrued expenses	\$1,293,039	\$1,181,380
Construction costs payable	6,123,692	6,898,033
Refundable advances	2,850,000	5,295,000
Developer Fees Payable	7,894,362	9,163,017
Other payables	10,689,458	9,013,844
Due to related parties	3,572,007	3,237,387
Long-term debt, net of debt issuance costs	239,839,600	238,971,663
Total liabilities	272,262,156	273,760,324
NET ASSETS		
Without donor restrictions		
GCHP - controlling interest	71,811,740	66,224,712
Noncontrolling interests in subsidiaries	177,300,340	151,355,792
Total net assets without donor restrictions	249,112,080	217,580,504
With donor restrictions	15,766,677	17,572,859
Total net assets	264,878,757	235,153,363
Total liabilities and net assets	\$537,140,913	\$508,913,687

Gulf Coast Housing Partnership, Inc. Consolidated Statements of Activities December 31, 2024 and 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND SUPPORT						
Property operations rental income	\$ 19,948,869	\$ -	\$ 19,948,869	\$ 14,695,813	\$ -	\$ 14,695,813
Grants and contributions	397,426	999,000	1,396,426	35,000	1,764,308	1,799,308
Development fees	4,426,157	-	4,426,157	3,825,144	-	3,825,144
Federal grants	520,750	2,445,000	2,965,750	-	1,871,572	1,871,572
Forgiveness of debt, net	745,314	-	745,314	1,598,198	-	1,598,198
Interest income	777,541	-	777,541	576,153	-	576,153
Management fees	1,251,919	-	1,251,919	2,330,999	-	2,330,999
Interest income on cash and cash equivalents	629,026	-	629,026	410,998	-	410,998
Gain/(loss) on disposition	(41,499)	-	(41,499)	297,525	-	297,525
Gain/(Loss) on investments in partnerships	(60,105)	-	(60,105)	(64,302)	-	(64,302)
Other revenue	1,041,132	-	1,041,132	395,302	-	395,302
Grants and contributions released from restriction	5,250,182	(5,250,182)	-	1,651,374	(1,651,374)	-
Total support and revenue	34,886,712	(1,806,182)	33,080,530	25,752,204	1,984,506	27,736,710
EXPENSES						
Program services	39,091,585	-	39,091,585	37,176,074	-	37,176,074
Support services	5,026,936	-	5,026,936	4,453,804	-	4,453,804
Total expenses	44,118,521		44,118,521	41,629,878		41,629,878
Change in net assets	(9,231,809)	(1,806,182)	(11,037,991)	(15,877,674)	1,984,506	(13,893,168)
NET ASSETS, BEGINNING OF YEAR	217,580,504	17,572,859	235,153,363	186,998,372	15,588,353	202,586,725
Change in accounting principle (see note 1)	-	-	-	(1,421,905)	-	(1,421,905)
Change in net assets	(9,231,809)	(1,806,182)	(11,037,991)	(15,877,674)	1,984,506	(13,893,168)
Noncontrolling members' net contributions to subsidiaries	40,763,385	-	40,763,385	47,881,711	-	47,881,711
Change in consolidated net assets	31,531,576	(1,806,182)	29,725,394	30,582,132	1,984,506	32,566,639
NET ASSETS, END OF YEAR	\$ 249,112,080	\$ 15,766,677	\$ 264,878,757	\$ 217,580,504	\$ 17,572,859	\$ 235,153,363

Gulf Coast Housing Partnership, Inc. Consolidated Statements of Functional Expenses December 31, 2024 and 2023

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	Program Services	Management and General	Fundraising	Total Expenses
Salaries & Benefits:				
Administrative	\$ -	\$ 1,753,776	\$ 319,070	\$ 2,072,846
Development	2,107,290	-	-	2,107,290
Property Management	4,765,950	-	-	4,765,950
Service Related Expenses	623,591	-	-	623,591
Administrative Expenses	710,916	1,264,529	-	1,975,445
Maintenance Repairs & Improvements	2,583,014	10,466	-	2,593,480
Professional Fees	1,556,738	215,796	-	1,772,534
Contributions (Note 4)	=	-	-	-
Utilities	2,055,287	27,085	-	2,082,372
Insurance Expense	4,313,379	280,606	-	4,593,985
Taxes	945,391	365	-	945,756
Other Property Related Expenses	878,545	-	-	878,545
Interest Expense	5,375,982	1,054,430	-	6,430,412
Other Financing Expenses	184,372	-	-	184,372
Other Non-operating Expenses	38,490	-	-	38,490
Allowance for Credit Losses	149,403	-	-	149,403
Depreciation & Amortization	12,803,237	100,813	-	12,904,050
Total expenses	\$ 39,091,585	\$ 4,707,866	\$ 319,070	\$ 44,118,521

2023

	Supporting Services			
	Program Services	Management and General	Fundraising	Total Expenses
Salaries & Benefits:				
Administrative	\$ -	\$ 1,552,082	\$ 282,384	\$ 1,834,466
Development	1,864,927	-	-	1,864,927
Property Management	4,475,844	-	-	4,475,844
Service Related Expenses	478,543	-	-	478,543
Administrative Expenses	1,210,465	976,055	-	2,186,520
Maintenance Repairs & Improvements	2,070,682	36,006	-	2,106,689
Professional Fees	1,081,379	238,447	-	1,319,827
Contributions (Note 4)	4,651,600	-	-	4,651,600
Utilities	1,760,015	25,088	-	1,785,103
Insurance Expense	3,580,950	128,485	-	3,709,435
Taxes	834,287	-	-	834,287
Other Property Related Expenses	877,898	-	-	877,898
Interest Expense	3,930,076	973,844	-	4,903,920
Other Financing Expenses	110,350	-	-	110,350
Other Non-operating Expenses	187,659	158,286	-	345,945
Allowance for Credit Losses	276,883	-	-	276,883
Depreciation & Amortization	9,784,516	83,127		9,867,643
Total expenses	\$ 37,176,074	\$ 4,171,420	\$ 282,384	\$ 41,629,882

Gulf Coast Housing Partnership, Inc. Consolidated Statements of Cash Flows December 31, 2024 and 2023

	2024	2023
Cash flows from operating activities		
Changes in net assets:	\$ (11,037,991)	\$ (13,893,168)
Adjustments to reconcile changes in net assets to net cash Provided by		
operating activities		
Depreciation	12,390,226	9,413,526
Forgiveness of debt	(745,314)	(1,598,198)
Loss (gain) on investments	60,752	190,291
Provision for credit losses	149,403	276,883
Amortization of deferred fees	513,824	454,119
Noncash interest (amortization of debt issuance costs)	363,421	110,252
Loss (gain) on disposition	41,499	(297,525)
Noncash contribution expense	-	4,651,600
Changes in operating assets and liabilities:		
Accounts receivable	(812,787)	(1,054,819)
Grants and contributions receivable	74,984	924,965
Prepaids	43,923	(567,772)
Developer fees receivable	(76,150)	468,836
Accounts payable and accrued expenses	111,659	(963,582)
Refundable advances	(2,445,000)	2,625,000
Other payables	405,275	3,574,385
Net cash provided by operating activities	(962,276)	4,314,793
Cash flows from investing activities:		
Purchases of real estate, property, and equipment, net of acquired assets	(40,363,421)	(70,438,158)
Disbursement of notes receivable	(6,641,906)	(20,216,345)
Collection on notes receivable	1,228,636	363,483
Proceeds on real estate held for investment	2,270,302	4,258,813
Change in Other Net Assets	(87,384)	(1,494,621)
Net cash used in investing activities	(43,593,773)	(87,526,829)
Cash flaves from financing activities		
Cash flows from financing activities:	20 202 700	74.067.400
Proceeds from notes payable	30,293,780	74,967,400
Payments on notes payable	(28,684,941)	(45,867,379)
Deferred Financing Costs	(359,009)	(1,592,095)
Proceeds from related parties	334,618	298,108
Contributions and transfers from non-controlling interests	40,763,383	47,881,711
Net cash provided by financing activities	42,347,831	75,687,745
Net change in cash and cash equivalents	(2,208,218)	(7,524,291)
Cash and cash equivalents at beginning of year	38,248,660	45,772,951
Cash and cash equivalents at end of year	\$ 36,040,442	\$ 38,248,660
Supplemental Disclosures of Cash Flow Information:		
Cash paid for interest, net of capitalized interest	\$ 6,260,236	\$ 2,486,123
Change in accounts payable related to construction	\$ 774,341	\$ (3,011,553)
change in accounts payable related to construction	- , , , , , , , , , , , , , , , , , , ,	(3,011,333)
Reconciliation to Consolidated Statements of Financial Position:		
Cash and cash equivalents for cash flow statements include:		
Cash and cash equivalents	\$ 5,201,891	\$ 7,908,101
Restricted cash and cash equivalents	\$ 30,838,551	\$ 30,340,559
Total Cash and cash equivalents	\$ 36,040,442	\$ 38,248,660

1. Summary of Significant Accounting Policies

(a) <u>History and Organization</u>

Gulf Coast Housing Partnership, Inc. is a non-profit organization organized under the laws of the State of Delaware to acquire, own, develop, hold, sell, lease, transfer, exchange, operate, and manage all types of real estate projects, including any buildings and other improvements particularly in the Gulf South region states of Alabama, Louisiana, Mississippi, and Texas; to foster and stimulate economic development; and to play a key role in developing a new institutional infrastructure through which long-term, affordable housing in the Gulf South can be successfully produced, owned, and operated.

These financial statements have been consolidated to include all accounts of Gulf Coast Housing, Inc., and its subsidiaries (collectively, GCHP or the Organization).

The following are wholly owned subsidiaries that are disregarded for income tax purposes:

1122 OCH, L.L.C.

GCHP-MSD2 GP, LLC

GCHP-MSD3 GP, LLC

GCHP-MSD4 GP, LLC

GCHP-MSD4 GP, LLC

GCHP-MSD4 GP, LLC

GCHP-Polybar Owner, LLC

Beverly Land, L.L.C.

GCHP-1409 OCH, L.L.C.

GCHP-Scott, LLC

GCHP-Clinton GP, LLC
GCHP-German Schoolhouse GP, LLC
GCHP-German Schoolhouse, LLC
GCHP-Westwego, LLC

GCHP-Hammond GP 3, LLC Gulf Coast Housing Partnership, LLC

GCHP-Hammond GP Two, LLC
GCHP-Hammond Landlord, LLC
GCHP-Haven GP, LLC
Hooper Ridge, LLC
Howell Village, LLC
Midtown Homes, LLC

GCHP-Hooper Ridge, LLC MSD2, LP
GCHP-Jericho, LLC MSD3, LP
GCHP-LDG, LLC MSD4, LP
GCHP-Management, LLC OSBR Land, LLC

GCHP-Meadows GP, LLC Village at the Beverly III, LP

GCHP-MLK Development, LLC

The following are wholly owned subsidiaries that are non-profit entities:

GCHP LA CHDO, Inc. GCHP-Texas, Inc.

Housing Mississippi, Inc.

(a) <u>History and Organization (continued)</u>

The following are wholly owned subsidiaries or partnerships that are for profit entities:

1300 OCH GP, LLC
1626 OCH GP, LLC
Clinton Heights, LP
Country Ridge Estates GP, LLC
GCHP-Nel Court, GP, LLC
GCHP-1854 GP, LLC
GCHP-Beau Sejour GP, LLC
GCHP-Cypress Gardens GP, LLC
GCHP-Raymond Road GP, LLC
GCHP-Raymond GP, LLC
GCHP-Raymond GP, LLC

GCHP-Elysian III, LLC GCHP-Villas at Lafayette SLP, LLC GCHP-Elysian, LLC GCHP-Virginia Meadows GP, LLC

GCHP-Esplanade GP, LLC H3C GP, LLC

GCHP-Gabriel Villa GP, LLC
GCHP-Gabriel Villa GP, LLC
GCHP-Government GP, LLC
GCHP-Hammond 3, LP

Jefferson Davis, LTD
King Rampart LLC
LMBD Lafourche GP, LLC
Lotus Village GP, LLC

GCHP-Hammond 3, LP

GCHP-Hammond GP, LLC

GCHP-Hammond Two, LP

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GCHP-Jefferson Davis GP, LLC Village at the Beverly GP, LLC GCHP-McDonogh 16 GP, LLC Village at the Beverly II GP, LLC

GCHP-MSD1 GP, LLC

The following partnerships have been consolidated based on GCHP's 51% to 99% ownership percentage in the partnership:

AG 2018, LLC GCHP-North Park GP, LLC GCHP-1854 GP, LLC GCHP-One Stop, LLC

GCHP-Claiborne MM, LLC
GCHP-Elysian II GP, LLC
GCHP-Elysian III GP, LLC

GCHP-Mid City GP, LLC TGBG1, LLC

GCHP-Midtown GP, LLC West-Millsaps GP, LLC

(a) <u>History and Organization (continued)</u>

The following partnerships have been consolidated based on GCHP's effective control as managing member or controlling member of:

1300 OCH, LLC GCHP-NMTC-2020-NUMBER 4, LLC 1626 OCH LLC GCHP-NMTC-2020-NUMBER 5, LLC

165 Dauphin, LPGCHP-PolyBar, LLC1854 North Street, LLCGCHP-Progress Park, LLC

Beau Sejour Apartments, LP H3C, LLC

Country Club Estates, LP Les Maisons de Bayou LaFourche, LLC

Country Ridge Estates, LP

Gabriel Villa Apartments, LP

GCHP-Claiborne, LLC

Lotus Village, LP

McDonogh 16, LLC

McKee City Living, LP

GCHP-Claiborne, LLC Mickee City Liv
GCHP-Cypress Gardens, LP MSD1, LP
GCHP-Elysian II, LLC Nel Court, LP

GCHP-Esplanade, LLC
GCHP-Hammond, LLC
GCHP-Jefferson Davis, LC.
GCHP-Mid City, LLC
GCHP-Mid City, LLC
Description:

North Park Housing, GP, LLC
Northpark Housing, LP
Old Morrison Partners, LP
Pearl Street Southwest, LLC

GCHP-Midtown, LP

GCHP-MLK, LLC

GCHP-NMTC-2019#1, LLC

GCHP-NMTC-2019#2, LLC

GCHP-NMTC-2019#3, LLC

Willage at the Beverly II, LP

Village at the Beverly, LLC

GCHP-NMTC-2019#4, LLC Virginia Meadows Parcel 1, LLC GCHP-NMTC-2019#5, LLC Virginia Meadows Parcel 2, LLC

GCHP-NMTC-2020-NUMBER 1, LLC Virginia Meadows, LP GCHP-NMTC-2020-NUMBER 2, LLC West-Millsaps, LLC GCHP-NMTC-2020-NUMBER 3, LLC

Other non-consolidated partnership interests are as follows:

50% of Country Club Estates GP, LLC 50% of Elysian Manager, LLC (equity

(equity method) method)

.01% of Country Club Estates LP, LLC (cost) .01% of The Elysian, LLC (cost)

50% of McCaleb Supportive Housing, LLC .005% The Muses, LTD 1(cost)

(equity method)

All significant intercompany accounts and transactions have been eliminated.

To assist in financing project developments, the Organization utilizes a combination of federal, state and local grants, as well low-income housing, historic, and new markets tax credits.

(b) <u>Basis of Accounting and Presentation of Net Assets</u>

The accompanying consolidated financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), which require the Organization to report information regarding its financial position and activities to the following net asset classifications.

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. The Organization had \$16,847,859 and \$17,572,859 of net assets with donor restrictions as of December 31, 2024 and 2023, respectively. These net assets are restricted by purpose and time.

Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restrictions are accomplished) in the reporting period in which the revenue is recognized. All other donor restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the consolidated statements of activities.

(c) Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates, and those differences could be material.

(d) Cash and Cash Equivalents

Cash includes amounts on deposit at financial institutions. Cash equivalents represent cash demand deposits and all highly liquid debt instruments with an original maturity of three months or less from the date of purchase.

(e) Restricted Cash and Cash Equivalents

GCHP maintains restricted cash accounts as required by grant and loan agreements.

(f) Receivables

Receivables are stated at the amount management expects to collect from outstanding balances.

(g) Allowance for Credit Losses

The Company has established an allowance for credit losses to provide estimates of uncollectible loans, which is reflected in the consolidated statements of financial position within loans and accounts receivable as a contra asset and net of accounts receivable. Although variability is inherent in such estimates, Management believes that the allowance for credit losses on loans provided in the consolidated financial statements is adequate. However, because of the small population of receivables and limited historical experience, as well as changing, unassessed or inaccurate variables and analysis, actual losses could be significantly more or less than management's estimate. As adjustments to these estimates become necessary, such adjustments are included in current operations as an expense for provision for credit losses in the consolidated statements of activities. On an annual basis, the Company reviews the current level of reserves, and the state of the portfolio to determine the adequacy of the reserve level to cover future losses based on historical experience adjusted for current conditions and reasonable supportable forecasts. The allowance for credit losses was \$1,834,237 and \$1,698,789 at December 31, 2024 and 2023, respectively.

The Company pools loans for estimating its allowance for credit loss based on the type of loan made and risk rates each based on the following criteria before origination and annually thereafter: Consistency and capability of management; Financial strength or condition; Development plan and projections; Collateral values. In assessing each loan's risk, the Company applies an allowance to each of the pools based on the weighted creditworthiness of each pool.

The Company also addresses the GAAP requirements of CECL by making an adjustment to the allowance for credit losses. In this process the Company analyzes macro-economic trends in the region and applies them to the loan assets in its portfolio. These scenarios are grounded in factors such as Unemployment, Inflation, and GDP growth, and they adjust the expected loss rate calculations to produce a net residual change to the established allowance for credit losses. This macro-level adjustment is reviewed annually.

Changes in the allowance for credit losses on loans are recorded as provision for credit losses income (expense) on the statements of activities. After write-off, any recovery is recognized as income in the period in which it was received. A charge-off does not lessen the effort to collect.

Prior to the adoption of the credit loss standard on January 1, 2023, financial assets reported at cost were reviewed for impairment using an incurred loss model.

(h) <u>Debt Issuance Costs</u>

Debt issuance costs paid in connection with securing the financing of a property are amortized on an interest method basis over the term of the respective loan.

(i) Property and Equipment

Property and equipment are stated at cost at the date of purchase or, for donated assets, at fair value at the date of donation, less accumulated depreciation. Depreciation is calculated using the straight-line basis over the lesser of the estimated useful lives of the assets or the

(i) <u>Property and Equipment</u> (continued)

lease term. The useful lives range from 20 to 40 years for buildings and improvements, and 3 to 10 years for furniture, equipment, and fixtures. Maintenance and repairs are expensed as incurred and major improvements are capitalized. When items of equipment are sold or retired, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is included in the consolidated statements of activities. The Organization's capitalization threshold is \$3,500.

Impairment of long-lived assets is reviewed whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent the carrying value exceeds the fair value of the asset. Fair market value is determined primarily using appraisals. There were no other impairments of long-lived assets recorded by management during the years ended December 31, 2024 and 2023.

(j) Tax Exempt Status

Gulf Coast Housing Partnership, Inc. is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code.

The Organization has processes presently in place to ensure the maintenance of its taxexempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. The Organization has determined that there are no material uncertain tax positions that require recognition or disclosure in the consolidated financial statements.

(k) Real Estate Development

GCHP capitalizes project costs which include acquisition and predevelopment costs (real estate held for development and sale), and construction and development costs incurred during construction (construction in progress) for each of its projects. GCHP also capitalizes, upon commencement of construction, interest charges from debt related to these specific projects. Interest capitalized was \$190,715 and \$2,194,655 for the years ended December 31, 2024, and 2023, respectively. When projects are sold, the related cost and accumulated depreciation as applicable are removed from the accounts; any gain or loss is included in the consolidated statements of activities.

(I) Revenue Recognition

<u>Contributions</u> — GCHP recognizes contributions when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give — that is, those with measurable performance or other barriers and right of return (or release) — are not recognized until the conditions on which they depend have been substantially met.

(I) Revenue Recognition (continued)

<u>Federal and state grants</u> – A portion of GCHP's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when GCHP has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the consolidated statements of financial position. Revenue recognition on grant funds of \$2,850,000 and \$5,295,000 have been deferred at December 31, 2024 and 2023, respectively, as qualifying expenditures have not yet been incurred.

<u>Gains and losses on sales of real estate</u> – A gain or loss on the sale of real estate assets is recognized when the criteria for an asset to be derecognized are met, which include when (i) a contract exists and (ii) the buyer obtained control of the nonfinancial asset that was sold.

<u>Development fees</u> – The performance obligation associated with development fees is the oversight of and management of the development or redevelopment of real estate projects. While the individual activities that comprise the performance obligation of the development fees can vary day-to-day, the nature of the overall performance obligation to provide development services is the same and considered by GCHP to be a series of services that have the same pattern of transfer to the customer and the same method to measure progress toward satisfaction of the obligation. Revenue is recognized over time using output measurements which reflect GCHP's performance in transferring control of the services to the customer and consideration of the status of construction on the project. These are estimates which require management's judgment. Consideration is payable in accordance with the individual development agreements and amounts may be payable over periods that exceed one year. The portion of developer fees expected to be paid out of cash flows of the underlying project represents variable consideration and generally is not recognized until received.

<u>Management fees</u> – The performance obligation associated with management fees is the management of real estate properties. While the individual activities that comprise the performance obligation of the management fees can vary day-to-day, the nature of the overall performance obligation to provide management services is the same and considered by GCHP to be a series of services that have the same pattern of transfer to the customer and the same method to measure progress toward satisfaction of the obligation. Management fees received in advance are deferred to the applicable period in which the related services are performed.

Rental income – Rental income is recognized as the rent becomes due. Rental payments received in advance are deferred until earned. All leases between GCHP and the tenants of the property are operating leases. Tenant rent charges for the current month are due on the first of the month. Tenants who are evicted or move out are charged with damages or cleaning fees, if applicable. Tenant receivables consist of amounts due for rental income, other tenant charges, and charges for damages and cleaning fees in excess of forfeited security deposits. GCHP does not accrue interest on the tenant receivable balances.

(m) Functional Expense Allocation

The costs of the various programs and supporting services have been summarized on a functional basis in the consolidated statements of activities. The consolidated statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses are charged directly to program or support services categories based on specific identification where possible. Salaries and benefits are allocated based on the estimates of time and effort. Depreciation, amortization, property taxes, and insurance expenses are allocated based on properties utilized by the program versus those properties used for management and general operations. All other costs are charged directly to the appropriate functional category.

(n) <u>Leases</u>

GCHP has various office lease agreements which are among related parties and are consolidated in our financial statements. As GCHP is the lessee and the lessor in the agreements and all amounts are consolidated for these leases, we have eliminated the right-of-use asset and lease liability in consolidation. Due to the election of the package of practical expedients, upon adoption of ASC 842 these lease agreements continue to be classified as operating leases. For the years ended December 31, 2024 and 2023, GCHP recorded \$118,112 in rent expenses related to these lease agreements as well as \$107,112 in rental income, which were eliminated in consolidation.

GCHP's affordable housing properties are leased on a 12-month basis subject to non-cancelable operating leases and therefore, not subject to ASC 842.

(o) Recently adopted accounting pronouncements

In June 2016, the FASB issued Accounting Standards Update ("ASU") No. 2016-13 ("ASU 2016-13"), Financial Instruments – Credit Losses (Topic 326) which requires organizations to measure all expected credit losses for financial instruments held at the reporting date. ASU 2016-13 and subsequent amendments are codified in ASC 326. ASC 326 is effective for all not-for-profit entities for fiscal years beginning after December 15, 2022. The objective of ASC is to require reporting entities to record the expected lifetime credit losses for financial instruments at the time those instruments are originated or purchased.

GCHP's adoption of this standard is described earlier in this Note 1. On January 1, 2023 GCHP recorded a \$1,421,905 charge to net assets as a result of adopting ASC 326 on a modified retrospective basis.

(p) Subsequent Events

The Company evaluates subsequent events for disclosure on information in the financial statements through May 16, 2025, the date the financial statements were available for issuance.

2. Concentration of Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents. The Organization maintains its cash and cash equivalents in various bank accounts that, at times, may exceed federally insured limits. The Organization's cash and cash equivalent accounts have been placed with high credit quality financial institutions. The Organization has not experienced, nor does it anticipate, any losses with respect to such accounts.

GCHP owns, develops, holds, sells, leases, transfers, exchanges, operates, and manages all types of real estate projects, including any buildings and other improvements in the Gulf South region resulting in geographic concentration.

3. Liquidity

The following represents the Organization's financial assets available for general expenditures within one year at December 31:

Financial assets at year-end:	2024	2023
Cash and cash equivalents	\$ 36,040,442	\$ 38,248,659
Accounts and other receivables	3,906,662	3,104,979
Current portion of notes receivable	37,166	450,000
Total financial assets	39,984,270	41,803,638
Less: cash and grants receivable with restrictions	(31,088,454) (30,66	
	\$ 8,895,816	\$ 11,138,192

GCHP's cash management plan is to ensure that it has sufficient liquidity to carry out its mission. Effective cash management enhances GCHP's ability to plan and manage development projects and operating properties.

As part of GCHP's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. GCHP aims to maintain working capital balances of at least three months of operating expenses. Management regularly monitors the availability of resources required to manage liquidity, using a variety of reports and practices to identify liquidity concerns.

GCHP is substantially supported through and generates liquid resources from management fees and developer fees related to development and property management activities. Philanthropic grant and contribution capital is generally utilized by GCHP to fund project developments.

To supplement liquidity, GCHP currently had committed lines of credit which it could further draw upon in the amount of \$1,842,344 and \$2,167,469 as of December 31, 2024 and 2023 (Note 6).

4. Property and Equipment

Property and equipment consist of the following at December 31:

	2024	2023
Land, lots, buildings, and improvements	\$ 430,394,076	\$ 412,500,897
Construction in progress	24,462,410	3,959,474
Furniture, equipment, and fixtures	19,288,338	18,091,428
	474,144,824	434,551,799
Less accumulated depreciation	(64,548,358)	(52,119,690)
Property and equipment, net	\$ 409,596,466	\$ 382,439,109

Substantially all property and equipment is pledged as collateral on long-term debt.

Total depreciation expense for the years ended December 31, 2024 and 2023 was \$12,390,226 and \$9,431,526, respectively. Construction in progress represents construction costs incurred by the Organization as of December 31, 2024 and 2023. The Organization has commitments related to construction contracts totaling \$51,709,135 for projects in process at December 31, 2024.

The Contributions Expense noted on the Consolidated Statement of Functional Expenses for the year ended December 31, 2023 in the amount of \$4,651,600 is related to a loss on the sale of assets for the GCHP-Polybar and GCHP-1409 Projects to benefit the mission of the tenants utilizing these assets.

5. Notes Receivable

Details of notes receivable are as follows as of December 31:

	2024	2023
The Elysian, L.L.C. * - (East Baton Rouge Parish Redevelopment funds) note receivable with interest rate at 0% per annum; principal is due April 1, 2047. The note is secured by real estate.	\$ 841,100	\$ 841,100
The Elysian, L.L.C. * - (Office of Community Development funds) note receivable with an interest rate at 0% per annum; principal is due April 1, 2047. The note is secured by real estate.	4,000,000	4,000,000
The Elysian, L.L.C. * - (Louisiana Housing Finance Agency funds) note receivable with interest rate at 0% per annum; principal is due April 31, 2052. The note is secured by real estate.	2,099,930	2,099,930
The Elysian, L.L.C. * - (Developer Fee Loan) note receivable with interest rate at 0% per annum; principal is due April 31, 2052. The note is secured by real estate.	352,617	352,617
Reconcile New Orleans, Inc. * - (Health and Human Services funds) note receivable with interest rate at 0% per annum; principal is due December 31, 2041. The note is secured by real estate.	765,828	765,828

The Muses Ltd 1 * - (HOME funds) note receivable with interest rate at 2.75% per annum; principal and accrued interest are due January 1, 2026. The note is secured by real estate.	\$ 2,000,000	\$ 2,000,000
McCaleb Supportive Housing - note receivable with interest rate at 5% per annum; principal and accrued interest are due in monthly installments beginning April 19, 2013, and amortized over 15 years. The outstanding balance of any principal and interest is due on June 17, 2026. The note is secured by real estate.	58,117	73,805
3222 Canal Apartments * - (HOME funds) note receivable with interest rate at 0% per annum; principal payment of note will be automatically forgiven upon the later of (i) the expiration of the affordability period set forth in the Grant Agreement and (ii) the payment in full of the Deferred Developer Fee as described in the Development Services Agreement. The note is secured by real estate.	1,000,000	1,000,000
3222 Canal Apartments * - (AHP funds) note receivable with interest rate at 0% per annum; principal is due February 26, 2030. The note is secured by real estate.	1,000,000	1,000,000
Mission Properties Foundation * - (CDBG funds) note receivable with interest rate at 0% per annum; the note will be automatically forgiven upon the written acknowledgment by the State of Louisiana office of Community Development. The note is secured by real estate.	1,738,559	1,738,559
Regional Community Finance, LLC * - note receivable line of credit with interest rate of 1.0% per annum; principal and interest are due annually commencing on January 1, 2029. All unpaid principal and interest shall be due at maturity on July 1, 2051.	140,828	140,828
NBC * - USA Housing Inc Twenty-Six - (HOME funds) note receivable with interest at 0% per annum; principal is due December 31, 2033.	475,000	475,000
Odyssey House Louisiana * - note receivable with interest rate at 0% per annum; principal is due December 31, 2029.	759,829	760,216
The Muses Ltd 1 - (Enterprise funds) note receivable with interest rate at 0% per annum; principal is due at the earlier of the sale and/or refinancing of The Muses Ltd 1 or October 1, 2039.	50,000	50,000
Country Club Estates, LP * - (AHP funds) note receivable with interest rate at 3.08% per annum; principal is due December 31, 2059. The note is secured by real estate.	500,000	500,000
Realtymasters, LLC - \$4,850,000 note receivable with an interest rate of 1.16% per annum; interest is due quarterly. Commencing on June 5, 2028, principal and interest payments are due quarterly. All unpaid principal and interest are due at maturity on December 31, 2040.	4,850,000	4,850,000

OCH Commercial, LLC - \$6,305,000 notes receivable with an interest rate of 1.31% per annum, interest is due quarterly. Commencing on September 5, 2028, principal and interest payments are due quarterly. All unpaid principal and interest are due at maturity on July 1, 2056.	\$ 6,305,000	\$ 6,305,000
Villas of Lafayette * - (AHP funds) notes receivable with interest rate at 0% per annum; principal is due February 26, 2055. These notes are secured by real estate.	1,061,000	1,061,000
Regional Community Finance, LLC \ast - (Health and Human Services funds) note receivable with interest rate at 0% per annum; principal is due April 8, 2052. The note is secured by personal property.	799,800	799,800
The Dewberry - \$4,607,500 note receivable with an interest rate of 1.15% per annum; interest is due quarterly. Commencing on June 5, 2028, principal and interest payments are due quarterly. All unpaid principal and interest are due at maturity on September 8, 2029.	4,607,500	4,607,500
The Pearl Clinic, LLC - \$4,850,000 note receivable with an interest rate of 1.09% per annum; interest is due quarterly. Commencing on June 5, 2029, principal and interest payments are due quarterly. All unpaid principal and interest are due at maturity on April 8, 2057.	4,850,000	4,850,000
Oakwood University, Inc \$4,607,500 note receivable with an interest rate of 1.06% per annum; interest is due quarterly. Commencing on June 5, 2029, principal and interest payments are due quarterly. All unpaid principal and interest are due at maturity on May 4, 2057.	4,607,500	4,607,500
Odyssey House Louisiana * - (Health and Human Services funds) note receivable with interest rate at 6.5% per annum; principal is due August 16, 2026.	300,800	-
The Elysian, L.L.C. \ast - (Operating Deficit Loan) note receivable with interest rate at 0% per annum; amount payable out of available cash flows.	578,000	253,000
Country Club Estates, LLC * – note receivable with interest rate at 0% per annum, principal is due December 1, 2023.	50,000	50,000
St. Thomas Community Health Center - \$4,850,000 note receivable with an interest rate of 1.35% per annum; interest is due quarterly. Commencing June 5, 2030, principal and interest payments are due quarterly. All unpaid principal and interest are due at maturity on May 1, 2053.	4,850,000	4,850,000
Magic City Acceptance Academy - \$4,850,000 note receivable with an interest rate of 1.42% per annum; interest is due quarterly. Commencing on March 5, 2031, principal and interest payments are due quarterly. All unpaid principal and interest are due at maturity on December 13, 2053.	4,850,000	4,850,000

Total net notes receivable	\$ 67,976,862	\$ 62,699,040
Less: Allowance for credit losses	(1,834,237)	(1,698,789)
Total notes receivable	69,811,099	64,397,829
Regional Community Finance - \$1,200,000 note receivable with an interest rate of 4.50%. All unpaid principal is due at maturity on April 8, 2037	1,193,319	1,200,000
Birmingham YMCA - \$5,577,500 note receivable with an interest rate of 2.25%. All unpaid principal is due at maturity on January 31, 2058.	5,577,500	-
East Baton Rouge Parish Council on Aging - \$142,173 note receivable with an interest rate of 0.00%. All unpaid principal is due at maturity.	18,918	-
Crescent Care Mid City (CCMC) - \$8,730,000 note receivable with an interest rate of 1.50%. All unpaid principal is due at maturity on January 31, 2053.	8,730,000	8,730,000
Crescent Care Health Center - \$800,000 note receivable with an interest rate of 0%. All unpaid principal is due at maturity on January 25, 2053.	799,900	799,900
Odyssey House of Louisiana - \$1,000,000 note receivable with an interest rate of 6.75% per annum; interest due monthly. All unpaid principal and interest are due at maturity on April 23, 2025. This note was paid in full in 2024	\$ -	\$ 786,445

Accrued interest receivable on the above notes totaled \$873,559 and \$891,768 as of December 31, 2024 and 2023, respectively. Accrued interest receivable is included in other assets in the consolidated statements of financial position.

Loans denoted with * do not require payment until maturity.

The risk characteristics of each loan portfolio segment are as follows:

Qualified Low-Income Community Investments (QLICIs) related to New Markets Tax Credit transactions

For QLICIs that are secured by the commercial real estate financed for development, GCHP establishes requirements related to long-term commercial tenants to ensure that the financing can be supported once the development is complete. Repayment of these loans is primarily dependent on the commercial tenant leases which can be impacted by changes in economic conditions and government policies as most of the tenants are federally supported health care institutions. Risk is mitigated by having the leases in place prior to development starting.

As of December 31, 2024 GCHP reserved \$66,930 for these loans against potential future losses. The total balance in the loan portfolio as of December 31, 2024 and 2023 was \$49,227,500 and \$43,650,000, respectively.

Loans with Forgiveness Provisions

GCHP has made loans with forgiveness provisions in the event that certain future events occur. These loans are secured by liens on income-producing real estate. The repayment of these loans is dependent on whether or not the real estate remains in their current use or whether, during the term of the loans, the real estate are refinanced. GCHP has gauged this risk in assessing its reserve against these loans.

The total balance in the loan portfolio as of December 31, 2024 and 2023 was \$3,738,559.

Community Loans

GCHP has made loans to various Community Based organizations for affordable housing related projects. Loans made under this program were anticipated to be repaid through a combination of the projects' operating cash flows and the proceeds of the refinancing of the projects' after the completion of the compliance periods.

As of December 31, 2024 GCHP reserved \$68,518 for these loans against potential future losses. The total balance in the loan portfolio as of December 31, 2024 and 2023 was \$16,845,040 and \$17,009,270, respectively.

The changes in the allowance for credit losses by loan portfolio segment for the year ended December 31, 2024 is as follows:

	QLICI Loans	Loans with Forgiveness	Community Loans	Total
Balance at December 31, 2023	\$ 552,415	\$ 186,928	\$ 959,446	\$ 1,698,789
Credit loss expense Net charge-offs	66,930 		68,518	135,448
Balance at December 31, 2024	\$ 619,345	\$ 186,928	\$ 1,027,964	\$ 1,834,237

6. Notes Payable

Notes payable are generally non-recourse and secured by the respective properties unless otherwise noted. Corporate debt represents debt owed directly by GCHP or one of its wholly owned subsidiaries and partnership debt represents debt owed by less than 100% owned subsidiaries. Details of debt are as follows as of December 31:

<u>Corporate Debt</u>	2024	2023
Unsecured acquisition / predevelopment / development loans, bearing interest from 0% to 6.5%, with interest-only payments due monthly/semi-annual/quarterly, with the exception of one loan that has a monthly principal and interest amortization, to be repaid in full at maturity at various dates through 2030. Interest expense was \$520,373 and \$590,575 in 2024 and 2023, respectively.	\$ 14,898,149	\$ 16,337,703

Secured, recourse lines of credit, totaling \$4,750,000 of credit for predevelopment/construction financing with \$1,982,344 available on December 31, bearing interest from 8.10% to 8.75% payable monthly, with entire principal to be repaid in full at maturity at various dates through 2026. Interest expense was \$365,440 and \$149,095 in 2024 and 2023, respectively.	\$ 5,275,056	\$ 4,708,697
Unsecured initial capitalization loans, bearing interest between 2.5% and 3.95%, with interest only payments due monthly, to be paid in full with maturity dates from June 21, 2027 to March 30, 2037. Interest expense was \$203,506 and \$200,346 in 2024 and 2023, respectively.	6,300,000	6,200,000
Total corporate debt	\$ 26,473,204	\$ 27,246,400
Partnership Debt		
Secured, Louisiana and Mississippi state agency loans, bearing interest from 0% to 4.9%, principal and interest payments are payable from property cash flow. To be repaid in full at various dates through 2063. Interest expense was \$527,619 and \$329,316 in 2024 and 2023, respectively.	\$ 84,202,149	\$ 82,075,167
Secured, recourse loans, bearing interest from 0.01% to 3.99% payable monthly. Principal to be repaid in full at maturity or convertible to permanent financing with maturities from 2044 to 2061. Capitalized interest was \$12,876 and \$1,310,994 and interest expense was \$1,923,861 and \$0 in 2024 and 2023, respectively.	56,491,605	36,750,000
Secured, recourse acquisition and construction loans, bearing interest at fixed and variable rates from 1.00% to 8.00% payable monthly, with principal to be repaid in full at maturity or convertible to permanent financing with maturities in 2026. Capitalized interest was \$103,286 and \$883,661 and interest expense was \$529,070 and \$257,464 in 2024 and 2023, respectively.	11,338,787	25,310,595
Secured, Louisiana state agency loans, bearing 0% interest, forgiven during the compliance period or forgivable or assignable at the end of the compliance period ranging from 5 to 20 years, beginning upon issuance of the conversion certificate or meeting occupancy requirements for the property. In the event of non-compliance, maturity dates range from 2026 to 2047.	3,412,279	4,549,781
Permanent, secured conventional loans, bearing interest from 0% to 9.00%, generally with principal and interest due monthly, to be repaid in full at various dates through 2060. Capitalized interest was \$74,553 and \$89,717 and interest expense was \$897,078 and \$1,380,030 in 2024 and 2023, respectively.	35,363,462	39,072,912
Secured, non-recourse, partner loans from pass through rehabilitation financing, bearing interest from 0% to 4.35%, with interest and principal payable from property cash flow. To be repaid in full at maturity. Interest expense was \$1,016,352 and \$16,729 in 2024 and 2023, respectively.	24,317,080	25,871,546

Unsecured non-recourse loans, bearing interest from 1% to 8.5%. To be repaid in full at September 27, 2065. Interest expense was \$42,709 and \$43,038 in 2024 and 2023, respectively.	\$ 2,218,026	_	\$ 2,073,827
Total partnership debt	217,343,387	_	215,707,828
Total notes payable	243,816,592		242,954,228
Less unamortized debt issuance costs	(3,978,152)	_	(3,982,565)
Total notes payable, net	\$ 239,839,600		\$ 238,971,663

Scheduled maturities for notes payable for the next five years and thereafter are:

2025	\$ 22,864,455
2026	13,240,463
2027	1,672,444
2028	595,182
2029	3,931,382
Thereafter	198,435,610
Forgivable loans	 3,077,056
	\$ 243,816,592

Loans based on cash flow are loans whereby interest is paid out of surplus cash or available cash flow with payments occurring at various dates through the year ended December 31, 2062. Forgivable loans are forgivable over time or on the achievement of certain milestones specified by the loan agreements. Included in scheduled maturities for the year ended December 31, 2025, are due on demand loans totaling \$3,817,686.

Certain notes payable are subject to financial covenants as defined in the specific note payable agreements. The Company was in compliance with all financial covenants at December 31, 2024 and has certain reporting requirements related to audited financial statements that it is either in compliance with or has a cure period that was available as of the date the financial statements were available for issuance.

7. New Markets Tax Credits

On June 30, 2022, GCHP NMTC-2019#2, LLC a subsidiary of GCHP, Inc., entered into an operating agreement with The Pearl Investment Fund, LLC. NMTC-2019#2, LLC, was organized as a subsidiary for the purpose of receiving sub-allocations of New Markets Tax Credits ("NMTC") from GCHP, Inc., an Allocatee under the NMTC Program. Pursuant to the Operating Agreement,

The Pearl Investment Fund, LLC is required to provide capital contributions to GCHP, NMTC-2019#2, totaling \$4,500,000 for a 99.99% membership interest. As of December 31, 2024, The Pearl Investment Fund, LLC, capital contribution totaled \$5,000,000. Of this contribution, \$5,000,000 has been designated as a qualified equity investment ("QEI") under the NMTC program.

On April 8, 2023, GCHP NMTC-2019#2, LLC entered into two separate loan agreements with The Pearl Clinic, LLC, a Qualified Active Low Income Community Business ("QALICB") under the NMTC program, in the amount of \$4,850,000. The Pearl Clinic, LLC is to pay this balance at an interest rate of 1.09% with a maturity date of April 8, 2057.

On March 9, 2023, GCHP NMTC-2019#5, LLC a subsidiary of GCHP, Inc., entered into an operating agreement with Twain Investment Fund 653, LLC. NMTC-2019#5, LLC, was organized as a subsidiary for the purpose of receiving sub-allocations of New Markets Tax Credits ("NMTC") from GCHP, Inc., an Allocatee under the NMTC Program. Pursuant to the Operating Agreement, Twain Investment Fund 653, LLC is required to provide capital contributions to GCHP, NMTC-2019#5, totaling \$4,750,000 for a 99.99% membership interest. As of December 31, 2024, Twain Investment Fund 653, LLC, capital contribution totaled \$4,750,000. Of this contribution, \$4,750,000 has been designated as a qualified equity investment ("QEI") under the NMTC program.

On March 9, 2023, GCHP NMTC-2019#5, LLC entered into two separate loan agreements with Dewberry QALICB, LLC, a Qualified Active Low Income Community Business ("QALICB") under the NMTC program, in the amount of \$4,607,500. Dewberry QALICB, LLC is to pay this balance at an interest rate of 1.15% with a maturity date of September 8, 2029.

On May 4, 2023, GCHP NMTC-2019#4, LLC a subsidiary of GCHP, Inc., entered into an operating agreement with OU Huntsville Investment Fund, LLC. NMTC-2019#4, LLC, was organized as a subsidiary for the purpose of receiving sub-allocations of New Markets Tax Credits ("NMTC") from GCHP, Inc., an Allocatee under the NMTC Program. Pursuant to the Operating Agreement, Twain Investment Fund 653, LLC is required to provide capital contributions to GCHP, NMTC-2019#4, totaling \$4,750,000 for a 99.99% membership interest. As of December 31, 2024, OU Huntsville Investment Fund, LLC, capital contribution totaled \$4,750,000. Of this contribution, \$4,740,000 has been designated as a qualified equity investment ("QEI") under the NMTC program.

On May 4, 2023, GCHP NMTC-2019#4, LLC entered into two separate loan agreements with Oakwood University Community QALICB, a Qualified Active Low Income Community Business ("QALICB") under the NMTC program, in the amount of \$4,607,500. Oakwood University Community QALICB is to pay this balance at an interest rate of 1.07% with a maturity date of May 4, 2057.

On March 21, 2024, GCHP NMTC-202 Number 4, LLC entered into two separate loan agreements with Roebuck YMCA Collaborative QALICB, a Qualified Active Low Income Community Business ("QALICB") under the NMTC program, in the amount of \$5,577,500. Roebuck YMCA Collaborative QALICB is to pay this balance at an interest rate of 2.25% with a maturity date of December 31, 2058.

8. Commitments and Contingencies

Loan Guarantees

GCHP is contingently liable for a CDBG loan between RCF and the State of Louisiana, Office of Community Development. The loan, dated November 27, 2013, was for \$1,000,000. This loan was paid in full on June 28, 2023.

GCHP is contingently liable for multiple loans between RCF and lenders on the 2700 Bohn project. The notes are dated December 5, 2017, with total principal of \$14,215,000. They bear interest rates from 5.75% to 6.09% and are being repaid from 2019 to 2024. The loans had outstanding balances

of \$7,315,083 and \$7,315,083 at December 31, 2024 and 2023, respectively.

On December 12, 2024, 2700 Bohn Motor entered into an Assignment and Assumption Agreement with Regional Community Finance, Inc. (the "Assignor") and The Reinvestment Fund, Inc. (the "Assignee"). The Assignor assigned the loan over to the Assignee. On December 12, 2024, the Company entered into an Omnibus Amendment to Loan Documents with The Reinvestment Fund, Inc. The current interest rate as a fixed rate of 2.863470% per annum was revised to the interest rate as a fixed rate of 7.00% per annum. The current maturity date of December 5, 2024 was revised to December 31, 2025. The loans had outstanding balances totaling \$9,215,000 and \$9,215,000 at December 31, 2024 and 2023.

GCHP is contingently liable for multiple loans between Odyssey House Investment Fund, LLC and RCF. The notes are dated December 5, 2017 with total principal of \$9,858,384 and \$10,845,743 at December 31, 2024 and 2023, respectively. They bear interest rates from 1.60% to 6.09% and mature from 2025 to 2038.

Tax Credits

GCHP has entered into various guarantee agreements related to particular transactions that include completion, operating deficits, and tax credit guarantees. These agreements guarantee the completion, compliance, and ongoing operations of properties. GCHP could be required to fund all or a portion of any deficits or tax credit adjustments that may arise from these guarantees. In the opinion of management, GCHP does not anticipate any significant funding requirements as a result of these guarantee agreements.

9. Related Party Transactions

Due to Related Party

Due to related party primarily consists of advances from limited partner members and former limited partners to the partnerships. The amounts have no repayment terms and do not incur interest.

Enterprise Community Partners, Inc.

During the years ended December 31, 2024 and 2023, Enterprise Community Partners, Inc. (ECP) awarded GCHP with operating grants. GCHP recorded a total of \$0 and \$45,000 on the consolidated statements of activities as grant income for the years ended December 31, 2024 and 2023, respectively. A Vice President of ECP is a board member and related party of GCHP.

Capital Area Alliance for the Homeless

GCHP-Scott, LLC has a loan with the Capital Area Alliance for the Homeless (CAAH). CAAH is a partner in a GCHP consolidated entity. At December 31, 2024 and 2023, the outstanding balance on the loan was \$384,000 and the interest rate was 4.35%. Interest payments are received until maturity.

NBC USA Housing

As disclosed in Note 5, GCHP has loaned funds to NBC USA Housing and its affiliate, McCaleb Supporting Housing, with principal balances of \$475,000 as of December 31, 2024 and 2023. The Chairman of the Board of NBC USA Housing is a board member and related party of GCHP.

Regional Community Finance

The President and related party of GCHP is also on the Board of RCF. GCHP MLK Leverage Lender, L.L.C (GCHP MLK) is a subsidiary of RCF. In prior years, GCHP, or its affiliates, entered into notes payable agreements with RCF and GCHP MLK. The notes payable had an outstanding balance of \$3,677,024 and \$5,569,113 with interest rates ranging from 0.50% to 5% at December 31, 2024 and 2023, respectively.

10. Noncontrolling Interest

The following table reconciles the changes in net assets attributable to GCHP and the noncontrolling interests in less than 100% owned consolidated subsidiaries:

	Total	Controlling Interest	Noncontrolling Interest
Balance at January 1, 2023	\$ 202,586,725	\$ 84,201,428	\$ 118,385,297
Change in net assets	(13,893,167)	19,112	(13,912,279
Change in accounting principle	(1,421,906)	(1,421,906)	-
Transfer of Interest from noncontrolling member to controlling member	-	998,937	(998,937)
Contributions to subsidiaries by noncontrolling shareholders	47,881,711	-	47,881,711
Change in consolidated net assets	32,566,638	(403,857)	32,970,495
Balance at December 31, 2023	235,153,363	83,797,571	151,355,792
Change in net assets	(11,037,991)	5,465,724	(16,503,715)
Transfer of interest from noncontrolling member to controlling member Contributions to subsidiaries by	-	(1,684,877)	1,684,877
controlling shareholders	40,763,385	-	40,763,385
Change in consolidated net assets	29,725,394	3,780,846	25,944,548
Balance at December 31, 2024	\$ 264,878,757	\$ 87,578,417	\$ 177,300,340

Capital contributions to and distributions from consolidated subsidiaries by noncontrolling interests for the years ended December 31, 2024 and 2023 are as follows:

Subsidiaries	2024	2023
Beau Sejour Apartments, L.P.	\$ (33,974)	\$ (675)
1626 OCH, LLC	(110,990)	(16,722)
Lotus Village	2,095,569	6,692,029
GCHP-NMTC-2019#1	(31,148)	(31,148)
GCHP-NMTC-2019#2	(27,820)	(27,820)
GCHP-NMTC-2019#3	(37,550)	(50,066)
GCHP-NMTC-2019#4	(25,493)	(25,493)
GCHP-NMTC-2019#5	(35,734)	(28,587)
GCHP-NMTC-2020 Number 1	(43,866)	4,997,929
GCHP-NMTC-2020 Number 2	(64,456)	(79,018)
GCHP-NMTC-2020 Number 3	(40,526)	4,972,983
GCHP-NMTC-2020 Number 4	5,674,762	-
Country Ridge Estates	360,100	3,712,200
Country Ridge Estates North	4,573,100	1,494,800
McKee City Living	(55,000)	8,039,082
Cypress Gardens	244,831	4,698,093
McDonogh 16	(70,000)	(3,218)
Elysian II	(35,237)	346,787
North Park	(52,000)	2,600,135
Lafourche	(25,000)	229,650
Leonard Court (MSD1)	3,209,544	-
Virginia Meadows	1,143,324	3,406,085
Pearl Street Southwest	8,216,745	2,431,764
Richland Gardens	2,847,248	1,348,722
1300-OCH	1,950,300	5,000
H3C	1,411,100	-
Clinton Heights	(55,000)	1,449,546
GCHP Hammond Two, LP	1,187,850	-
GCHP Hammond 3	1,261,350	-
GCHP-Mid City	(21,969)	-
GCHP Midtown	1,942,100	-
Government Corridor	4,101,281	1,845,362
Haven Family	431,638	-
Meadows Family	790,059	-
1854N Street	(28,969)	(125,709)
Other	117,216	
Net contributions to subsidiaries	\$ 40,763,385	\$ 47,881,711

11. Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted as follows as of December 31:

	2024	2023
Time and purpose restricted	\$ 1,750,000	\$ 1,750,000
Time restricted	14,016,677	15,822,259
Total net assets with donor restrictions	\$ 15,766,677	\$ 17,572,859

12. Grant Programs

GCHP participates in a number of federal and state programs which are governed by various rules and regulations. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that GCHP has not complied with the rules and regulations governing the grants, refunds of any money received and the collectability of any related receivable as of December 31, 2024, might be impaired. In management's opinion, there are no significant contingent liabilities relating to compliance with the rules and regulations governing state and federal grants; therefore, no provision has been recorded in the accompanying consolidated financial statements for such contingencies. Audits in prior years have not resulted in any significant disallowed costs or refunds. Any costs that would be disallowed would be recognized in the period agreed upon by the grantor agency and GCHP.

13. Subsequent Events

On March 28, 2025, GCHP NMTC-202 Number 5, LLC entered into two separate loan agreements with The Harry Thompson Center Inc., a Qualified Active Low Income Community Business ("QALICB") under the NMTC program, in the amount of \$4,122,500. Harry Thompson Center Inc. QALICB is to pay this balance at an interest rate of 1.25% with a maturity date of December 31, 2059.

Management has evaluated subsequent events through the date that the consolidated financial statements were available to be issued, May 16, 2025, and determined that no other events occurred that require disclosure. No events after this date have been evaluated for inclusion in the consolidated financial statements.

Gulf Coast Housing Partnership, Inc. Schedule of Compensation, Benefits, and Other Payments to Agency Head

Chief Executive Officer Name: Kathy Laborde

R.S. 24:513 (A) (3) requires reporting of the total compensation, reimbursements, and benefits paid to the agency head or chief executive officer. This law was further amended by Act 462 of the 2015 Regular Session which clarified that nongovernmental or not for profit local auditees are required to report only the compensation, reimbursements, and benefits paid to the agency head or chief executive officer paid from public funds.

Gulf Coast Housing Partnership, Inc. does not meet the requirement to report the total compensation, reimbursements, and benefits paid to the Chief Executive Officer as these costs are not supported by public funds.

See accompanying independent auditors' report.



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

To the Board of Directors of Gulf Coast Housing Partnership, Inc.

We have audited, in accordance with the 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, the consolidated financial statements of Gulf Coast Housing Partnership, Inc. (GCHP) (a nonprofit organization), which comprise the consolidated statement of financial position as of December 31, 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 16, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered GCHP's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of GCHP's internal control. Accordingly, we do not express an opinion on the effectiveness of GCHP'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 the 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.

Compliance and Other Matters

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

Purpose of this Report

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

Metairie, Louisiana May 16, 2025

Parr, Riggs & Ungam, L.L.C.

Gulf Coast Housing Partnership, Inc. Schedule of Findings and Responses

SECTION I - SUMMARY OF AUDITORS' RESULTS

1. Type of independent auditors' report Unmod		
2. Internal	control over financial reporting	
a.	Material weakness identified	No
b.	Significant deficiencies not considered to be material weaknesses	No
C.	Noncompliance material to the financial statements noted	No
3. Manage	ment letter	No

SECTION II - FINDINGS RELATED TO FINANCIAL STATEMENTS

There were no findings related to the financial statements for the year ended December 31, 2024.

SECTION III - FINDINGS RELATED TO COMPLIANCE AND OTHER MATTERS

There were no findings related to compliance and other matters for the year ended December 31, 2024.

Gulf Coast Housing Partnership, Inc. Summary Schedule of Prior Audit Findings

SECTION I – FINDINGS RELATED TO THE FINANCIAL STATEMENTS

Not applicable.

SECTION II – FINDINGS RELATED TO COMPLIANCE AND OTHER MATTERS

Not applicable.

SECTION III – MANAGEMENT LETTER

Not applicable.

Gulf Coast Housing Partnership, Inc. Single Audit Report December 31, 2024

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UNIFORM GUIDANCE COMPLIANCE AND GOVERNMENT AUDITING STANDARDS REPORTS

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

To the Board of Directors of Gulf Coast Housing Partnership, Inc.

We have audited, in accordance with the 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, the consolidated financial statements of Gulf Coast Housing Partnership, Inc. (GCHP) (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 16, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered GCHP's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of GCHP's internal control. Accordingly, we do not express an opinion on the effectiveness of GCHP'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

Carr, Riggs & Ungram, L.L.C.

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

Purpose of this Report

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

Metairie, Louisiana

May 16, 2025



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors of Gulf Coast Housing Partnership, Inc. New Orleans, Louisiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Gulf Coast Housing Partnership, Inc.'s (the Organization) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended December 31, 2024. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles,* and *Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

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, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Organization's federal 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 the Organization'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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance 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 the Organization's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, 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 the Organization'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 the Organization'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 Uniform
 Guidance, but not for the purpose of expressing an opinion on the effectiveness of the
 Organization'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 federal 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 federal 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 federal 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 in internal control over compliance. Given these limitations, during our audit 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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the consolidated financial statements of Gulf Coast Housing Partnership, Inc. as of and for the year ended December 31, 2024, and have issued our report thereon dated May 16, 2025, which contained an unmodified opinion on those consolidated financial statements. Our audit was performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Carr, Riggs & Ungram, L.L.C.
Metairie, Louisiana

June 30, 2025

Gulf Coast Housing Partnership, Inc. Schedule of Expenditures of Federal Awards

			nounts			
	Assistance	Pass-through	Р	assed		Federal
	Listing	Entity Identifying	thr	ough to	Exp	enditures in
Federal Grantor/ Pass-through Grantor/ Program or Cluster Title	Number	Number	Subr	ecipients		2024
U.S. Department of the Treasury						
Pass-through program from:						
Community Development Financial Institutions Fund						
Capital Magnet Fund	21.011	211CM059118	\$	-	\$	2,825,000
Total U.S. Department of the Treasury			\$	-	\$	2,825,000
U.S. Department of Housing and Urban Development						
Pass-through program from:						
Louisiana Housing Corporation						
Community Development Block Grants/State's Grants and Non-		OCD Prime-2020-				
entitlement Grants in Hawaii	14.228	05	\$	-	\$	500,000
Pass-through program from:						
Louisiana Office of Community Development Community Development Block Grants/State's Grants and Non-						
entitlement Grants in Hawaii	14.228	N/A		-		252,548
Pass-through program from:						
City of New Orleans						
HOME Investment Partnerships Program Total Community Development Block Grants/State's Grants and	14.228	HOME2018-10		-		334,138
Non-entitlement Grants in Hawaii	14.228		\$	-	\$	1,086,686
Total U.S. Department of Housing and Urban Development			\$	-	\$	1,086,686
Congressional Appropriations						
Pass-through program from:						
NeighborWorks America						
Congressional Appropriations	P.L. 95-557	N/A	\$	-	\$	520,750
Total Congressional Appropriations			\$	-	\$	520,750
то	otal Federal Av	ward Expenditures	\$		\$	4,432,436

Gulf Coast Housing Partnership, Inc. Notes to the Schedule of Expenditures of Federal Awards

Note 1: GENERAL

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) presents the activity of all federal awards of Gulf Coast Housing Partnership, Inc. (the GCHP). The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). The Organization reporting entity is defined in Note 1 to the consolidated financial statements for the year ended December 31, 2024. All federal awards received directly from federal agencies are included on the Schedule, as well as federal awards passed-through other entities.

The Schedule for the year ended December 31, 2024 does not include the federal award funding expended by GCHP's for-profit subsidiaries as they do not meet the requirements for an audit in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation – The Schedule includes the activity of GCHP and is presented on the accrual basis of accounting. The information in the Schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Note 3: INDIRECT COST RATE

The Organization has not elected to use the de minimis indirect cost rate.

Note 4: LOANS

The Organization did not expend federal awards related to loans or loan guarantees during the year. The Organization expended \$1,086,686 of state agency loans related to federal awards during the year.

Note 5: FEDERALLY FUNDED INSURANCE

The Organization has no federally funded insurance.

Gulf Coast Housing Partnership, Inc. Notes to the Schedule of Expenditures of Federal Awards

Note 6: NONCASH ASSISTANCE

The Organization did not receive any federal noncash assistance for the fiscal year ended December 31, 2024.

Note 7: RECONCILIATION OF FEDERAL EXPENDITURES

Federal award expenditures are reported as follows:

December 31, 2024:

Draws on notes payable due to state agencies	\$ 1,086,686
Federal grants	3,345,750
Total federal expenditures	\$ 4,432,436

Total federal award expenditures of \$2,965,750 are within the federal grant revenue reflected in the consolidated statement of activities. The remaining \$380,000 was recognized as revenue in a prior year.

Funding received under the Community Development Block Grant Program and the HOME Investment Partnerships Program is passed through several state and local agencies, and thus is considered a grant award. Amounts presented on the Schedule represent draw downs on loans provided by the passthrough entities. Since the funding under these programs are not direct loans from federal awarding agencies for federal loan programs, the awards are not presented as loans on the accompanying Schedule.

Note 8: RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

Amounts reported in the Schedule agree with the amounts reported in the related federal financial reports.

Gulf Coast Housing Partnership, Inc. Schedule of Findings and Questioned Costs

Section I – Summary of Auditor's Results

Consolidated Financial Statements	
Type of auditor's report issued:	Unmodified
 Internal control over financial reporting: Material weakness(es) identified? Significant deficiency(es) identified? 	No None noted
Noncompliance material to consolidated financial sta	atements noted? No
Federal Awards	
 Internal control over major federal programs: Material weakness(es) identified? Significant deficiency(es) identified? 	No None noted
Type of auditor's report issued on compliance for ma federal programs:	ajor Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR Part 200.516(a)	? No
Identification of major federal programs:	
Assistance Listing Number 21.011	Federal Program or Cluster Capital Magnet Fund
Dollar threshold used to distinguish between type programs.	A and B programs was \$750,000 for major federal
Auditee qualified as a low-risk auditee for federal pu	rposes? No

Gulf Coast Housing Partnership, Inc. Schedule of Findings and Questioned Costs

Section II – Conso	lidated Financial	Statement Findings
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None noted.

Section III - Federal Award Findings and Questioned Costs

None noted.

Section IV – Summary of Prior Audit Findings

Criteria: Per Louisiana Revised Statute 24:513, GCHP is

required to complete and submit an audit to the Louisiana Legislative Auditor "within six months of the close of the local auditee's or vendor's fiscal year."

Recommendation: We recommend that GCHP implement controls and

processes to ensure all required reports are submitted

timely.

Management's Response and Current Status: Resolved.





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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES FOR THE YEAR ENDED DECEMBER 31, 2024

To the Board of Directors of Gulf Coast Housing Partnership, Inc. and the Louisiana Legislative Auditor

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2024 through December 31, 2024. Gulf Coast Housing Partnership, Inc.'s (GCHP) management is responsible for those C/C areas identified in the SAUPs.

GCHP has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2024 through December 31, 2024. 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 and associated findings are as follows:

Written Policies and Procedures

- 1. 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:
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.

Results: Exception noted. The entity's Budgeting Policy does not contain sections on monitoring and amending.

b) **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.

Results: Exception noted. The entity's Purchasing Policy does not address how vendors are added to the vendor list.

c) Disbursements, including processing, reviewing, and approving.

Results: No exceptions were noted as a result of applying the above procedure.

d) **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).

Results: No exceptions were noted as a result of applying the above procedure.

e) **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.

Results: No exceptions were noted as a result of applying the above procedure.

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

Results: No exceptions were noted as a result of applying the above procedure.

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

Results: Exception noted. The entity's Travel and Expense Reimbursement Policy does not set dollar thresholds by category of expense.

h) 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).

Results: Exception noted. The entity's Credit Card Policy does not address required approvers of statements or monitoring card usage.

i) **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.

Results: Not applicable as the entity is a non-profit entity.

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

Results: Not applicable as the entity is a non-profit entity.

k) 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.

Results: No exceptions were noted as a result of applying the procedure.

I) **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.

Results: Not applicable as the entity is a non-profit entity.

Board or Finance Committee

- 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
 - a) Observe that 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.

Results: No exceptions were noted as a result of applying the procedure.

b) 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 proprietary funds, and semiannual budget- to-actual comparisons, at a minimum, on all special revenue funds. Alternatively, for those entities reporting on the nonprofit 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.

Results: No exceptions were noted as a result of applying the procedure.

c) 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.

Results: Not applicable as the entity is a non-profit entity.

d) 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.

Results: No exceptions were noted as a result of applying the procedure.

Bank Reconciliations

- 3. 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 fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);

Results: No exceptions were noted as a result of applying the above procedure.

b) Bank reconciliations include 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 or electronically logged); and

Results: Exception noted. Each of the 5 bank reconciliations selected had no reviewer's initials, dates or electronic log.

c) 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.

Results: Exception noted. Of the 5 bank reconciliations selected, 1 bank reconciliation did not have documentation reflecting the research of reconciling items that have been outstanding for more than 12 months from the statement closing date.

Collections (excluding electronic funds transfers)

4. 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).

Results: No exceptions were noted as a result of applying the above procedure.

- 5. 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 (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies 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) Employees that are responsible for cash collections do not share cash drawers/registers.

Results: No exceptions were noted as a result of applying the above procedure.

b) 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.

Results: No exceptions were noted as a result of applying the above procedure.

c) 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.

Results: No exceptions were noted as a result of applying the above procedure.

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

Results: No exceptions were noted as a result of applying the above procedure.

6. 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 enforced during the fiscal period.

Results: No exceptions were noted as a result of applying the above procedures.

- 7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (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:
 - a) Observe that receipts are sequentially pre-numbered.

Results: No exceptions were noted as a result of applying the above procedure.

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

Results: No exceptions were noted as a result of applying the above procedure.

c) Trace the deposit slip total to the actual deposit per the bank statement.

Results: No exceptions were noted as a result of applying the above procedure.

d) 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).

Results: No exceptions were noted as a result of applying the above procedure.

e) Trace the actual deposit per the bank statement to the general ledger.

Results: No exceptions were noted as a result of applying the above procedure.

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

8. 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).

Results: No exceptions were noted as a result of applying the above procedure.

9. For each location selected under #8 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, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

Results: No exceptions were found as a result of applying the procedure.

b) At least two employees are involved in processing and approving payments to vendors.

Results: No exceptions were found as a result of applying the procedure.

c) 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.

Results: Exception noted. The employee responsible for processing payments is not prohibited from adding/modifying vendor files and there is not another employee who is responsible for periodically reviewing changes to vendor files.

d) 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.

Results: Exception noted. The check signer does not mail payment nor is required to give payment to someone who is not responsible for processing payment.

e) 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.

Results: No exceptions were found as a result of applying the procedure.

- 10. For each location selected under procedure #8 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) Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity.

Results: No exceptions were noted as a result of applying the above procedure.

b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #9 above, as applicable.

Results: No exceptions were noted as a result of applying the above procedure.

11. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3, randomly select 5 non-payroll-related electronic disbursements (or all 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.

Results: No exceptions were noted as a result of applying the above procedure.

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

12. 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.

Results: No exceptions were noted as a result of applying the above procedure.

- 13. 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:
 - a) 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).

Results: No exceptions were noted as a result of applying the above procedure.

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

Results: No exceptions were noted as a result of applying the above procedure.

14. Using the monthly statements or combined statements selected under #12 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 (i.e. each card should have 10 transactions subject to testing). 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 note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Results: Exceptions noted:

- For 3 of the 36 selected transactions, an original itemized receipt was not provided.
- For 10 of the 36 selected transactions, written documentation of the business/public purpose was not provided
- For 1 of the 2 selected meal transactions, the documentation did not list individuals who were participating in meals.

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

- 15. 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:
 - a) 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).

Results: No exceptions were noted as a result of applying the above procedure.

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

Results: No exceptions were noted as a result of applying the above procedure.

c) 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 #1g

Results: No exceptions were noted as a result of applying the above procedure.

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

Results: No exceptions were noted as a result of applying the above procedure.

Contracts

- 16. 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:
 - a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

Results: No exceptions were noted as a result of applying the procedure.

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

Results: No exceptions were noted as a result of applying the procedure.

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

Results: No exceptions were found as a result of applying the procedure.

d) 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.

Results: No exceptions were noted as a result of applying the procedure.

Payroll and Personnel

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

Results: No exceptions were noted as a result of applying the above procedure.

18. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #17 above, obtain attendance records and leave documentation for the pay period, and:

a) Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).

Results: No exceptions were noted as a result of applying the above procedure.

b) Observe that supervisors approved the attendance and leave of the selected employees or officials.

Results: No exceptions were noted as a result of applying the above procedure.

c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

Results: No exceptions were noted as a result of applying the above procedure.

d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

Results: No exceptions were noted as a result of applying the above procedure.

19. 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.

Results: No exceptions were noted as a result of applying the above procedure.

20. 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.

Results: No exceptions were noted as a result of applying the above procedure.

Ethics

- 21. Using the 5 randomly selected employees/officials from procedure #17 under "Payroll and Personnel" above obtain ethics documentation from management, and:
 - a) Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170.

Results: Not applicable; entity is a non-profit.

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

Results: Not applicable; entity is a non-profit.

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

Results: Not applicable; entity is a non-profit.

Debt Service

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

Results: Not applicable; entity is a non-profit.

24. 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).

Results: Not applicable; entity is a non-profit.

Fraud Notice

25. 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.

Results: No exceptions were found as a result of applying the above procedure.

26. 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.

Results: Exception noted. The fraud notice was not posted on the entity's website.

Information Technology Disaster Recovery/Business Continuity

- 27. Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."
 - a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe 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.

Results: We performed the procedure and discussed the results with management.

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

Results: We performed the procedure and discussed the results with management.

c) 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.

Results: We performed the procedure and discussed the results with management.

28. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #19. Observe evidence that the selected terminated employees have been removed or disabled from the network.

Results: We performed the procedure and discussed the results with management.

- 29. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #17, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:
 - a. Hired before June 9, 2020 completed the training; and
 - b. Hired on or after June 9, 2020 completed the training within 30 days of initial service or employment.

Results: Not applicable; the entity does not have public funding that involves IT assets.

Prevention of Sexual Harassment

30. Using the 5 randomly selected employees/officials from procedure #17 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe 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.

Results: Not applicable; entity is a non-profit entity

31. Observe 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).

Results: Not applicable; entity is a non-profit entity

- 32. 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 it includes the applicable requirements of R.S. 42:344:
 - a) Number and percentage of public servants in the agency who have completed the training requirements;

Results: Not applicable.

b) Number of sexual harassment complaints received by the agency;

Results: Not applicable.

c) Number of complaints which resulted in a finding that sexual harassment occurred;

Results: Not applicable.

d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

Results: Not applicable.

e) Amount of time it took to resolve each complaint.

Results: Not applicable.

We were engaged by GCHP to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. 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 GCHP and to meet our ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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.

Metairie, Louisiana June 18, 2025

Carr, Riggs & Ungram, L.L.C.



June 18, 2025

Louisiana Legislative Auditor 1600 North 3rd Street P.O. Box 94397 Baton Rouge, LA 70804-9397

And

Carr, Riggs & Ingram, LLC 3850 N Causeway Blvd. Suite 1400 Two Lakeway Center Metairie, LA 70002

RE: Management's Response to Statewide Agreed-Upon Procedures Gulf Coast Housing Partnership, Inc.

Dear Sirs and Madams:

Gulf Coast Housing Partnership, Inc. (GCHP) has reviewed the policies and procedures in regard to the comments for the budgeting, purchasing, contracting travel and expense reimbursement, and credit card functions and we will present the appropriate changes to our policies and procedures manual to our board for approval.

We have also reviewed and responded to the comments from the following procedures:

- 3b) Bank Reconciliations: GCHP will update policies and procedures to reflect timely review by management including date and signature.
- 3c) Bank Reconciliations: GCHP will update procedures to require review and documentation of review of items older than 60 days by management.
- 9c) Non-Payroll Disbursements: GCHP will add policies and procedures over the periodic review of changes to the vendor listing
- 9d) Non-Payroll Disbursements: GCHP will add policies and procedures over the segregation of duties related to accounts payable.

- 14) Credit Cards: GCHP will add policies and procedures to include the supporting receipts, business purpose, and meal attendees are preserved and available to review upon submission of credit card payment.
- 26) Fraud Notice: GCHP is in the process of redesigning its public website, which will include the posting of the fraud notice.

Sincerely,

Ashley Wilson

CFO