EISNERAMPER

RURAL NEIGHBORHOODS, INC. AND ITS AFFILIATES

FINANCIAL STATEMENTS
(WITH SUPPLEMENTARY INFORMATION)
AND INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2025 AND 2024

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Rural Neighborhoods, Inc. and its Affiliates

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Rural Neighborhoods, Inc. and its Affiliates

Report on the Financial Statements

Opinion

We have audited the financial statements of Rural Neighborhoods, Inc. (a nonprofit organization) and its Affiliates, which comprise the consolidated statement of financial position as of December 31, 2025, and the related consolidated statements of activities, changes in net assets and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of Rural Neighborhoods, Inc. and its Affiliates, as of December 31, 2025, and the consolidated changes in their net assets and their cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Other Matter

The financial statements of Rural Neighborhoods, Inc. and its Affiliates as of December 31, 2024, were audited by other auditors whose report, dated June 5, 2025, expressed an unmodified opinion on those financial statements.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Rural Neighborhoods, Inc. and its Affiliates' 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 Rural Neighborhoods, Inc. and its Affiliates' ability to continue as a going concern for a reasonable period of time.

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

Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplemental information on pages 74 through 82 is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. That information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplemental information is fairly stated, in all material respects, in relation to the financial statements as a whole.

The accompanying other information on page 92 has not been subject to auditing procedures applied in the audit of the financial statements, and accordingly, we do not express any opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2026, on our consideration of Rural Neighborhoods, Inc. and its Affiliates' 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 ' 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 Rural Neighborhoods, Inc. and its Affiliates' internal control over financial reporting and compliance.

EisnerAmper LLP

EISNERAMPER LLP
Atlanta, Georgia
June 15, 2026

Rural Neighborhoods, Inc. and its Affiliates

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

December 31, 2025 and 2024

ASSETS

	2025	2024
CURRENT ASSETS		
Cash and cash equivalents	$ 33,975,054	$ 20,741,706
Accounts receivable - tenants	35,131	23,621
Rental assistance receivables	461,085	378,595
Miscellaneous receivables	44,651	27,492
Grant receivables	269,774	4,499,750
Prepaid expenses	1,798,569	1,686,878
Total current assets	36,584,264	27,358,042
RESTRICTED DEPOSITS AND FUNDED RESERVES		
Tenant security deposits	942,260	926,604
Mortgage escrows	2,838,486	2,824,060
Replacement reserve	4,115,273	3,228,852
Debt service reserve	3,544,874	3,525,416
Operating reserve	295,295	1,048,680
Other reserves	1,454,550	2,590,166
Total restricted deposits and funded reserves	13,190,738	14,143,778
PROPERTY AND EQUIPMENT		
Land	16,817,363	16,817,363
Land improvements	12,916,735	12,887,769
Buildings and improvements	195,777,786	194,958,678
Furniture and equipment	7,842,749	7,687,660
Construction in progress	73,442,182	11,519,896
Total property and equipment	306,796,815	243,871,366
Less accumulated depreciation	(91,811,368)	(85,598,976)
Total propety and equipment, net	214,985,447	158,272,390
OTHER ASSETS		
Deposits	117,589	109,533
Tax credit monitoring fees, net	359,815	388,533
Right-of-use asset, net	2,679,624	2,722,701
Investment in debt securities	2,006,975	2,006,975
Other assets	39,138	36,007
Total other assets	5,203,141	5,263,749
Total assets	$ 269,963,590	$ 205,037,959

(continued)

Rural Neighborhoods, Inc. and its Affiliates

CONSOLIDATED STATEMENTS OF
FINANCIAL POSITION - CONTINUED

December 31, 2025 and 2024

LIABILITIES AND NET ASSETS

	2025	2024
CURRENT LIABILITIES		
Accounts payable	$ 280,506	$ 336,215
Accrued expenses	1,175,030	714,479
Accrued interest payable	2,435,878	1,581,089
Related party fees payable	96,250	86,250
Construction costs payable	2,946,027	797
Loss contingency - current	250,000	250,000
Current portion of mortgages payable	3,420,984	4,189,510
Total current liabilities	10,604,675	7,158,340
DEPOSITS AND PREPAID LIABILITY		
Tenant security deposits	942,960	926,604
Prepaid rent	714,112	311,396
Total deposits and prepaid liability	1,657,072	1,238,000
LONG-TERM LIABILITIES		
Developer fee payable	723,033	723,033
Loss contingency - long term	-	250,000
Deferred revenue	14,322,963	13,368,096
Mortgages payable, net of current portion	153,942,936	106,241,058
Total long-term liabilities	168,988,932	120,582,187
Total liabilities	181,250,679	128,978,527
NET ASSETS		
Without donor restrictions - non-controlling interest	10,946,954	10,713,143
Without donor restrictions - controlling interest	77,765,957	65,346,289
Net assets without donor restrictions	88,712,911	76,059,432
Total net assets	88,712,911	76,059,432
Total liabilities and net assets	$ 269,963,590	$ 205,037,959

See notes to financial statements.

Rural Neighborhoods, Inc. and its Affiliates

CONSOLIDATED STATEMENT OF ACTIVITIES

Year ended December 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
RENTAL REVENUE			
Potential rental revenue	$ 22,785,675	$ -	$ 22,785,675
Less vacancies and concessions	(1,166,410)	-	(1,166,410)
Total rental revenue	21,619,265	-	21,619,265
OTHER REVENUE			
Application fees	39,435	-	39,435
Laundry and vending	157,978	-	157,978
Interest income	532,245	-	532,245
Tenant charges	211,280	-	211,280
Grant revenue	14,039,308	-	14,039,308
Miscellaneous revenue	691,398	-	691,398
Total other revenue	15,671,644	-	15,671,644
EXPENSES			
Operating and maintenance	4,887,807	-	4,887,807
Utilities	2,054,442	-	2,054,442
Project administration expenses	5,391,295	-	5,391,295
Management fees	218,050	-	218,050
Taxes and insurance	4,828,756	-	4,828,756
Bad debt expense	90,744	-	90,744
Total expenses	17,471,094	-	17,471,094
Income from operations	19,819,815	-	19,819,815
NON-OPERATING EXPENSES (INCOME)			
Interest on mortgages payable	1,293,738	-	1,293,738
Gain on sale of real property	(115,676)	-	(115,676)
Related party fees	22,000	-	22,000
Income from forgiveness of debt	(572,919)	-	(572,919)
Depreciation expense	6,457,560	-	6,457,560
Amortization expense	28,718	-	28,718
Total non-operating expenses (income)	7,113,421	-	7,113,421
Change in net assets before non-controlling interest	12,706,394	-	12,706,394
Non-controlling interest in earnings of subsidiaries	(286,721)	-	(286,721)
Change in net assets attributable to Rural Neighborhoods, Inc.	$ 12,419,673	$ -	$ 12,419,673

See notes to financial statements.

Rural Neighborhoods, Inc. and its Affiliates

CONSOLIDATED STATEMENT OF ACTIVITIES

Year ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
RENTAL REVENUE			
Potential rental revenue	$ 21,057,614	$ -	$ 21,057,614
Less vacancies and concessions	(1,088,656)	-	(1,088,656)
Total rental revenue	19,968,958	-	19,968,958
OTHER REVENUE			
Application fees	41,588	-	41,588
Laundry and vending	156,304	-	156,304
Interest income	533,956	-	533,956
Tenant charges	198,369	-	198,369
Developer fee income	1,126,910	-	1,126,910
Grant revenue	9,649,600	-	9,649,600
Miscellaneous revenue	406,667	-	406,667
Total other revenue	12,113,394	-	12,113,394
EXPENSES			
Operating and maintenance	5,057,954	-	5,057,954
Utilities	1,794,399	-	1,794,399
Project administration expenses	4,858,983	-	4,858,983
Management fees	200,066	-	200,066
Taxes and insurance	4,464,635	-	4,464,635
Bad debt expense	79,953	-	79,953
Total expenses	16,455,990	-	16,455,990
Income from operations	15,626,362	-	15,626,362
NON-OPERATING EXPENSES (INCOME)			
Interest on mortgages payable	1,370,764	-	1,370,764
Gain on sale of real property	(337,053)	-	(337,053)
Related party fees	22,000	-	22,000
Income from forgiveness of debt	(572,919)	-	(572,919)
Depreciation expense	6,332,835	-	6,332,835
Amortization expense	30,482	-	30,482
Total non-operating expenses (income)	6,846,109	-	6,846,109
Change in net assets before non-controlling interest	8,780,253	-	8,780,253
Non-controlling interest in earnings of subsidiaries	92,718	-	92,718
Change in net assets attributable to Rural Neighborhoods, Inc.	$ 8,872,971	$ -	$ 8,872,971

See notes to financial statements.

Rural Neighborhoods, Inc. and its Affiliates

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

Years ended December 31, 2025 and 2024

	Net Assets Without Donor Restrictions				
	Controlling Interest	Non-controlling Interest	Total	Net Assets With Donor Restrictions	Total Net Assets
Balance, December 31, 2023	$ 56,473,322	$ 10,841,957	$ 67,315,279	$ -	$ 67,315,279
Distributions	(4)	(36,096)	(36,100)	-	(36,100)
Change in net assets	8,872,971	(92,718)	8,780,253	-	8,780,253
Balance, December 31, 2024	65,346,289	10,713,143	76,059,432	-	76,059,432
Distributions	(5)	(52,910)	(52,915)	-	(52,915)
Change in net assets	12,419,673	286,721	12,706,394	-	12,706,394
Balance, December 31, 2025	$ 77,765,957	$ 10,946,954	$ 88,712,911	$ -	$ 88,712,911

See notes to financial statements.

Rural Neighborhoods, Inc. and its Affiliates

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended December 31, 2025 and 2024

	2025	2024
Cash flows from operating activities		
Change in net assets	$ 12,706,394	$ 8,780,253
Adjustments to reconcile change in net assets to cash provided by operating activities:		
Depreciation	6,457,560	6,332,835
Amortization	28,718	30,482
Amortization of debt issuance costs	109,923	98,996
Gain on sale of fixed assets	(115,676)	(337,053)
Developer fee income - forgiveness	-	(1,126,910)
Casualty gain	-	(607,798)
Deferred revenue - loan forgiveness	(572,914)	(572,919)
Loss on write-off of fixed assets	2,298	194,140
Changes in:		
Tenant accounts receivable	(11,510)	53,995
Rental assistance receivable	(82,490)	(60,299)
Miscellaneous receivables	(17,159)	(27,248)
Grant receivables	4,229,976	(3,911,783)
Prepaid expenses	(111,691)	(540,805)
Deposits	(8,056)	17,776
Other assets	(3,131)	(8,064)
Accounts payable	(55,709)	174,313
Accrued expenses	460,551	(33,199)
Accrued interest payable	116,653	226,909
Accrued investor services management fee	10,000	2,211
Tenant security deposits liability	16,356	15,790
Prepaid rents	402,716	33,446
Net cash provided by operating activities	23,562,809	8,735,068
Cash flows from investing activities:		
Investment in rental property	(61,113,179)	(8,423,791)
Proceeds from sale of rental property	427,685	744,010
Tax credit fees paid	-	(18,113)
Reimbursement of rental property	43,874	-
Payments on developer fee	-	(127,631)
Construction costs payable	-	(994,195)
Insurance proceeds	-	69,133
Investment in debt securities	-	(2,006,975)
Net cash used in investing activities	(60,641,620)	(10,757,562)

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Rural Neighborhoods, Inc. and its Affiliates

CONSOLIDATED STATEMENTS OF CASH FLOWS - CONTINUED

Years ended December 31, 2025 and 2024

Cash flows from financing activities:	2025	2024
Proceeds from mortgages payable	$ 53,383,832	$ 9,059,480
Principal payments on mortgages	(3,576,585)	(1,961,755)
Contingent liability payments	(250,000)	(1,005,911)
Debt issuance costs paid	(145,213)	(60,495)
Non-controlling interest distributions	(52,910)	(36,096)
Controlling interest distributions	(5)	(4)
Net cash provided by financing activities	49,359,119	5,995,219
Net increase in cash, cash equivalents, and restricted cash	12,280,308	3,972,725
Cash, cash equivalents, and restricted cash, beginning	34,885,484	30,912,759
Cash, cash equivalents, and restricted cash, ending	$ 47,165,792	$ 34,885,484
Supplemental disclosure of cash flow information:		
Cash paid for interest, net of amounts capitalized	$ 1,058,750	$ 1,002,932
Supplemental schedule of non-cash investing and financing activities:		
Disposal of fixed asset	$ (116,680)	$ (92,732)
Investment in rental property, net	(2,855,288)	(93,203)
Developer fee payable	2,139,098	510,254
Deferred insurance proceeds	-	(185,057)
Write-off of accumulated depreciation	(25,524)	(299,299)
Construction costs payable	77,181	-
Accrued interest payable	738,136	109,627
Amortization	-	7,333
Ground lease expense	43,077	43,077
Forgiveness of TCEP loan	(1,527,781)	(1,527,783)
Deferred revenue - loan forgiveness	1,527,781	1,527,783
	$ -	$ -

See notes to financial statements.

NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS

Organization

Rural Neighborhoods, Inc. (RNI) is a Florida nonprofit corporation formed on December 23, 2004 for the purpose of planning, acquiring land, producing, developing and managing construction of projects and sites remaining in the Everglades Farmworker Village parcels and elsewhere. On December 31, 2004, Everglades Community Association, Inc. (ECA) transferred its unrestricted assets and liabilities to RNI to enable it to carry out the above tasks excluding any and all U.S. Department of Agriculture (USDA) restricted assets and liabilities associated with Everglades Farmworker Village.

RNI is the controlling organization of a group of affiliated nonprofit corporations - including ECA, Big Cypress Housing Corporation (BCHC), Little Manatee Housing Corporation (LMHC), Everglades Housing Trust, Inc. (EHT), Everglades Housing Group, Incorporated (EHG), Florida Non-Profit Services, Inc. (FNPS), Florida Keys Community Land Trust, Inc. (FKLT), and Indiantown Non-Profit Housing, Inc. (ITNP) - and, directly and through these affiliates, controls the limited partnerships and limited liability companies that own the group's housing projects. The RNI and its Affiliates develops, owns, and manages affordable rental housing serving farmworkers, seniors, and other low-income residents in rural communities throughout Florida. Each affiliate and its projects are described below.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of RNI and its Affiliates (collectively, the Corporation). All significant intercompany accounts and transactions have been eliminated in this consolidation.

Investment in Subsidiaries

The Corporation evaluates its relationships with other entities to determine whether consolidation is required in accordance with ASC Topic 958-810, *Not-for-Profit Entities – Consolidation*. Under this guidance, the Corporation consolidates entities in which it has a controlling financial interest.

With respect to limited partnerships and similar entities (including limited liability companies that function as limited partnerships), the general partner or managing member is presumed to control the entity and is required to consolidate it unless the limited partners or non-managing members hold substantive kick-out rights or substantive participating rights. For other entities, a controlling financial interest exists ordinarily through ownership of a majority voting interest or, with respect to affiliated nonprofit corporations, through control of a majority voting interest in the entity's board of directors combined with an economic interest in the entity. Management has determined, based on its evaluation under the foregoing guidance, that consolidation is appropriate for the affiliates and subsidiaries described below. All significant intercompany accounts and transactions have been eliminated in consolidation. Management believes that ECA, BCHC and EHT effectively have control of certain limited partnerships and these partnerships are consolidated in the separately issued financial statements of ECA, BCHC and EHT and are included in the accompanying consolidated financial statements.

Certain consolidated entities - specifically, The Avenues at Big Pine Key, LLC (ABPK) and Seahorse Cottages Big Pine Key, LLC (SCBPK) - are owned 0.51% by a wholly-owned subsidiary of EHT and 0.49% by FKLT, both of which are controlled by RNI. Because the entire ownership interest in these entities is held within the RNI controlled group, ABPK and SCBPK are consolidated in full and the entire interest in these entities is attributed to the Corporation's controlling interest; no non-controlling interest is presented with respect to these entities in the accompanying consolidated financial statements. Management has determined, based on its evaluation under the foregoing guidance, that consolidation is appropriate for the subsidiaries listed below.

ECA is a Florida nonprofit corporation formed on July 21, 1982 for the purpose of planning, producing, developing and managing the construction of projects related to providing low cost housing to migrant and seasonal farm workers in Florida. ECA is a controlled corporation of RNI.

ECA includes the following programs and services:

Everglades Farmworker Village (EFV) is a rental operation of ECA and consists of a USDA Rural Development 514/516 farm labor housing complex as described in USDA Handbook 2-3560, Section 2.6. Currently, there are 466 units rented to eligible tenants as defined in the regulations. The USDA also provides rental assistance to tenants based on a formula described in Chapter 8 of the USDA Handbook 2-3560.

Everglades Village Phase 5.6 (Phase 5.6) was planned as an additional phase of EFV that was to consist of 20 units rented to income-eligible migrant and seasonal farm workers as defined by the State of Florida. In 2018, the net assets of Phase 5.6 were transferred to EHT. During the year ended December 31, 2024, the pursuit of the project ended and all activity was written off.

Everglades Rural Rental Housing (ERRH) is Phase III of EFV and consists of a USDA Rural Development 515 housing complex as described in USDA Handbook 2-3560, Section 2.3. Currently, there are 15 units rented to eligible tenants as defined in the regulations. The USDA also provides rental assistance to tenants based on a formula described in Chapter 8 of the USDA Handbook 2-3560.

Casa Cesar Chavez (CCC) is an additional phase of EFV and consists of a 28-unit, 144 bed, four building, townhome complex designed to house unaccompanied single workers. The units are rented to income eligible migrant and seasonal farm workers as defined by the State of Florida. This project was not constructed with USDA funds and is not subject to USDA oversight or regulation.

Everglades Migrant Housing (EMH) is an additional phase of EFV that consists of 30 units that are rented to income eligible migrant and seasonal farm workers as defined by the State of Florida and the USDA. The project is funded by the USDA and is subject to USDA oversight and regulations.

ECA also includes the activities of the following subsidiaries:

Pollywog Creek, LLC (PC) is a wholly owned subsidiary of ECA formed to develop a 64 unit, low-income rental housing community in LaBelle, Florida. The project was designed in three phases. During 2012, phase III was incorporated as a separate legal entity, Pollywog Creek Senior Housing, Incorporated (PCSH). In 2012, the assets and liabilities associated with phase III were transferred from ECA to PCSH. Phases I and II are USDA Rural Development 514/516 farm labor housing complexes subject to USDA Rural Development farm labor housing requirements and the regulations of the Florida Housing Finance Corporation (FHFC) State Apartment Incentive Loan (SAIL) Program. Phases I and II were placed in service on May 16, 2011.

Shannon's Crossing, LLC (SCL) is a wholly owned subsidiary of ECA. SCL is the sole member of Beneficial Oaks at Shannon's Crossing, LLC, which is the .01 percent general partner of Oaks at Shannon's Crossing, LP (OSC). OSC is the owner of a 100-unit, low-income housing tax credit project with farm worker set-aside in Okeechobee, Florida. The investor limited partner of OSC was PNC Multifamily Capital Institutional Fund XXXI, LP, the special limited partner was Columbia Housing SLP Corporation, and the Class B limited partner is JR Beneficial Holdings 6, LLC. Effective July 17, 2023, pursuant to the assignment and assumption agreement, PNC Multifamily Capital Institutional Fund XXXI, LP, and Columbia Housing SLP Corporation, together the withdrawing limited partners, assigned their limited partner interest to Rural Neighborhoods, Incorporated, the incoming limited partner. The withdrawing limited partners were paid the total amount of $6,000 for the partnership interest in accordance with the assignment and assumption agreement. SCL accounts for its investment in OSC in accordance with ASC Topic 958-810.

Everglades Supportive Housing, LLC (ESH) is a Florida limited liability company owned by ECA. Prior to 2009, ESH was co-owned by ECA and RNI. ESH is the owner of a four-unit housing project for homeless families in Collier County, Florida. The project is Phase II of the Eden Gardens Apartments (EGA) project and was placed in service on September 28, 2009. The project was constructed on land financed by the USDA but is not subject to 514/516 regulations.

BCHC is a Florida nonprofit corporation formed on January 5, 2001 for the purpose of general operations, construction, expansion or any other activity connected with providing low cost housing to migrant and seasonal farm workers in Collier County, Florida. BCHC is a controlled corporation of RNI.

BCHC includes the following programs and services:

Main Street Village (MSV) is a rental operation of BCHC and includes a 79 unit, USDA Rural Development 514/516 farm labor housing complex as described in the USDA Handbook 2-3560, Section 2.6. Units are rented to eligible tenants as defined in the regulations. The USDA also provides rental assistance to tenants based on a formula described in Chapter 8 of the USDA Handbook 2-3560. A maximum of 68 units may receive rental assistance at any one time.

Hatchers Preserve (HP) is a rental operation of BCHC and consists of 18 units that were all placed in service during the year ended December 31, 2016 and are being rented to income eligible tenants.

BCHC also includes the activities of the following subsidiaries:

Corkscrew Sanctuary, LLC (CSS), a wholly owned subsidiary of BCHC, was a .01 percent general partner of Eden Gardens Apartments, LP, owner of a 51 unit, low-income housing tax credit project that is the first phase of the EGA project (Phase I). Effective December 31, 2023, pursuant to the agreement for transfer and assignment of limited partnership interest, CREA Corporate Tax Credit Fund 48, LLC (the Withdrawing Limited Partner) assigned its limited partner interest to BCHC (the Incoming Limited Partner). The ownership of the partnership following the transfer of ownership is 99.99 percent incoming Limited Partner and .01 percent CSS. Effective January 1, 2024, CSS transferred its ownership interest to BCHC and the partnership converted to a limited liability company under the laws of the state of Florida. With the conversion, the Company changed its name to Eden Gardens Apartments, LLC (EGALLC). As a result of the transfer of interest, EGALLC became a wholly owned subsidiary of BCHC. Phase I was placed in service on June 18, 2009 and is a USDA Rural Development 514/516 farm labor housing complex as described in the USDA Handbook 2-3560, Section 2.6. Units are rented to eligible tenants as defined in the regulations. The USDA also provides rental assistance to tenants based on a formula described in Chapter 8 of USDA Handbook 2-3560. EGALLC in accordance with ASC Topic 958-810.

Eden Gardens II, LLC (EGII), a wholly owned subsidiary of BCHC, is the sole owner of a 37 unit, low-income housing project, for migrant and seasonal farm workers that is the third phase of the EGA project (Phase III). Phase III was placed in service on September 28, 2009 and its units are rented to low-income farm workers subject to USDA governance and regulations of the FHFC SAIL Program.

Little Manatee Housing Corporation (LMHC) is a Florida nonprofit corporation formed on November 15, 1999 for the purpose of general operations, construction, expansion or any other activity connected with providing low cost housing to migrant and seasonal farm workers in Hillsborough County, Florida. LMHC is a controlled corporation of RNI.

LMHC includes the following programs and services:

Manatee Village (MV) is the rental operations of LMHC and consists of the following:

The Family Units - a 62-unit USDA Rural Development 514/516 farm labor housing complex as described in the USDA Handbook 2-3560, Section 2.6. Units are rented to eligible tenants as defined in the regulations. The USDA also provides rental assistance to tenants based on a formula described in Chapter 8 of the USDA Handbook 2-3560. A maximum of 62 units may receive rental assistance at any one time.

The Dorm Units - a 16-unit Single Resident Occupancy rental complex consisting of 128 beds and one management unit. The administrative building associated with the Dorm Units contains the leasing office and maintenance operations space for the Project. The Dorm Units leases to unaccompanied, income-eligible migrant and seasonal farm workers as defined by Hillsborough County, the Federal Home Loan Bank of Atlanta and the Florida Department of Community Affairs.

Manatee Village Phase IV (MV4) - a 27-unit USDA Rural Development 514/516 farm labor housing complex subject to USDA Rural Development 514/516 farm labor housing requirements and the regulations of the FHFC SAIL Program. MV4 was placed in service on November 30, 2010.

PCSH is a Florida nonprofit corporation formed on March 22, 2012 for the purpose of providing elderly persons and handicapped persons with housing facilities and services. The project has been financed using a loan from the Department of Housing and Urban Development (HUD). The 29-unit project is phase III of PC, and the project was placed in service during the year ended December 31, 2018.

Everglades Hammock, Inc. is a Florida nonprofit corporation formed on July 12, 1999 for the purpose of general operations, construction, expansion or any other activity connected with providing low cost housing to migrant and seasonal farm workers and other minorities in Florida City, Florida and rural Miami-Dade County, Florida. In 2008, Everglades Hammock, Inc. changed its name to EHT. EHT is a controlled corporation of RNI.

EHT includes the activities of the following subsidiaries:

Orchid Apartments, LLC (OA), a wholly owned subsidiary of EHT, is a 0.01 percent general partner of Orchid Grove Apartments, Ltd. (OGA-LTD), owner of an 80 unit low-income housing project in Florida City, Florida. Construction of the project started in 2010 and the project was placed-in-service on December 29, 2010. Its units are rented in accordance with the rules and regulations of the FHFC tax credit exchange fund program. OA accounts for its investment in OGA-LTD in accordance with ASC Topic 958-810.

Cypress Cove, LLC (CC), a wholly owned subsidiary of EHT, is a 0.01 percent general partner of Cypress Cove Apartments, Ltd. (CCA-LTD), owner of an 80 unit low-income housing project in Winter Haven, Florida. Construction of the project started in 2010 and the project was placed-in-service on December 23, 2010. Its units are rented in accordance with the rules and regulations of the FHFC tax credit exchange fund program. CC accounts for its investment in CCA-LTD in accordance with ASC Topic 958-810.

Oak Marsh, LLC (OM), a subsidiary wholly owned by EHT, was formed to help enable EHT to carry out its purpose. On October 25, 2016, OM acquired the assets of Immokalee Non-Profit Housing, Ltd., or Sanders Pines (SP), and Timber Ridge of Immokalee, Ltd. (TR).

Everglades Healthcare Residential, LLC (EHR), a subsidiary wholly owned by EHT, was formed to help enable EHT to carry out its purpose. EHR is sole owner of Healthcare Residential, Ltd. (HCR). As of December 31, 2025 and 2024, EHR had no activity to report.

Brookwood Residential, LLC (BR), a subsidiary wholly owned by EHT, was formed to help enable EHT to carry out its purpose. As of December 31, 2016, BR had been donated one vacant lot from Florida Non-Profit Services, Inc. (FNPS) and purchased two additional vacant lots. During the year ended December 31, 2017, BR was donated one lot. During the year ended December 31, 2018, BR sold one vacant lot and purchased one vacant lot. During the year ended December 31, 2022, BR purchased a commercial office building from Indiantown NPF, Inc, a related party, and transferred the assets at net book value. During the year ended December 31, 2023, BR sold the commercial office building and one vacant lot to a third party. During the year ended December 31, 2024, BR sold three lots of land to third parties for the purchase price of $35,000, $35,000, and $475,000, respectively.

Tradewinds Key Largo, LLC (TKL), a subsidiary wholly owned by EHT and was formed to help enable EHT to carry out its purpose. The project consists of 66 low-income units subsidized by FHFC and located in Monroe County.

Casa Amigos EHT, LLC (CAE), a subsidiary wholly owned by EHT and was formed to help enable EHT to carry out its purpose. The project consists of 24 low-income units subsidized by FHFC with a SAIL loan in an amount up to $5,150,000 and located in Collier County, Florida. The project was placed in service during the year ended December 31, 2023.

Casa Juarez, LLC (CJ), a subsidiary wholly owned by EHT and was formed to help enable EHT to carry out its purpose. The project consists of 32 low-income units subsidized by FHFC with a SAIL loan in an amount up to $5,992,000 and ELI loan in an amount up to $508,000 and is located in Miami-Dade County, Florida. The project was placed in service during the year ended December 31, 2022.

In 2024, Dockside at Sugarloaf, LLC (DSL) and Landings at Sugarloaf, LLC (LSL) combined into one entity, Landings at Sugarloaf, LLC, a wholly owned subsidiary of EHT. EHT is a 0.51 percent member of The Landings at Sugarloaf Key, LLC (LSKL). LSKL is in the process of constructing and developing a 56-unit low-income housing project in Monroe County, Florida. Preliminary construction and development of the project started in 2019. The limited member tax credit investor is expected to close in 2026 and be admitted to LSKL. LSL accounts for its investment in accordance with ASC Topic 958-810.

The Avenues at BPK, LLC (ABP), a wholly owned subsidiary of EHT, is a 0.51 percent member of The Avenues at Big Pine Key, LLC (ABPK). ABPK consists of 5 single-family low-income homes in Monroe County, Florida. The project was placed in service during the year ended December 31, 2024.

Seahorse Cottages at BPK, LLC (SHC), a wholly owned subsidiary of EHT, is a 0.51 percent member of Seahorse Cottages Big Pine Key, LLC (SCBPK). SCBPK consists of two phases of single-family low-income homes in Monroe County, Florida: Phase I consists of 17 units and Phase II consists of 9 units. The project was placed in service during the year ended December 31, 2023.

Cannery Row Redlands, LLC (CRR), a wholly owned subsidiary of EHT, is a 0.01 percent partner of Cannery Row at Redlands Crossing, LLLP (CRRC). CRRC is in the process of constructing and developing a 112-unit elderly affordable rental housing development. CRR accounts for its investment in CRRC under ASC Topic 323-30 and records the investment under the equity method of accounting.

Phoenix Crossings, LLC, a wholly owned subsidiary of EHT, is a 0.49 percent member of Phoenix Crossings, LLC. The Project consist of a 28 unit affordable rental housing development. Phoenix Crossings, LLC accounts for its investment under ASC Topic 323-30 and records the investment under the equity method of accounting.

Parc Pointe, LLC (PP), a wholly owned subsidiary of EHT, was formed to help enable EHT to carry out its purpose. The project was to consist of 20 to 40 low-income units and was being constructed in Okeechobee, Florida. Preliminary construction and development of the project started in 2022.

Everglades Village Phase 5.6, LLC (EVP5.6), a wholly owned subsidiary of EHT, was formed to help enable EHT to carry out its purpose. The project was intended to consist of 20 low-income units and was being constructed in Florida City, Florida. Preliminary development of the project started in 2022. During the year ended December 31, 2024, the pursuit of the project was ended and all activity was written off.

Pollywog Creek Mews, LLC (PCM), a wholly owned subsidiary of EHT, was formed to help enable EHT to carry out its purpose. The project will consist of 28 low-income units and is being constructed in Florida City, Florida. Preliminary development of the project started in 2022.

Parc East EHT, LLC (PE), a wholly owned subsidiary of EHT, was formed to help enable EHT to carry out its purpose. The project will consist of 28 low-income units and is being constructed in Okeechobee, Florida. Preliminary construction and development of the project started in 2023.

Parc West EHT, LLC (PW), a wholly owned subsidiary of EHT, was formed to help enable EHT to carry out its purpose. The project will consist of 36 low-income units and is being constructed in Okeechobee, Florida. Preliminary construction and development of the project started in 2023.

As of December 31, 2015, RNI had taken control of the board of FNPS, a nonprofit organization whose purpose is to develop safe and affordable housing. FNPS includes one subsidiary and five single-family homes.

FNPS includes the activities of one project:

Esperanza Place (EP) is a rental operation of FNPS, organized in 2006 to develop safe and affordable housing for low-income farmworkers and their families in Immokalee, Florida. EP is primarily financed through USDA and SAIL funds. EP operates a 47-unit apartment complex under the USDA Rural Development Rural Rental Housing Program, Section 514 Farm Labor Housing and 5 single family homes.

EHG is a Florida nonprofit corporation formed on December 23, 2004 to provide property management, accounting, regulatory compliance monitoring, and supportive services to the low-income housing projects of RNI, ECA, BCHC, LMHC, EHT, ITNP and their affiliated organizations. Prior to EHG's inception, RNI and ECA self-managed their related properties. The Board of Directors of RNI constitutes the members of EHG and as members, appoints EHG's Board of Directors.

Deer Creek Senior Housing, LLLP (DCSH) is a Florida limited liability limited partnership formed on December 4, 2017 to construct and develop a 62-unit housing facility for low-income and elderly persons located in Alachua County, Florida. RNI is a 0.005 percent managing general partner. Deer Creek Class B, LLC is the .01 percent Class B limited partner of DCSH. RNI has a 65 percent interest in Deer Creek Class B, LLC bringing RNI's total interest in DCSH to .0115 percent. The project was placed in service during 2022. RNI accounts for its investment in DCSH in accordance with ASC Topic 958-810.

As of December 31, 2020, RNI had taken control of the board of Florida Keys Community Land Trust, Inc. (FKLT), a nonprofit organization whose purpose is to make safe, affordable, dignified, and desirable housing available to low-income residents within and throughout Monroe County, Florida.

Renaissance Hall Senior Living, LLLP (RHSL), a wholly owned subsidiary of RNI, was formed to help RNI carry out its purpose. The project will consist of 100 senior units and is being constructed in Naples, Florida. Preliminary development of the project started in 2022.

Renaissance Hall at Old Course, LLC (RHAOC), a limited liability company wholly owned by RNI, was formed to help RNI carry out its purpose. The project consists of 252 affordable and workforce housing units serving essential service workers and is being constructed on the former Golden Gate Golf Course site in Collier County, Florida. Preliminary development of the project started in 2022, and the project was under construction as of December 31, 2025. Construction is being financed primarily through a HUD-insured construction loan, a Collier County SHIP loan, and federal, county, and foundation grant funding.

As of December 31, 2022, RNI had taken control of the board of Indiantown Non-Profit Housing Inc. (ITNP)., a nonprofit organization whose purpose is to make safe, affordable, dignified, and desirable housing available to low-income residents within and throughout Martin County, Florida.

ITNP includes the following programs and services:

New Hope Community I (NHI) is a 60-unit rental operation of ITNP and consists of a USDA Rural Development 514 farm labor housing complex as described in USDA Handbook 2-3560, Section 2.3. Units are rented to eligible tenants as defined in the regulations. The USDA also provides rental assistance, pursuant to section 521, to tenants based on a formula described in Chapter 8 of the USDA Handbook 2-3560.

New Hope Community II (NHII) is a 57-unit rental operation of ITNP and consists of a USDA Rural Development 514 farm labor housing complex as described in USDA Handbook 2-3560, Section 2.3. Units are rented to eligible tenants as defined in the regulations. The USDA also provides rental assistance, pursuant to section 521, to tenants based on a formula described in Chapter 8 of the USDA Handbook 2-3560.

ITNP includes the activities of the following subsidiary:

Indiantown Homes RRH, Ltd. (IRRH) is operated under Sections 515 and 521 of the National Housing Act. Under these programs, IRRH provides affordable housing to tenants subject to regulation by the US Department of Agriculture, Rural Housing Services (RHS). IRRH receives a rent subsidy and an interest subsidy from RHS. Pursuant to the partnership agreement, the general partner is ITNP whose membership interest is 98.5 percent, and the limited partner is N. Dean Kohl, Jr. whose membership interest is 1.5 percent. ITNP accounts for its investment in IRRH in accordance with ASC Topic 958-810.

Operating cash flows generating from USDA Rural Development financed properties are not available for distribution to the Corporation as owner of the real property. These operating cash flows must be utilized towards operations or reserves of the specific USDA Rural Development funded property.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (GAAP). Net assets, support and revenues, and expenses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes in net assets are classified and reported as follows:

Without Donor Restrictions: Net assets available for use in general operations and not subject to donor restrictions.

With Donor Restrictions: Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenues are reported as increases in net assets without donor restrictions, unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities, are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation. Expirations of restrictions on net assets are reported as reclassifications between applicable net asset classes. Contributions are recognized as revenue in the period received or upon the receipt of an unconditional promise to give. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met.

Non-controlling Interest

The financial statements include the non-controlling ownership interests in the net assets and operations of consolidated subsidiaries. Non-controlling interests are presented within net assets, separately from the net assets attributable to the controlling interest, on the consolidated statements of financial position, and the change in net assets attributable to non-controlling interests is presented separately on the consolidated statements of changes in net assets. The aggregate negative balances, if any, of investor member interests arising prior to January 1, 2010 remain in the Corporation's controlling interest net assets.

Cash, Cash Equivalents, and Restricted Cash

Cash and cash equivalents include all cash balances, bank overdrafts, and highly liquid short-term investments, if any, with a maturity of three months or less when purchased. The cash balances also include amounts that are restricted for distributions or payment of expenses and are not available for operations.

RNI and its subsidiaries are subject to restrictions on certain funds received. These funds are separately classified on the consolidated statements of financial position.

Cash, cash equivalents, and restricted cash as of December 31, 2025 and 2024 consisted of the following:

	2025	2024
Cash and cash equivalents	$33,975,054	$20,741,706
Restricted deposits and funded reserves	13,190,738	14,143,778
Total cash, cash equivalents, and restricted cash shown on the consolidated statements of cash flows	$47,165,792	$34,885,484

Tenant Accounts Receivable, Receivables from Affiliates, and Allowance for Credit Losses

Tenant accounts receivable consists of amounts due from tenants for rent and other charges and are stated at amounts due, net of an allowance for expected credit losses. Receivables from affiliates consist of advances to entities under common control with the Corporation, are non-interest bearing, and are due on demand.

In accordance with ASC Topic 326, Financial Instruments - Credit Losses, the Corporation estimates expected credit losses over the contractual life of its financial assets measured at amortized cost based on historical loss experience, current conditions, and reasonable and supportable forecasts of future economic conditions. For tenant receivables, given their short-term nature (generally 30 days or less) and the Corporation's practice of pursuing collection or charging off uncollectible balances on a timely basis, management has determined that the use of the direct write-off method does not produce materially different results from those that would be obtained under an expected credit loss model. For receivables from affiliates, management evaluates collectability based on the financial condition of the affiliate and the Corporation's ability, through common control, to direct repayment. Based on this evaluation, no allowance for expected credit losses was considered necessary as of December 31, 2025 and 2024.

Receivables are charged off against the allowance when management determines they are uncollectible based upon a periodic review of accounts.

Property and Equipment

Property and equipment is recorded at cost. Expenditures for maintenance and repairs are charged to expenses as incurred while major renewals and betterments are capitalized. Construction in progress includes all development costs and capitalized interest incurred during the construction of the various projects. Upon disposal of depreciable property, the appropriate property accounts are reduced by the related cost and accumulated depreciation. The resulting gains and losses are reflected on the consolidated statements of activities. Depreciation expense for the years ended December 31, 2025 and 2024 was $6,457,560 and $6,332,835, respectively.

Depreciation is provided using the straight-line method over the estimated useful lives of the assets as follows:

Buildings and improvements	40 years
Land improvements	15 - 20 years
Furniture and equipment	3 - 10 years

Impairment of Long-lived Assets

The Corporation reviews its rental property for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. When recovery is reviewed, if the undiscounted cash flows estimated to be generated by the property are less than its carrying amount, management compares the carrying amount of the property to its fair value in order to determine whether an impairment loss has occurred. The amount of the impairment loss is equal to the excess of the asset’s carrying value over its estimated fair value. No asset impairment losses were recognized during the years ended December 31, 2025 or 2024.

Ground Leases

LSL entered into a 65-year ground lease agreement with Lower Keys Community Center Corp. (the Lessor) for land in Monroe County, Florida. At lease inception, LSL made a lump-sum prepayment of $2,800,000, of which $2,520,000 was financed through a non-recourse, subordinate promissory note payable to the Lessor (see Note 6).

The lease also requires nominal annual rent of $1, payable out of available net cash flow. The ground lease is classified as an operating lease in accordance with ASC Topic 842, Leases. The lump-sum prepayment was recorded as a right-of-use asset and is being amortized on a straight-line basis over the 65-year lease term.

The right-of-use asset balance, net of accumulated amortization, was $2,679,624 and $2,722,701 as of December 31, 2025 and 2024, respectively. Operating lease cost of $43,077 were incurred during each of the years ended December 31, 2025 and 2024 and was capitalized into construction in progress, as the underlying project remains in development. Future minimum lease payments under the ground lease are $1 annually and are not material in the aggregate.

Debt Issuance Costs and Amortization

In accordance with GAAP, debt issuance costs are presented as an offset of the related debt instruments within the liabilities section of the consolidated statements of financial position. Debt issuance costs are being amortized using the straight-line method over the term of the underlying debt instrument and amortization expense is included in interest on mortgages payable on the accompanying consolidated statements of activities.

GAAP requires that the effective interest method be used to amortize debt issuance costs; however, the effect of using the straight-line method is not materially different from the results that would have been obtained under the effective interest method. Estimated amortization expense for each of the five ensuing years is approximately $103,833 for 2026, $90,274 for 2027, $66,080 for 2028, $66,061 for 2029, and $66,061 for 2030.

Tax Credit Monitoring Fees

Tax credit monitoring fees of $663,434 are amortized using the straight-line method over the 15-year tax credit compliance period. As of December 31, 2025 and 2024, accumulated amortization of the tax credit monitoring fees was $303,619 and $274,901, respectively. For the years ended December 31, 2025 and 2024, amortization expense was $28,718 and $30,482, respectively. Estimated amortization expense for each of the five ensuing years is $28,718, annually.

Rental Revenue

The Corporation leases residential units to tenants under operating leases with terms that are typically one year or less. Rental revenue is recognized on a straight-line basis over the lease term. Rental payments received in advance of the period to which they relate are deferred and presented as prepaid rent on the consolidated statements of financial position. Lease income is accounted for in accordance with ASC Topic 842, Leases. The Corporation has elected the practical expedient permitted under ASC 842 to not separate non-lease components (such as utility reimbursements and other tenant charges) from the associated lease components for residential leases, and accounts for the combined component as a lease under ASC 842.

The Corporation does not have any material variable lease payments, lease incentives, or residual value guarantees as a lessor. Substantially all of the Corporation's lease income is generated from short-term residential leases. Because the Corporation's residential leases are short-term (12 months or less), a maturity analysis of future undiscounted lease payments is not presented, as substantially all such payments are expected to be received within one year.

Revenue from non-lease sources, including application fees, laundry and vending, tenant charges, and miscellaneous revenue, is recognized at the point in time the related performance obligation is satisfied in accordance with ASC Topic 606, Revenue from Contracts with Customers. Such revenue is not material to the consolidated financial statements.

For the year ended December 31, 2025, total rental revenue was $22,785,675. This amount is comprised of $16,754,138 from tenants and $6,031,537 from USDA and HUD rental assistance.

For the year ended December 31, 2024, total rental revenue was $21,057,614. This amount is comprised of $16,078,118 from tenants and $4,979,496 from USDA and HUD rental assistance.

As of December 31, 2025 and 2024, rental assistance payments of $461,085 and $378,595, respectively, were due from the USDA and HUD, and are reflected as rental assistance receivables on the accompanying consolidated statements of financial position.

Miscellaneous Revenue

Miscellaneous revenues include amounts earned from miscellaneous tenant charges such as late fees, security deposit forfeitures and damages assessments, among others.

Grants

The Corporation recognizes government and foundation grants in accordance with ASC Topic 958-605, *Not-for-Profit Entities – Revenue Recognition*. Grants are evaluated to determine whether the underlying agreement is a conditional or unconditional contribution. Grants that contain both a barrier that must be overcome - generally the incurrence of eligible project costs under the terms of the agreement - and a right of return of assets transferred are accounted for as conditional contributions, and revenue is recognized when the conditions are substantially met. Amounts received in advance of conditions being substantially met are reported as refundable advances. The Corporation's for-profit subsidiary applies this guidance by analogy. Certain grants for which RNI is the grantee are passed through to its subsidiary under sub-grant arrangements; the related sub-grant expense and contribution income are eliminated in consolidation, and consolidated grant revenue reflects only amounts awarded by third-party grantors. For the years ended December 31, 2025 and 2024, the Corporation recognized grant revenue of $14,039,308 and $9,649,600, respectively. As of December 31, 2025 and 2024, $269,774 and $4,499,750, respectively, remained receivable and are included in grant receivables on the accompanying consolidated statements of financial position.

Endowment Funds

During 2016, the Corporation received permanently restricted endowment funds from Southwest Florida Community Foundation to provide income for the maintenance of the Corporation. As of December 31, 2025 and 2024, $39,138 and $36,007, respectively, of endowments funds are included in other assets on the accompanying consolidated statements of financial position.

Advertising Costs

The Corporation’s policy is to expense advertising costs when incurred.

Compensated Absences

Employees of the Corporation are entitled to paid vacation and paid sick days. The Corporation's policy is to accrue the costs of compensated absences in the period that the employee becomes entitled to the compensated absences. As of December 31, 2025 and 2024, accrued absences totaled $144,830 and $175,319, respectively, and are included in accrued expenses on the accompanying consolidated statements of financial position.

Income Taxes

RNI and its affiliated nonprofit corporations have each applied for and received determination letters from the Internal Revenue Service (IRS) to be treated as tax-exempt entities pursuant to Section 501(c)(3) of the Internal Revenue Code and did not have any unrelated business income for the years ended December 31, 2025 and 2024. Due to their tax-exempt status, these entities are not subject to income taxes.

The consolidated financial statements also include limited partnerships and limited liability companies that are treated as pass-through or disregarded entities for income tax purposes and, as such, are not subject to income taxes. Items of taxable income, deduction, and credit of these entities are reported by their respective owners on their income tax returns.

The Corporation is required to file and does file tax returns with the IRS and other taxing authorities. Accordingly, these consolidated financial statements do not reflect a provision for income taxes and the Corporation has no tax positions which must be considered for disclosure. Generally, income tax returns filed by the Corporation are subject to examination by the IRS for a period of three years. While no income tax returns are currently being examined by the IRS, tax years since 2022 remain open.

Functional Allocation of Expenses

The Corporation's sole program is to provide affordable housing for low-income tenants, and the costs of providing that program and the related supporting services have been summarized on a functional basis in the table below. Expenses that are directly identifiable with the program or with supporting services are charged to that function. Certain costs attributable to more than one function have been allocated among the program and supporting services benefited on the basis of time and effort, square footage, or another reasonable and consistent methodology. Management and general expenses include those expenses that are not directly identifiable with any specific program function but provide for the overall support, governance, and direction of the Corporation.

		2025		2024
Program services		$ 20,083,770		$ 21,095,404
Supporting services				
Management and general				
Travel	$ 26,416		$ 27,121	
Office expenses	83,005		87,411	
Telephone/answering services	43,272		44,274	
Computer supplies and expense	218,500		186,425	
Management fee	1,696,159		1,471,065	
Auditing and accounting expense	656,534		517,425	
Professional fees	2,061,657		263,572	
Miscellaneous administrative expense	265,932		434,528	
Miscellaneous financial expenses	137,865		84,846	
		5,189,340		3,116,667
		$ 25,273,110		$ 24,212,071

Tax Credit Exchange Funds

Tax credit exchange funds are accounted for as a government grant related to assets. Upon receipt, exchange funds are recorded as deferred liabilities and recognized as income over the life of the related assets.

Forgiveness of Tax Credit Exchange Loans

The Corporation recognizes forgiveness of tax credit exchange loans based on the specific terms of forgiveness set forth in the loan documents. The terms of the Corporation's tax credit exchange loan provide for forgiveness based on terms that are contingent and are not recognized until such contingencies are resolved. All amounts of the loan for which forgiveness is recognized are considered tax credit exchange funds and accounted for as a government grant related to assets.

Fair Value of Financial Instruments

The Corporation's financial instruments consist of cash, held to maturity investments, amounts due from affiliates, short-term accounts payable, accrued expenses and debt. The carrying value of these financial instruments approximates fair value due to the short-term nature of these items.

Risk Management

The Corporation is exposed to risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; material disasters; and product liability. The Corporation carries commercial insurance for risks of loss.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Measure of Operations

The consolidated statements of activities present an intermediate measure of operations captioned "income from operations." The Organization's measure of operations includes rental revenue and other revenue earned in connection with its affordable housing operations, grant revenue, and the operating and maintenance, utilities, project administration, management fee, taxes and insurance, and bad debt expenses incurred in carrying out those operations. Excluded from the measure of operations and reported as non-operating activities are items that management does not consider part of the Organization's ongoing housing operations, including interest expense on mortgages payable, depreciation and amortization, gains and losses on the sale or disposition of real property, income from forgiveness of debt, and related-party fees.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation. These reclassifications had no effect on the previously reported net assets or change in net assets of the Corporation.

NOTE 3 - RESTRICTED DEPOSITS AND FUNDED RESERVES

Tenants Security Deposits

Tenant security deposits consisted of the following as of December 31, 2025 and 2024:

	ECA	BCHC	LMHC	EHT	FNPS	PWCSH	FKLT	DCSH	ITNP	RHAOC	Total
Balance, December 31, 2023	$ 270,400	$ 78,525	$ 45,200	$ 353,478	$ 22,275	$ 7,092	$ 5,693	$ 45,049	$ 83,302	$ -	$ 911,014
Deposits	48,483	18,939	12,246	87,490	2,800	1,246	-	2,178	19,276	-	192,658
Withdrawals	(46,183)	(13,731)	(10,746)	(80,171)	(3,175)	(695)	-	(3,807)	(18,560)	-	(177,068)
Balance, December 31, 2024	272,700	83,733	46,700	360,797	21,900	7,643	5,693	43,420	84,018	-	926,604
Deposits	48,544	28,526	5,300	112,371	5,580	-	-	14,239	14,421	500	229,481
Withdrawals	(49,881)	(21,736)	(5,400)	(110,943)	(4,375)	(242)	-	(7,000)	(14,248)	-	(213,825)
Balance, December 31, 2025	$ 271,363	$ 90,523	$ 46,600	$ 362,225	$ 23,105	$ 7,401	$ 5,693	$ 50,659	$ 84,191	$ 500	$ 942,260

Mortgage Escrows

Various affiliates are required under loan and grant agreements to deposit funds for the payment of real estate taxes and property insurance into mortgage escrow accounts. As of December 31, 2025 and 2024, the mortgage escrows consisted of the following:

	ECA	BCHC	LMHC	EHT	FNPS	PWCSH	FKLT	ITNP	Total
Balance, December 31, 2023	$ 1,098,222	$ 262,475	$ 150,303	$ 648,416	$ 89,442	$ 27,943	$ 5,442	$ 136,800	$ 2,419,043
Deposits	2,009,859	412,043	238,558	1,127,574	90,968	46,358	14,572	365,776	4,305,708
Interest earnings	21,129	-	1,524	13,253	59	17	6	1	35,989
Bank service charge	-	-	-	-	-	-	-	(444)	(444)
Withdrawals	(1,805,880)	(357,470)	(212,728)	(1,213,369)	(79,944)	(41,676)	(12,525)	(212,644)	(3,936,236)
Balance, December 31, 2024	1,323,330	317,048	177,657	575,874	100,525	32,642	7,495	289,489	2,824,060
Deposits	1,873,595	387,979	249,812	1,481,083	95,039	49,218	15,467	447,361	4,599,554
Interest earnings	18,976	19	1,154	9,595	61	21	7	-	29,833
Withdrawals	(1,944,908)	(401,490)	(256,313)	(1,425,893)	(97,992)	(49,224)	(12,712)	(426,429)	(4,614,961)
Balance, December 31, 2025	$ 1,270,993	$ 303,556	$ 172,310	$ 640,659	$ 97,633	$ 32,657	$ 10,257	$ 310,421	$ 2,838,486

Replacement Reserves - USDA Projects

In accordance with the Loan and Grant Resolutions issued by USDA Rural Development, the Corporation is required to maintain a replacement reserve as described in 7 CFR 3560.306.

The funding schedule is listed below:

	Monthly	Annual	Fully Funded
ECA			
Phase I (305 units)	$ 18,229	$ 218,748	$ 1,975,140
Phase II (143 units)	18,105	217,260	2,172,600
Phase IV (18 units)	2,500	30,000	300,000
ERRH	1,250	15,000	150,000
EMH	2,500	30,000	300,000
OSC	5,798	69,576	695,727
PC (Phase I)	-	26,200	524,000
PC (Phase II)	-	15,948	319,960
ESH	-	800	-
BCHC			
MSV	2,084	25,000	250,000
EGALP	2,975	35,700	357,000
EGII	2,158	25,900	259,000
LMHC			
Phase I	2,085	25,000	250,000
Phase I supplemental	290	3,500	35,000
Phase III	1,125	13,700	137,000
RNI			
FNPS	4,167	50,000	500,000
ITNP			
NHI	-	45,900	459,000
NHII	-	26,200	262,000
IRRH	-	13,500	135,000

The replacement reserve accounts are supervised by the applicable area's Rural Development Office of the USDA (the Agency). Use of these funds is restricted to approved capital expenditures as outlined in USDA Handbook 2-3560, Section 4.13. An endorsement from an Agency representative is required for the withdrawal of funds. Funds are held in interest bearing accounts at local financial institutions.

CCC Replacement Reserve

In accordance with the loan agreement with the FHFC, CCC established a replacement reserve, which is used to fund capital repairs, replacements and improvements to the project as the need arises. CCC makes monthly deposits based on an annual amount of $325 per unit. Release of funds from the replacement reserve requires the approval of the FHFC. Funds are held in an interest-bearing account at the SouthState Bank (SouthState).

ESH Replacement Reserve

In accordance with the loan agreement with the FHFC, ESH established a replacement reserve, which is used to fund capital repairs, replacements and improvements to the project as the need arises. Withdrawals of funds from the replacement reserve require the approval of the FHFC. In October 2009, the ESH was required to begin making deposits based on an annual amount of $200 per unit. The replacement reserve was established and a deposit of

$800 was made on January 13, 2010. Funds are held in an account at a local financial institution.

OGA-LTD Replacement Reserve

OGA-LTD is required to make monthly deposits to a reserve for replacements account for use in funding maintenance and replacement costs.

CCA-LTD Replacement Reserve

CCA-LTD is required to make monthly deposits to a reserve for replacements account for use in funding maintenance and replacement costs.

As of December 31, 2025 and 2024, the replacement reserves consisted of the following:

	ECA	BCHC	LMHC	EHT	FNPS	PWCSH	FKLT	DCSH	ITNP	Total
Balance, December 31, 2023	$ 1,953,249	$ 199,250	$ 101,064	$ 878,623	$ 328,219	$ 75,326	$ -	$ 9,300	$ 873,297	$ 4,418,328
Deposits	1,674,619	86,616	58,620	122,737	60,782	13,894	27,080	18,600	203,247	2,266,195
Interest earnings	22,776	3,145	1,638	11,827	286	57	-	-	1,928	41,657
Bank service charge	-	-	-	-	-	-	(30)	-	-	(30)
Withdrawals	(2,220,516)	(111,317)	(15,366)	(180,986)	(11,094)	(27,440)	-	-	(930,579)	(3,497,298)
Balance, December 31, 2024	1,430,128	177,694	145,956	832,201	378,193	61,837	27,050	27,900	147,893	3,228,852
Deposits	632,725	86,616	58,620	216,609	62,598	13,894	-	18,600	129,300	1,218,962
Interest earnings	21,129	2,400	1,777	10,441	327	55	-	-	2,600	38,729
Withdrawals	(254,835)	-	(17,553)	(29,525)	-	-	-	-	(69,357)	(371,270)
Balance, December 31, 2025	$ 1,829,147	$ 266,710	$ 188,800	$ 1,029,726	$ 441,118	$ 75,786	$ 27,050	$ 46,500	$ 210,436	$ 4,115,273

Debt Service Reserve

The Corporation established debt service reserves to pay principal and interest on loans as required under the loan agreements with lenders.

As of December 31, 2025 and 2024, the debt service reserves consisted of the following:

	ECA	BCHC	LMHC	EHT	FNPS	ITNP	RHOAC	Total
Balance, December 31, 2023	$ 147,590	$ 1,102,191	$ 31,293	$ -	$ 561	$ 1,091,301	$ -	$ 2,372,936
Deposits	724,051	413,555	232,284	58,579	11,340	33,841	1,494,900	2,968,550
Bank service charge	-	-	-	-	-	(7)	-	(7)
Interest earnings	7,536	32,603	2,004	-	5	-	-	42,148
Withdrawals	(682,033)	(323,558)	(232,289)	(4,696)	(11,303)	(604,332)	-	(1,858,211)
Balance, December 31, 2024	197,144	1,224,791	33,292	53,883	603	520,803	1,494,900	3,525,416
Deposits	723,865	413,556	232,284	36,887	11,340	33,120	-	1,451,052
Interest earnings	6,413	31,457	1,717	-	5	-	-	39,592
Withdrawals	(904,037)	(323,558)	(232,289)	-	(11,302)	-	-	(1,471,186)
Balance, December 31, 2025	$ 23,385	$ 1,346,246	$ 35,004	$ 90,770	$ 646	$ 553,923	$ 1,494,900	$ 3,544,874

Operating Reserves

OSC was required to establish and maintain an initial operating reserve of no less than $25,000. The funds are held in an interest-bearing account at SouthState.

CCA-LTD, OGA-LTD, and OM maintain operating reserves. The funds are held in interest bearing accounts at local financial institutions.

FNPS maintains an operating reserve. The funds are held in interest bearing accounts at a local financial institution.

As of December 31, 2025 and 2024, the operating reserve consisted of the following:

	ECA	EHT	FNPS	DCSH	Total
Balance, December 31, 2023	$ 27,489	$ 942,931	$ 63,741	$ -	$ 1,034,161
Interest earnings	258	13,999	262	-	14,519
Balance, December 31, 2024	27,747	956,930	64,003	-	1,048,680
Deposits	-	-	-	203,230	203,230
Interest earnings	140	11,658	175	-	11,973
Withdrawals	-	(968,588)	-	-	(968,588)
Balance, December 31, 2025	$ 27,887	$ -	$ 64,178	$ 203,230	$ 295,295

Other Reserves

OM has established a reserve held by First Housing, in the original amount of $57,456, which shall be used to replace fixtures, equipment, structural elements, and other components of the Project as the need arises. As of December 31, 2025 and 2024, the balance of the reserve was $64,378 and $62,690, respectively, and is included in other reserves on the accompanying statements of financial position.

PCSH was required, pursuant to the regulatory agreement, to establish a reserve for the deposit of the minimum capital investment of $10,000. As of December 31, 2025 and 2024, the balance of the reserve account was $23,376 and $23,318, respectively, and is included in other reserves on the accompanying statements of financial position.

HP maintains a reserve. As of December 31, 2025 and 2024, the balance of the reserve account was $50,132 and $38,397, respectively, and is included in other reserves on the accompanying statements of financial position.

MVD maintains a reserve. As of December 31, 2025 and 2024, the balance of the reserve account was $85,234 and $67,173, respectively, and is included in other reserves on the accompanying statements of financial position.

RHAOC maintains a working capital reserve held by the lender. As of December 31, 2025 and 2024, the balance of the reserve was $1,093,321 and $2,352,080, respectively, and is included in other reserves on the accompanying statements of final position.

NOTE 4 - INVESTMENTS

Bond Reserves - Debt Securities

To satisfy the terms of the bond indenture, RNI maintains a reserve that holds investments in United States Treasury Securities. In accordance with GAAP applicable to not-for-profit entities, management's assessment is the investments are held to maturity and the securities are measured at fair value. As of December 31, 2025 and 2024, the fair value of these securities was $2,006,975 and $2,006,975, respectively, and is included in investment in debt securities on the accompanying consolidated statements of financial position. Interest earned on the securities is received in cash, held within the reserve account, and presented within restricted cash in other reserves on the accompanying consolidated statements of financial position. Interest income of $91,601 and $45,483, respectively, was recognized during the years ended December 31, 2025 and 2024.

NOTE 5 - RELATED PARTY TRANSACTIONS

Property Management Fee

EHG is the management company that oversees a majority of the operations of the Corporation. Generally, EHG receives a fee per occupied unit per month, from tenant rents for their role as property manager, which is based on the approved USDA per occupied unit per month amount for Florida properties. For the years ended December 31, 2025 and 2024, the monthly per occupied unit fee was generally $86.00 and $75.00, respectively. For the years ended December 31, 2025 and 2024, a monthly add-on fee of $5 per unit, allowed by RD, was included in the approved budget. Property management fees earned by EHG during the years ended December 31, 2025 and 2024 were $1,470,609 and $1,471,065, respectively, which have been eliminated on the accompanying consolidated statements of activities.

EHG also serves as the primary employer of the staff of the Corporation and pays all monthly operating expenses for the Corporation on a cost reimbursement basis. Reimbursable expenses that remain payable to EHG as of December 31, 2025 and 2024 have been eliminated on the accompanying consolidated statements of financial position.

Development Fees

Oaks at Shannon's Crossing, LP

OSC entered into a development agreement with RLI Beneficial Development 5, LLC (RLI Beneficial) and ECA. ECA later assigned the agreement to RNI. All development fees incurred and payable under this agreement are apportioned two-thirds to RLI Beneficial and one-third to RNI. The agreement provides for a development fee of $1,798,040 for services in connection with the development of the project and supervision of construction. The total fee has been capitalized into the cost of the building. Per section 3.1 of the partnership agreement, SLC made a capital contribution (pursuant to specific terms of the development agreement) in an amount sufficient to pay-off the unpaid balance of the deferred development fee and accrued interest. As of December 31, 2025 and 2024, the deferred developer fee owed by OSC was paid in full. During the year ended December 31, 2024, the entire balance of $703,532 owed to RLI Beneficial was forgiven and is included in developer fee income on the accompanying consolidated statements of activities.

Under the terms of the partnership agreement, the deferred development fee shall bear interest from the month of construction completion until the date of payment at the long-term Applicable Federal Rate (AFR), or 4.27 percent. The deferred development fee is payable from available cash flows, as defined, but no later than January 1, 2020. As of December 31, 2025 and 2024, accrued and unpaid interest on the deferred development fee due from OSC to RNI was paid in full. As of December 31, 2025 and 2024, accrued and unpaid interest on the deferred development fee due from OSC to RLI Beneficial was paid in full. During the year ended December 31, 2024, the entire balance of $423,378 owed to RLI Beneficial was forgiven and included in developer fee income on the accompanying consolidated statements of activities.

Everglades Supportive Housing, LLC

ESH entered into a development agreement with JR Beneficial Development, LLC (JR Beneficial), an unrelated party, and RNI. All development fees incurred and payable under this agreement are apportioned two-thirds to JR Beneficial and one-third to RNI. The agreement provides for a development fee of $143,688, which has been capitalized into the cost of the building. As of December 31, 2025 and 2024, $52,228 and $52,228, respectively, remained payable, of which $34,189 and $34,189, respectively, were payable to JR Beneficial and is included in developer fee payable on the accompanying consolidated statements of financial position. The portion payable to RNI has been eliminated on the accompanying consolidated statements of financial position.

Eden Gardens II, LLC

EGII entered into a development agreement with JR Beneficial Development, LLC (JR Beneficial) and RNI. All development fees incurred and payable under this agreement are apportioned two-thirds to JR Beneficial and one-third to RNI.

The agreement provides for a development fee of $995,116 for services in connection with the development of the project and supervision of construction. As of December 31, 2025 and 2024, the full development fee, had been incurred and capitalized into the cost of the building. As of December 31, 2025 and 2024, $214,589 and $214,589, respectively, remained payable. The portion payable to RNI has been eliminated on the accompanying consolidated statements of financial position. As of December 31, 2025 and 2024, the portion payable to JR Beneficial was $143,059 and $143,059, respectively, and is included in developer fee payable on the accompanying consolidated statements of financial position.

Casa Juarez, LLC

CJ entered into a development agreement with RNI. The agreement provides for a developer fee of $970,421 or such other amount as limited by Florida Housing Finance Corporation for services rendered in connection with the development of the project and supervision of construction. The developer fee is payable out of development proceeds and cash flows from operations, as defined. As of December 31, 2025 and 2024, $970,421 and $970,421, respectively, of the developer fee was incurred and capitalized into rental property. As of December 31, 2025 and 2024, $210,276 and $210,276, respectively, remained payable. The developer fee earned and payable has been eliminated on the accompanying consolidated statements of financial position.

Casa Amigos EHT, LLC

CAE entered into a development agreement with RNI. The agreement provides for a developer fee of $823,594 or such other amount as limited by Florida Housing Finance Corporation for services rendered in connection with the development of the project and supervision of construction. The developer fee is payable out of development proceeds and cash flows from operations, as defined. During the year ended December 31, 2023, construction was complete and based on total development costs the developer fee was reduced to $300,000. As of December 31, 2025 and 2024, $300,000 and $300,000, respectively, remained payable. The developer fee earned and payable has been eliminated on the accompanying consolidated statements of financial position.

Seahorse Cottages Big Pine Key, LLC

SCBPK entered into a development agreement with RNI and JCG Real Estate Ventures (JCG). The agreement provides for a developer fee of $890,476 or such other amount as limited by Florida Housing Finance Corporation for services rendered in connection with the development of the project and supervision of construction, of which 70% is earned and paid to RNI and 30% is earned and paid to JCG. The developer fee is payable out of development proceeds and cash flows from operations, as defined. As of December 31, 2025 and 2024, $1,000,456 and $1,000,456, respectively, of the developer fee was incurred and capitalized into rental property. During the year ended December 31, 2024, the company reached an agreement for accord and satisfaction with JCG and paid $75,484 to satisfy the entire developer fee obligation to JCG and the remaining developer fee payable was reassigned to RNI. As of December 31, 2025 and 2024, $423,379 and

$423,379, respectively, remained payable. The developer fee earned and payable to RNI has been eliminated on the accompanying consolidated statements of financial position.

The Avenues at Big Pine Key, LLC

ABPK entered into a development agreement with RNI and JCG. The agreement provides for a developer fee of $260,064 or such other amounts approved by Florida Housing Finance Corporation for services rendered in connection with the development of the project and supervision of construction, of which 70% is earned and paid to RNI and 30% is earned and paid to JCG. The developer fee is payable out of development proceeds and cash flows from operations, as defined. As of December 31, 2025 and 2024, $260,064 and $260,064, respectively, of the developer fee was incurred and capitalized into rental property. As of December 31, 2025 and 2024, $165,548 and $165,548, respectively, remained payable, of which $0 and $0, respectively, is owed to JCG. During the year ended December 31, 2024, the company reached an agreement for accord and satisfaction with JCG and paid $14,262 to satisfy the entire development fee obligation to JCG and the remaining developer fee payable was reassigned to RNI. The developer fee earned and payable to RNI has been eliminated on the accompanying consolidated statements of financial position.

Deer Creek Senior Housing, LLLP

DCSH entered into a development agreement with RNI and Neighborhood Housing and Development Corporation (NHDC). The agreement provides for a developer fee of $2,106,765, or such other amount as limited by the credit agency and approved by the investor member for services rendered in connection with the development of the project and supervision of construction. The developer fee is payable out of development proceeds and cash flows from operations, as defined. All development fees incurred and payable under the agreement are apportioned fifty percent to RNI and fifty percent to NHDC. As of December 31, 2025 and 2024, $2,106,765 and $2,106,765, respectively, of the developer fee was incurred and capitalized into rental property. As of December 31, 2025 and 2024, $1,013,599 and $1,013,599, respectively, remained payable to RNI and $545,785 and $545,785, respectively, remained payable to NHDC. The portion earned and payable to RNI has been eliminated on the accompanying consolidated statements of financial position. The portion payable to NHDC is included in developer fee payable on the accompanying consolidated statements of financial position.

Renaissance Hall at Old Course, LLC

RHAOC entered into a development agreement with RNI. The agreement provides for a developer fee of $2,500,000 or such other amount as limited by Florida Housing Finance Corporation for services rendered in connection with the development of the Project and supervision of construction. The developer fee is payable out of development proceeds and cash flows from operations, as defined. As of December 31, 2025 and 2024,

$2,139,098 and $500,000, respectively, of the developer fee was incurred and capitalized into construction in progress. As of December 31, 2025 and 2024, $2,139,098 and $500,000, respectively, remained payable. The developer fee earned and payable has been eliminated on the accompanying consolidated statements of financial position.

Indiantown Homes RRH, Ltd.

In connection with the construction of the housing project, ITNP acted as the developer and was entitled to developer fees based on a percentage of the total development cost. During the year ended December 31, 2000, ITNP earned $418,940 in fees for which it received payments of $262,271. The remaining balance of $156,669 was deferred and is paid in accordance with the loan agreement. As of December 31, 2025 and 2024, $96,585 and $96,585 respectively, remained payable to ITNP. The developer fee earned and payable has been eliminated on the accompanying consolidated statements of financial position.

Other Related Party Activity

Contributions and Donations

During the year ended December 31, 2025, RHAOC received contributions from its sole member, RNI, in the amount of $2,000,000, which is included in contributions from sole member on the accompanying consolidated statements of activities. The contributions have been eliminated on the accompanying consolidated statements of activities. As of December 31, 2025, $269,774 of the related funds remained receivable from the U.S. Department of Housing and Urban Development and is included in due from affiliates on the accompanying consolidated statements of financial position.

During the year ended December 31, 2025, RNI made contributions to its sole-member subsidiary, RHAOC, in the amount of $2,000,000, which is included in sub-grant expense on the accompanying consolidated statements of activities. The contributions have been eliminated on the accompanying consolidated statements of activities.

During the year ended December 31, 2024, RNI received contributions in the amount of $80,000 from BR, which is included in income from affiliates on the accompanying consolidated statements of activities. The contributions have been eliminated on the accompanying statements of activities.

During the year ended December 31, 2024, RNI received contributions in the amount of $145,835 from FNPS, which is included in income from affiliates on the accompanying consolidated statements of activities. The contributions have been eliminated on the accompanying statements of activities.

During the year ended December 31, 2024, PCSH received contributions in the amount of $80,869 from RNI, which is included in income from affiliates on the accompanying consolidated statements of activities. The contributions have been eliminated on the accompanying statements of activities.

During the year ended December 31, 2024, ABP received contributions in the amount of $30,040 from RNI, which is included in income from affiliates on the accompanying consolidated statements of activities. The contributions have been eliminated on the accompanying statements of activities.

During the year ended December 31, 2024, BR donated funds of $80,000 to RNI, which is included in donations - affiliate on the accompanying consolidated statements of activities. The donations received have been eliminated on the accompanying statements of activities.

During the year ended December 31, 2024, FNPS donated funds of $145,835 to RNI, which is included in donations – affiliate on the accompanying consolidated statements of activities. The donations received have been eliminated on the accompanying statements of activities.

During the year ended December 31, 2024, RNI donated funds of $80,869 to PCSH, which is included in donations – affiliate on the accompanying consolidated statements of activities. The donations received have been eliminated on the accompanying statements of activities.

During the year ended December 31, 2024, RNI donated funds of $30,040 to ABP, which is included in donations – affiliate on the accompanying consolidated statements of activities. The donations received have been eliminated on the accompanying statements of activities.

Asset Management Fees

Pursuant to the partnership agreement, commencing in 2009, EGALLC incurs an annual asset management fee of $3,315 for property management oversight, tax credit compliance monitoring and related services. The fee was payable to the extent of available cash flow, as defined. The fee increased 3 percent annually and unpaid fees accrued without interest. For the years ended December 31, 2025 and 2024, asset management fees of $12,000 and $0, respectively, were incurred, which is included in project administration expenses on the accompanying consolidated statements of activities. As of December 31, 2025 and 2024, asset management fees of $12,000 and $0 remain payable.

DCSH shall pay to the investor limited partner a one-time asset management fee in the amount of $56,250 for its services in reviewing the informational reports, financial statements and tax returns furnished to it. The fee is to be paid from the capital contribution detailed in section 3.4B of the amended and restated agreement of limited liability limited partnership. As of December 31, 2025 and 2024, $56,250 and $56,250, respectively, remained payable and is included in related party fees payable on the accompanying consolidated statements of financial position.

Investor Services Management Fee

Pursuant to the partnership agreement, OSC was required to pay the investment limited partner an annual, cumulative fee of $5,000 per year, commencing with the year beginning January 1, 2008. The investor services fee was payable annually by OSC out of cash flow, as defined. The fee increased 3 percent annually, commencing January 1, 2009. During the year ended December 31, 2023, the withdrawing limited partners sold their partnership interest as stated in Note 1, and the agreement was terminated. On January 1, 2024, the incoming limited partner entered into a revised investor services management agreement with the Partnership. Pursuant to the agreement, the Partnership is to pay the incoming limited partner an annual cumulative fee of $12,000 per year, commencing with the year beginning on January 1, 2024. The fee shall be payable annually by the Partnership out of cash flow, as defined. For the years ended December 31, 2025 and 2024, investor services management fees of $12,000 and $12,000, respectively, were incurred. As of December 31, 2025 and 2024, investor services fees of $0 and $0, respectively, remained payable and are included in related party fees payable on the accompanying consolidated statements of financial position.

In accordance with the partnership agreement, DCSH is required to pay the class B partner an incentive management fee equal to 89.98 percent of remaining net cash flow after other payments are made, provided that the incentive management fee for any year does not exceed 10 percent of effective gross income and that the incentive management fee plus any fees plus any fees payable to a general partner or class B partner exceed 12 percent of effective gross income. Any portion in excess of this limitation shall be paid as a distribution. For the years ended December 31, 2025 and 2024, no incentive management fees were incurred.

Partnership Management Fee

Commencing in the year in which completion occurs and for each year thereafter, DCSH will pay the Class B Partner a partnership management fee of $10,000 per annum for its services in managing the partnership pursuant. The partnership management fee is payable from available cash flow. Any unpaid portion will accrue without interest until there is sufficient cash flow to pay the accrued fees. For the years ended December 31, 2025 and 2024, $10,000 and $10,000, respectively, had been incurred and is included in related party fees on the accompanying consolidated statements of activities. As of December 31, 2025 and 2024, $40,000 and $30,000, respectively, remained payable and are included in related party fees payable on the accompanying consolidated statements of financial position.

Nonprofit Asset Management Fee

In accordance with the USDA Handbook HB-2-3560, EFV submitted budgets to the USDA Rural Development, which included a nonprofit asset management fee of $7,500 for 2025 and 2024. These budgets were approved by the USDA. During the years ended December 31, 2025, and 2024, EFV incurred nonprofit asset management fees of $7,500 and $7,500, respectively, of which, $0 and $0, respectively, remained payable as of December 31, 2025, and 2024. These fees have been eliminated on the accompanying consolidated statements of activities.

In accordance with the USDA Handbook HB-2-3560, EMH submitted 2025 and 2024 budgets to the USDA Rural Development, which included a nonprofit asset management fee of $7,500 and $7,500, respectively. The budgets were approved by the USDA. During the years ended December 31, 2025 and 2024, EMH incurred $7,500 and $7,500, respectively, in nonprofit asset management fees to ECA, of which $0 and $0, respectively, remained payable as of December 31, 2025 and 2024. These fees have been eliminated on the accompanying consolidated statements of activities.

In accordance with the USDA Handbook HB-2-3560, ERRH submitted 2025 and 2024 budgets to the USDA Rural Development, which included a nonprofit asset management fee of $7,500 and $7,500, respectively. The budgets were approved by the USDA. During the years ended December 31, 2025, and 2024, ERRH incurred $7,500 and $7,500, respectively, in nonprofit asset management fees to ECA, of which $0 and $0, respectively, remained payable as of December 31, 2025 and 2024. These fees have been eliminated on the accompanying consolidated statements of activities.

In accordance with the USDA Handbook HB-2-3560, PC Phase II submitted budgets to the USDA Rural Development, which included a nonprofit asset management fee of $7,500 for 2025 and $7,500 for 2024. These budgets were approved by the USDA. During the years ended December 31, 2025, and 2024, PC Phase II incurred $7,500 and $7,500, respectively, in nonprofit asset management fees to ECA, of which $0 and $0, respectively, remained payable as of December 31, 2025 and 2024. These fees have been eliminated on the accompanying consolidated statements of activities.

In accordance with the Handbook HB-2-3560, MSV submitted budgets to the USDA Rural Development, which included a nonprofit asset management fee of $7,500 for 2025 and $7,500 for 2024. These budgets were approved by the USDA. During the years ended December 31, 2025, and 2024, MSV incurred $7,500 and $7,500, respectively, in nonprofit asset management fees to BCHC, of which $0 and $0, respectively, remained payable as of December 31, 2025 and 2024. These fees have been eliminated on the accompanying consolidated statements of activities.

In accordance with the Handbook HB-2-3560, HP submitted budgets to the USDA Rural Development, which included a nonprofit asset management fee of $7,500 for 2025 and $7,500 for 2024. These budgets were approved by the USDA. During the years ended December 31, 2025 and 2024, HP incurred $7,500 and $7,500, respectively, in nonprofit asset management fees to BCHC, of which no amounts remained payable as of December 31, 2025 and 2024. These fees have been eliminated on the accompanying consolidated statements of activities.

In accordance with the USDA Handbook HB-2-3560, the New Hope Community I (NHI) submitted 2025 and 2024 budgets to the RD, which included nonprofit asset management fees of $7,500 and $7,500, respectively. The budgets were approved by RD. During the years ended December 31, 2025 and 2024, NHI incurred and paid $7,500 and $7,500, respectively, in nonprofit asset management fees to the ITNP. As of December 31, 2025 and 2024, $0 and $0, respectively, remained payable. These fees have been eliminated on the accompanying consolidated statements of activities.

In accordance with the USDA Handbook HB-2-3560, New Hope Community II (NHII) submitted 2025 and 2024 budgets to RD, which included nonprofit asset management fees of $7,500 and $7,500, respectively. The budgets were approved by RD. During the years ended December 31, 2025 and 2024, NHII incurred and paid $7,500 and $7,500, respectively, in nonprofit asset management fees to the ITNP. As of December 31, 2025 and 2024, no amounts remained payable. These fees have been eliminated on the accompanying consolidated statements of activities.

Incentive Partnership Management Fee

For management services related to CCA-LTD, CC is to be paid an annual non-cumulative incentive partnership management fee. The fee is payable to the extent of available cash flow. During the years ended December 31, 2025 and 2024, CC earned $170,897 and $186,901, respectively, in incentive partnership management fees. Of these amounts, fees attributable to RNI were $102,593 and $112,142, respectively, and fees attributable to EHG were $68,360 and $74,761, respectively. These fees have been eliminated in consolidation.

For management services related to OGA-LTD, OA is to be paid an annual non-cumulative incentive partnership management fee. The fee is payable to the extent of available cash flow. During the years ended December 31, 2025 and 2024, OA earned $305,336 and $137,992, respectively, in incentive partnership management fees. Of these amounts, fees attributable to RNI were $183,203 and $82,795, respectively, and fees attributable to EHG were $122,136 and $55,197, respectively. These fees have been eliminated in consolidation.

EHG charges OA, CC, ECA, CRR, and FNPS a supervisory accounting fee for accounting, management and supervisory services provided. For the years ended December 31, 2025 and 2024, supervisory accounting fees of $345,544 and $291,627, respectively, were earned by EHG, of which $247,495 and $186,958, respectively, have been eliminated on the accompanying consolidated statements of activities. Amounts earned from CRR are not eliminated. No formal executed agreement exists in regard to the supervisory accounting fee. EHG assesses the fee annually based upon an estimate of services performed and costs incurred related to accounting, management and supervisory services provided directly to OA, CC, ECA, CRR and FNPS.

RNI charges OA, CC, CRR, MV, and OSC asset management fees for management and supervisory services provided. For the years ended December 31, 2025 and 2024, asset management fees of $452,317 and $371,440, respectively, were earned by RNI, of which $305,243 and $214,437, respectively, have been eliminated on the accompanying consolidated statements of activities. Amounts earned from CRR are not eliminated As of December 31, 2025 and 2024, supervisory accounting fees of $0 and $0, respectively, were due to RNI from OA, CC, CRR, MV, and OSC which have been eliminated on the accompanying consolidated statements of financial position. RNI assesses the fee annually based upon an estimate of services performed and costs incurred related to management and supervisory services provided directly to OA, CC, CRR, MV, and OSC

RNI charges ECA asset management fees for management and supervisory services provided related to ECA. For the years ended December 31, 2025 and 2024, no asset management fees were earned or paid to RNI. RNI assesses the fee annually based upon an estimate of services performed and costs incurred related to management and supervisory services provided directly to ECA.

RNI has balances due from affiliates for the payment of various administrative expenses. The balances between RNI and its Affiliates have been eliminated in the accompanying consolidated financial statements and consist of the following:

Notes Receivable - Affiliates

Notes receivable from affiliates includes obligations payable to RNI under various note and loan agreements. The balances between RNI and its Affiliates have been eliminated on the accompanying consolidated financial statements and consist of the following:

On June 1, 2008, RNI entered into a promissory note with ECA for $412,374 to fund the operating costs of CCC. The note is non-interest bearing and is due on demand. As of December 31, 2025 and 2024, the note balance was $500,000 and $204,000, respectively.

On June 8, 2006, RNI entered into a $500,000 promissory note with OSC. The proceeds were received by RNI through the Affordable Housing Program of the Federal Home Loan Bank of Pittsburgh. The note is non-interest bearing and payable in full at maturity on May 1, 2039. As of December 31, 2025 and 2024, the note balance was $500,000 and $500,000, respectively.

On August 30, 2006, RNI provided a loan of up to $400,000 for the construction of Phase I of EGALLC. The proceeds were received by RNI through the U.S. Department of Housing and Urban Development. The loan bears interest at a rate of 1.00 percent per annum and matures August 30, 2046. RNI has been granted a security interest in the real property of the project. For the years ended December 31, 2025 and 2024, interest incurred and paid was $2,713 and $2,713, respectively. As of December 31, 2025 and 2024, the balance of the loan was $271,306 and $271,306, respectively.

During 2014 and 2015, HP was allocated $275,000 of restricted NeighborWorks funds for RNI for use in expansion of the project. These restricted funds are to be used for the purposes specified in the grant agreement. The grant agreement contains various covenants and compliance requirements. As of December 31, 2025 and 2024, the balance was $550,000 and $550,000, respectively.

On December 31, 2015, HP entered into a note with RNI for an amount of $400,000. During the year ended December 31, 2016, HP entered into a new promissory note with RNI for $300,000. As of December 31, 2025 and 2024, the balance was $45,000 and $63,000, respectively.

During 2015, EGALLC entered into a promissory note with RNI in the amount of $529,300 to cover legal fees incurred by the partnership. The note does not bear interest and is to be repaid upon exit of the general partner. As of December 31, 2025 and 2024, the balance was $529,300 and $529,300, respectively.

During 2015, ESH entered into a promissory note with RNI in the amount of $112,998 to cover legal fees incurred by the Company. The note does not bear interest and requires no annual payments. As of December 31, 2025 and 2024, the balance was $90,000 and $90,000, respectively.

On February 28, 2017, RNI entered into a mortgage with FNPS in the amount of $117,000. The note bears interest at 5 percent per annum and matures on February 28, 2047. As of December 31, 2025 and 2024, the note balance was $0 and $102,723, respectively.

During the year ended December 31, 2019, EHT entered into a note with RNI. The note is non-interest bearing and has no fixed repayment date. As of December 31, 2025 and 2024, the balance was $3,021,759 and $2,686,836, respectively.

During the year ended December 31, 2019, DCSH entered into a note with RNI. The note is non-interest bearing and has no fixed repayment date. As of December 31, 2025 and 2024, the balance was $1,550,000 and $1,550,000, respectively.

During the year ended December 31, 2022, RNI entered into various notes with Esperanza Place Leasing Center totaling $760,000. The notes are non-interest bearing and payable as cash flow permits. As of December 31, 2025 and 2024, the balance of the notes were $0 and $760,000, respectively.

During the year ended December 31, 2023, ITNP entered into a note with RNI. The note is non-interest bearing and has no fixed repayment date. As of December 31, 2025 and 2024, the balance was $0 and $85,000, respectively.

During the year ended December 31, 2024, RHAOC entered into a note with RNI. The note bears interest at 3 percent per annum and has no fixed repayment date. As of December 31, 2025 and 2024, the balance was $1,500,000 and $1,500,000, respectively.

Notes Receivable from Affiliates also includes the following Obligations Payable to ECA:

On August 30, 2006, ECA entered into a promissory note with EGALLC for $400,000 for the construction of a low-income housing project. The proceeds were received by ECA through the Affordable Housing Program of the Federal Home Loan Bank of Atlanta. The note bears interest at a rate of 1.0 percent per annum and matures August 30, 2046. As of December 31, 2025 and 2024, the balance of the note outstanding was $400,000 and $400,000, respectively. The balances have been eliminated in the accompanying consolidating statements of financial position. For the years ended December 31, 2025 and 2024, interest of $4,000 and $4,000, respectively, was incurred. The balances have been eliminated in the accompanying consolidated statements of activities.

On March 10, 2008, ECA entered into a promissory note with EGII for $400,000 for the construction of a low-income housing project. The proceeds were received by ECA through the Affordable Housing Program of the Federal Home Loan Bank of Atlanta. The note is non-interest bearing and matures May 1, 2048, at which time the principal amount of the loan will be automatically forgiven if certain prescribed conditions are met. As of December 31, 2025 and 2024, the balance of the note was $400,000 and $400,000 respectively. The balances have been eliminated on the accompanying consolidated statements of financial position.

Due from Affiliates

EHT

During the year ended December 31, 2019, RHAOC entered into a note with EHT. The note is non-interest bearing and has no fixed repayment date. As of December 31, 2025 and 2024, the balance was $400,000 and $400,000, respectively.

During the year ended December 31, 2019, RHSL entered into a note with EHT. The note is non-interest bearing and has no fixed repayment date. As of December 31, 2025 and 2024, the balance was $25,000 and $25,000, respectively.

EHT advanced funds to Deer Creek Senior Housing, LLLP to pay certain development costs. The advances are non-interest bearing and due on demand. As of December 31, 2025 and 2024, the balance was $160,000 and $160,000, respectively, and has been eliminated on the accompanying consolidated statements of financial position.

During 2025, EHT advanced funds to Indiantown Non-Profit Housing, Inc. The advances are non-interest bearing and due on demand. EHT advanced funds to Indiantown Non-Profit Housing, Inc. The advances are non-interest bearing and due on demand. As of December 31, 2025 and 2024, the balance was $0 and $67,077, respectively, and has been eliminated on the accompanying consolidated statements of financial position.

RNI

RNI has advanced funds to and incurred costs on behalf of certain affiliates in the ordinary course of operations. These amounts are non-interest bearing and due on demand. As of December 31, 2025 and 2024, amounts due from affiliates were $100,841 and $44,821, respectively, and have been eliminated on the accompanying consolidated statements of financial position.

NOTE 6 - MORTGAGES PAYABLE

Notes and Mortgages Payable under RNI are as follows:

On November 19, 2021, RNI entered into a bond agreement with the Northern Trust Company, an Illinois banking corporation, for $2,000,000. The bond is payable in full on its maturity date of November 19, 2026. The bond bears interest at a rate of 1.50 percent per annum with payments due semi-annually. As of December 31, 2025 and 2024, the bond balance was $2,000,000 and $2,000,000, respectively. For the years ended December 31, 2025 and 2024, interest expense was $30,000 and $30,000, respectively. As of December 31, 2025 and 2024, interest of $2,487 and $17,487, respectively, remained payable.

Notes and Mortgages Payable under RHAOC are as follows:

On October 11, 2024, RHAOC entered into a HUD 221(d)(4) loan agreement with PGIM Real Estate Agency Financing, LLC, in an amount up to $58,802,000, which is guaranteed by RNI. The loan bears interest at a rate of 5.97 percent per annum and matures on February 1, 2067. The loan has an interest only period from November 1, 2024 through February 1, 2027, during which interest only payments shall be due on the first day of each month. Commencing on March 1, 2027, payments of principal and interest will be due monthly. As of December 31, 2025 and 2024, the loan balance was $53,291,420 and $294,010, respectively. For the years ended December 31, 2025 and 2024, interest of $1,293,205 and $0, respectively, was incurred, all of which was capitalized into construction in progress. As of December 31, 2025 and 2024, interest of $244,136 and $0, respectively, remained payable.

On October 11, RHAOC entered into loan agreement with Collier County in an amount up to $6,175,000, which is guaranteed by RNI. The loan bears interest at a rate of 8 percent per annum and matures on June 1, 2067. Interest payments will be due semi-annually on June 1 and December 1 each year commencing on June 1, 2025. Principal payments will be due annually on June 1 each year commencing on June 1, 2028. As of December 31, 2025 and 2024, the loan balance was $6,175,000 and $6,175,000, respectively. For the years ended December 31, 2025 and 2024, interest of $494,000 and $109,627, respectively, was incurred, all of which was capitalized into construction in progress on the accompanying consolidated statements of financial position. As of December 31, 2025 and 2024, interest of $603,627 and $109,627, respectively, remained payable and is included in accrued interest payable on the accompanying consolidated statements of financial position.

On October 11, 2024, RHAOC entered into a State Housing Initiatives Partnership (SHIP) loan with Collier County in the amount of $1,500,000, evidenced by a promissory note and secured by a subordinate mortgage on the Company's leasehold interest in the Project. The loan is non-interest-bearing and provides for no scheduled payments. The outstanding principal becomes due only upon a sale, transfer, or refinancing of the property, or if the property ceases to serve the intended target population, during the thirty-year term; absent such an event or a default, the loan is forgiven upon expiration of the term and the lender releases the mortgage. As of December 31, 2025 and 2024, the balance was $1,255,980 and $0, respectively.

Notes and Mortgages Payable under ECA are as follows:

On January 26, 1995, ECA entered into a loan agreement and a series of grants with the USDA for $20,211,190. The USDA loan of $6,389,219 and USDA grants of $13,821,971 were combined to provide construction funds for 239 of the rental units and the administrative complex for the EFV project. The loan is repayable in annual installments of $240,718 due on January 1 of each year. The loan bears interest at a rate of 1.00

percent per annum and matures on January 1, 2028. As of December 31, 2025 and 2024, the loan balance was $485,494 and $720,753, respectively. As of December 31, 2025 and 2024, interest of $562 and $721, respectively, remained payable and is included in accrued interest payable on the accompanying consolidated statements of financial position. During the years ended December 31, 2025 and 2024, interest expense totaled $8,167 and $10,720, respectively, and is included in interest on mortgages payable on the accompanying consolidated statements of activities.

On March 20, 1996, ECA entered into a loan agreement and a series of grants with the USDA for $15,924,299. The loan of $1,450,000 and grants of $14,474,299 were combined to provide construction funds for 143 of the rental units along with a neighborhood retail center and a Miami-Dade County public park. The loan bears interest at a rate of 1.00 percent per annum and matures January 1, 2028. Principal and interest are payable in annual installments of $54,630. As of December 31, 2025 and 2024, the loan balance was $87,877 and $141,470, respectively. As of December 31, 2025 and 2024, interest of $159 and $159, respectively, remained payable and is included in accrued interest payable on the accompanying consolidated statements of financial position. During the years ended December 31, 2025 and 2024, interest expense totaled $1,090 and $1,623, respectively, and is included in interest on mortgages payable on the accompanying consolidated statements of activities.

In August 2012, ECA entered into a loan agreement with the USDA for $1,500,000 to provide construction funds for the 18 units of EFV Phase IV. The loan bears interest at a rate of 1.00 percent per annum and matures on August 10, 2045. The loan requires annual interest payments beginning January 1, 2013 through January 1, 2014. Principal and interest are due in annual installments of $56,514 beginning January 1, 2015, with any unpaid principal and interest due at maturity. As of December 31, 2025 and 2024, the loan balance was $957,933 and $1,002,237, respectively. As of December 31, 2025 and 2024, interest of $834 and $834, respectively, remained payable and is included in accrued interest payable on the accompanying consolidated statements of financial position. During the years ended December 31, 2025 and 2024, interest expense totaled $9,289 and $9,759, respectively, and is included in interest on mortgages payable on the accompanying consolidated statements of activities.

On December 1, 2006, ECA entered into a $1,500,000 loan agreement with the USDA to provide construction funds for the 15 units of ERRH. On November 1, 2008, the loan agreement was amended to increase the loan to $1,614,309. The loan bears interest at a rate of 6.00 percent per annum with a 50-year amortization. The loan agreement requires monthly principal and interest payments of $8,553 until maturity on December 1, 2036. Under an interest credit agreement with the USDA, ECA receives a monthly interest credit of $5,027 towards the monthly principal and interest payment, resulting in a net monthly payment of $3,526 due from ECA. As of December 31, 2025 and 2024, the balance was $1,441,579 and $1,455,071, respectively, which includes unamortized debt issuance costs of $2,343 and $2,557, respectively. As of December 31, 2025 and 2024, interest of $2,265 and $2,339, respectively, remained payable and is included in accrued interest payable on the accompanying consolidated statements of financial position. During the years ended December 31, 2025 and 2024, interest expense totaled $28,738 and $27,715, respectively, which includes amortization of debt issuance costs of $214 and $215, respectively, and is included in interest on mortgages payable on the accompanying consolidated statements of activities.

On December 15, 2004, ECA entered into a $1,250,000 loan agreement with FHFC to provide construction funds for the 28 units of CCC. The loan is non-interest bearing and requires annual payments of $41,667 into a debt service fund until maturity on December 30, 2020. ECA may extend the maturity date, at the sole discretion of the FHFC, in additional five-year increments based on continued occupancy by farm workers, not to exceed a total term of 30 years. ECA was granted a five-year extension by FHFC with a new maturity date of December 30, 2025. As of December 31, 2025 and 2024, the loan balance was $0 and $586,403, respectively, which includes unamortized debt issuance costs of $0 and $3,597, respectively. For the years ended December 31, 2025 and 2024, interest expense was $3,597 and $4,627, respectively, which is made up entirely of amortization of debt issuance costs.

On January 27, 2010, ECA entered into a $2,000,000 loan agreement with the USDA to provide construction funds for the 30 units of EMH. The loan bears interest at a rate of 1.00 percent per annum and matures January 1, 2043. The loan agreement requires annual interest payments beginning January 1, 2011 through January 1, 2012. Principal and interest are payable in annual installments of $75,351 beginning January 1, 2013 with any unpaid principal and interest due at maturity. The loan is secured by the underlying rental property. As of December 31, 2025 and 2024, the balance was $1,173,923 and $1,230,423, respectively, which includes unamortized debt issuance costs of $4,219 and $4,467, respectively. As of December 31, 2025 and 2024, interest of $372 and $427, respectively, remained payable and is included in accrued interest payable on the accompanying consolidated statements of financial position. During the years ended December 31, 2025 and 2024, interest expense totaled $14,578 and $13,200, respectively, which includes amortization of debt issuance costs of $248 and $248, respectively, and is included in interest on mortgages payable on the accompanying consolidated statements of activities.

On January 29, 2010, ECA entered into a $1,030,665 loan agreement with the FHFC to provide construction funds for the 30 units of EMH. The loan is non-interest bearing and matures January 29, 2030, at which time the principal amount of the loan will be automatically forgiven if certain prescribed conditions are met. The loan is secured by the underlying rental property. As of December 31, 2025 and 2024, the balance was $1,030,655 and $1,030,655, respectively.

On November 25, 2009, PC entered into a $2,250,000 loan agreement with the USDA for the development of Phase I of the project. During the year ended December 31, 2012, PC applied for and was granted a loan re-amortization from the USDA. Per the amended loan agreement, the loan bears interest at a rate of 1.00 percent per annum and matures November 25, 2043. Principal and interest are due in annual installments of $84,715 beginning January 1, 2014, with any unpaid principal and interest due at maturity. As of December 31, 2025 and 2024, the balance was $1,292,041 and $1,362,470, respectively, which includes unamortized debt issuance costs of $25,532 and $27,127, respectively. During the years ended December 31, 2025 and 2024, interest expense totaled $14,225 and $16,850, respectively, which includes amortization of debt issuance costs of $1,595 and $1,595, respectively, and is included in interest on mortgages payable on the accompanying consolidated statements of activities. As of December 31, 2025 and 2024, interest of $418 and $480, respectively, remained payable and is included in accrued interest payable on the accompanying consolidated statements of financial position.

On November 25, 2009, PC entered into a $1,500,000 loan agreement with the USDA for the development of Phase II of the project. During the year ended December 31, 2012, PC applied for and was granted a loan re-amortization from the USDA. Per the amended loan agreement, the loan bears interest at a rate of 1.00 percent per annum and matures November 25, 2043. Principal and interest are due in annual installments of $57,066 beginning January 1, 2014, with any unpaid principal and interest due at maturity. As of December 31, 2025 and 2024, the balance was $878,204 and $924,193, respectively, which includes unamortized debt issuance costs of $9,340 and $11,037, respectively. For the years ended December 31, 2025 and 2024, interest expense totaled $11,035 and $11,506, respectively, which includes amortization of debt issuance costs of $1,697 and $1,697, respectively, and is included in interest on mortgages payable on the accompanying consolidated statements of activities. As of December 31, 2025 and 2024, interest of $282 and $323, respectively, remained payable and is included in accrued interest payable on the accompanying consolidated statements of financial position.

On December 17, 2009, PC entered into a $3,855,304 loan agreement with the FHFC for the development of Phase I of the project. The loan bears interest at a rate of 1.00 percent per annum and matures on January 1, 2042. Annual interest payments are payable out of development cash flows, as defined, with any unpaid principal and interest due at maturity. As of December 31, 2025 and 2024, the loan balance was $3,855,304 and $3,855,304, respectively. During the years ended December 31, 2025 and 2024, interest expense totaled $38,556 and $38,556, respectively, and is included in interest on mortgages payable on the accompanying consolidated statements of activities. As of December 31, 2025 and 2024, interest of $395,154 and $388,812, respectively, remained payable and is included in accrued interest payable on the accompanying consolidated statements of financial position.

On December 17, 2009, PC entered into a $1,140,282 loan agreement with the FHFC for the development of Phase II of the project. The loan is non-interest bearing and requires a single balloon payment at maturity on January 1, 2042. As of December 31, 2025 and 2024, the loan balance was $1,140,282 and $1,140,282, respectively.

On January 18, 2007, OSC entered into a $3,000,000 loan agreement with the USDA. The loan bears interest at a rate of 1.00 percent per annum and matures January 18, 2040. The loan requires annual payments of accrued interest beginning January 1, 2008 through January 1, 2009. Principal and interest are payable in annual installments of $113,027 beginning on January 1, 2010, with any unpaid principal and interest due at maturity. As of December 31, 2025 and 2024, the balance was $1,464,067 and $1,561,092, respectively, which includes unamortized debt issuance costs of $4,485 and $4,782, respectively. During the years ended December 31, 2025 and 2024, interest expense totaled $15,927 and $16,847, respectively, which includes amortization of debt issuance costs of $297 and $297, respectively, and is included in interest on mortgages payable on the accompanying consolidated statements of activities. As of December 31, 2025 and 2024, interest of $472 and $547, respectively, remained payable and is included in accrued interest payable on the accompanying consolidated statements of financial position.

On December 28, 2007, ESH entered into a $300,000 loan agreement with the FHFC for the construction of the project. The loan is non-interest bearing and requires a single balloon payment at maturity on December 28, 2027. As of December 31, 2025 and 2024, the loan balance was $298,933 and $298,409, respectively, which includes unamortized debt issuance costs of $1,067 and $1,591, respectively. For the years ended December 31, 2025 and 2024, interest expense was $524 and $524, respectively, which is made up entirely of amortization of debt issuance costs.

Notes and Mortgages Payable under BCHC are as follows:

On May 3, 2002, BCHC entered into a $2,500,000 loan agreement with the USDA to provide funds for the construction of MSV. The loan bears interest at a rate of 1.00 percent per annum and matures May 3, 2035. Principal and interest are payable in annual installments of $94,189. USDA requires a monthly payment to a debt service reserve account of 1/12th of the annual principal and interest payment. As of December 31, 2025 and 2024, the balance was $805,682 and $890,938, respectively. During the years ended December 31, 2025 and 2024, interest expense totaled $8,881 and $9,726, respectively, and is included in interest on mortgages payable on the accompanying consolidated statements of activities. As of December 31, 2025 and 2024, interest of $269 and $321, respectively, remained payable and is included in accrued interest payable on the accompanying consolidated statements of financial position.

On October 3, 2007, EGALLC entered into a $3,000,000 loan agreement with the USDA. The loan bears interest at a rate of 1.00 percent per annum and matures January 1, 2040. Principal and interest are payable in annual installments of $113,027 beginning on January 1, 2010, with any unpaid principal and interest due at maturity. As of December 31, 2025 and 2024, the balance of the loan was $1,443,364 and $1,540,937, respectively. During the years ended December 31, 2025 and 2024, interest expense totaled $15,381 and $16,344, respectively, and is included in interest on mortgages payable on the accompanying consolidated statements of activities. As of December 31, 2025 and 2024, interest of $464 and $538, respectively, remained payable and is included in accrued interest payable on the accompanying consolidated statements of financial position.

On October 3, 2007, EGII entered into a $2,250,000 loan agreement with the USDA. The loan bears interest at a rate of 1.00 percent per annum and matures January 1, 2040. Principal and interest are payable in annual installments of $84,770 beginning January 1, 2010 with any unpaid principal and interest due at maturity. As of December 31, 2025 and 2024, the balance was $1,062,670 and $1,134,035, respectively, which includes unamortized debt issuance costs of $22,771 and $24,545, respectively. During the years ended December 31, 2025 and 2024, interest expense totaled $13,326 and $14,085, respectively, which includes amortization of debt issuance costs of $1,774 and $1,774, respectively, and is included in interest on mortgages payable on the accompanying consolidated statements of activities. As of December 31, 2025 and 2024, interest of $349 and $429, respectively, remained payable and is included in accrued interest payable on the accompanying consolidated statements of financial position.

On May 3, 2002, MSV entered into a $3,280,000 loan agreement with the FHFC for the construction of the project. The funds were provided by the FHFC under the HOME Investment Partnerships Program (HOME). The loan is non-interest bearing and requires a single balloon payment due on May 3, 2035. As of December 31, 2025 and 2024, the balance of the loan was $3,280,000 and $3,280,000, respectively.

On October 31, 2007, EGII entered into a $3,500,000 loan agreement with the FHFC. The funds were provided by the FHFC under the SAIL Program for the construction of Phase III of the EGA project. The loan bears interest at a rate of 1.00 percent per annum and matures January 1, 2040. The loan requires annual payments based on the actual cash flow of the phase, as defined. As of December 31, 2025 and 2024, the balance of the loan was $3,500,000 and $3,500,000, respectively. During the years ended December 31, 2025 and 2024, interest expense totaled $35,004 and $35,004, respectively. As of December 31, 2025 and 2024, interest of $380,344 and $367,913, respectively, remained payable and is included in accrued interest payable on the accompanying consolidated statements of financial position.

On July 1, 2007, EGALLC entered into a SHIP loan agreement with Collier County, for $442,000 to fund the construction of the project. The loan is non-interest bearing and requires no payments for the first six years. Beginning December 31, 2014, annual principal payments of $31,571 are required through maturity on December 31, 2028. As of December 31, 2025 and 2024, the balance was $63,144 and $94,715, respectively.

During 2018, MSV received funds from Collier County in the amount of $496,369. The funds have been designated as a deferred forgivable loan to rehabilitate the units in MSV for the benefit of low-income households and is governed by the land use restriction agreement (LURA), which remains in effect for fifteen years and commenced upon execution of the agreement. The loan bears no interest and is forgiven in year fifteen as long as the requirements of the LURA are met, as defined. As of December 31, 2025 and 2024, the balance was $496,369 and $496,369, respectively.

Notes and Mortgages Payable under LMHC are as follows:

On September 22, 2000, LMHC entered into a series of loans and grants with the USDA to construct MV. USDA loans of $3,255,480 and USDA grants of $1,919,520 were combined with a $342,000 grant from the FHLBA to provide construction funds for the Family Units. The loans bear interest at a rate of 1.00 percent per annum and matures November 1, 2036. The loans are repayable in annual installments of $122,652 due on November 1 of each year. As of December 31, 2025 and 2024, the balance of the loans were $1,160,078 and $1,270,106, respectively. During the years ended December 31, 2025 and 2024, interest expense totaled $12,491 and $13,585, respectively, and is included in interest on mortgages payable on the accompanying consolidated statements of activities. As of December 31, 2025 and 2024, interest of $2,436 and $2,569, respectively, remained payable and is included in accrued interest payable on the accompanying consolidated statements of financial position.

On November 13, 2009, LMHC entered into a $2,910,000 loan agreement with the USDA for the construction of MV4. The loan bears interest at a rate of 1.00 percent per annum and matures on January 1, 2042. The loan requires annual interest payments beginning on January 1, 2010. Principal and interest will be payable in annual installments of $109,712 beginning on January 1, 2012, with any unpaid principal and interest due at maturity. As of December 31, 2025 and 2024, the balance was $1,569,922 and $1,660,401, respectively, which includes unamortized debt issuance costs of $40,170 and $42,547, respectively. During the years ended December 31, 2025 and 2024, interest expense totaled $19,306 and $20,238, respectively, which includes amortization of debt issuance costs of $2,377 and $2,377, respectively, and is included in interest on mortgages payable on the accompanying consolidated statements of activities. As of December 31, 2025 and 2024, interest of $1,819 and $1,672, respectively, remained payable and is included in accrued interest payable on the accompanying consolidated statements of financial position.

Loans of $580,000 were obtained from the Hillsborough County Community Improvement District (HCCID) to purchase three parcels of land and to pay the water and waste-water fees for the site of MV and MV4. The loans consist of $300,000 obtained on February 21, 2001, $80,000 obtained on October 9, 2001, and $200,000 obtained on February 9, 2004. The loans are non-interest bearing for the first 5 years, 1.00 percent interest for years 6 through 10, 1.25 percent interest for years 11 through 20, 1.50 percent interest for years 21 through 30, and 2.00 percent for years 31 through 40. The $300,000 and $80,000 loans require annual interest payments based on the available cash flow of MV and MV4, respectively, as defined. Any unpaid interest accrues interest at the AFR. The $200,000 accrues interest annually on the principal balance which is payable upon disposal of the MV project. The loans mature upon disposition of property. As of December 31, 2025 and 2024, the balance of the loans were $579,895 and $579,895, respectively. During the years ended December 31, 2025 and 2024, interest expense totaled $8,673 and $30,167, respectively, and is included in interest on mortgages payable on the accompanying consolidated statements of activities. As of December 31, 2025 and 2024, interest of $70,436 and $61,763, respectively, remained payable and is included in accrued interest payable on the accompanying consolidated statements of financial position.

On November 30, 2009, MV4 entered into a $1,250,000 loan agreement with the FHFC under the SAIL Program for the construction of the project. The loan bears interest at a fixed rate of 1.00 percent per annum and matures November 30, 2042. The loan requires annual interest payments based on the available cash flow of MV4, as defined. As of December 31, 2025 and 2024, the balance of the loan was $1,250,000 and $1,250,000, respectively. For the years ended December 31, 2025 and 2024, interest expense totaled $12,504 and $12,504, respectively, and is included in interest on mortgages payable on the accompanying consolidated statements of activities. As of December 31, 2025 and 2024, interest of $150,209 and $137,705, respectively, remained payable and is included in accrued interest payable on the accompanying consolidated statements of financial position.

Notes and Mortgages Payable under EHT are as follows:

On January 15, 2016, OM entered into a mortgage note with Community Housing Capital, Inc. (CHC) in the original amount of $1,500,000. The loan required monthly interest payments based upon a fixed rate of 5.85 percent until conversion to permanent status. During 2018, the CHC loan converted to the permanent first mortgage loan. The permanent first mortgage is a fifteen-year permanent loan amortized over thirty years requiring monthly principal and interest payments of $9,392 based upon an interest rate of 6.41 percent. After the fifteen-year period, all outstanding principal and interest are due upon maturity. As of December 31, 2025 and 2024, the outstanding principal balance was $1,343,029 and $1,367,349, respectively, net of unamortized debt issuance costs of $6,839 and $7,815, respectively. Interest expense for the years ended December 31, 2025 and 2024 was $88,255 and $89,830, respectively, which includes amortization of debt issuance costs of $976 and $977, respectively, and is included in interest on mortgages payable on the accompanying consolidated statements of activities. As of December 31, 2025 and 2024, accrued interest was $7,211 and $7,346, respectively, and is included in accrued interest payable on the accompanying consolidated statements of financial position.

On October 25, 2016, OM entered into a $2,215,000 loan agreement with the FHFC under the SAIL Program for the construction of the project. The loan bears interest at a fixed rate of 1.00 percent per annum and has a term of 15 years. The loan requires annual interest payments based on the available cash flow of OM, as defined. As of December

31, 2025 and 2024, the balance of the loan was $2,176,981 and $2,170,456, respectively, which includes unamortized debt issuance costs of $38,019 and $44,544, respectively. For the years ended December 31, 2025 and 2024, interest expense totaled $28,675 and $28,675, respectively, which includes amortization of debt issuance costs of $6,525 and $6,525, respectively, and is included in interest on mortgages payable on the accompanying consolidated statements of activities. As of December 31, 2025 and 2024, accrued interest was $52,459 and $66,450, respectively, and is included in accrued interest payable on the accompanying consolidated statements of financial position.

On October 25, 2016, OM assumed a $526,648 loan from with the FHFC under the SAIL Program from Timber Ridge of Immokalee, LP in the original amount of $526,648. The loan bears interest at a fixed rate of 1.00 percent per annum and matures on October 25, 2046. The loan requires annual interest payments based on the available cash flow of OM, as defined. As of December 31, 2025 and 2024, the balance of the loan was $521,473 and $520,573, respectively, which includes unamortized debt issuance costs of $5,175 and $6,075, respectively. For the years ended December 31, 2025 and 2024, interest expense totaled $6,167 and $6,167, respectively, which includes amortization of debt issuance costs of $900 and $900, respectively, and is included in interest on mortgages payable on the accompanying consolidated statements of activities. As of December 31, 2025 and 2024, accrued interest was $20,956 and $15,689, respectively, and is included in accrued interest payable on the accompanying consolidated statements of financial position.

TKL entered into a loan agreement with Local Initiatives Support Corporation on May 30, 2019 in the maximum amount of $3,800,000. The loan bears interest at a fixed rate of 5.22 percent. The loan is amortized over thirty years requiring monthly principal and interest payments of $20,913. After a period of ten years, all outstanding principal and accrued and unpaid interest will be due on June 1, 2029. As of December 31, 2025 and 2024, the outstanding principal balance was $3,221,689 and $3,274,197, respectively, net of unamortized debt issuance costs of $130,477 and $148,270, respectively. For the years ended December 31, 2025 and 2024, interest expense was $198,449 and $198,452, respectively, which includes amortization of debt issuance costs of $17,793 and $17,793, respectively, and is included in interest on mortgages payable on the accompanying consolidated statements of activities.

TKL, in conjunction with the acquisition of the property, assumed a loan held by FHFC in the amount of $2,900,000. The loan bears interest at a rate of 1.53 percent and matures on December 1, 2033. The entire unpaid principal amount will be due and payable upon maturity. TKL agreed to make a principal payment to FHFC in the amount of $200,000 to reduce the outstanding principal to $2,700,000. As of December 31, 2025 and 2024, the outstanding principal balance was $2,700,000 and $2,700,000, respectively. For the years ended December 31, 2025 and 2024, interest expense was $41,310 and $41,310, respectively, and is included in interest on mortgages payable on the accompanying consolidated statements of activities.

TKL, in conjunction with the acquisition of the property, assumed a loan held by Monroe County Comprehensive Plan Land Authority in the amount of $1,089,000. The note is noninterest bearing and the entire principal amount is payable on May 12, 2050. As of December 31, 2025 and 2024, the outstanding principal balance was $1,089,000 and $1,089,000, respectively.

On May 30, 2019, TKL entered into a promissory note with Advanced Housing Corp (AHC) in the amount of $426,000 on account of AHC's brokerage service performed in facilitating the acquisition of the project. AHC agreed to forgo a cash payment of the acquisition commission at closing and instead accepted payment in the form of a twenty-five year cash-flow based promissory note. The note bears interest at the rate of 2.74 percent interest and matures on May 31, 2044. The note requires annual payments equal to 38% of available cash flow, as defined, which will be applied first to accrued interest, then to principal. At maturity, any unpaid amount will be forgiven. As of December 31, 2025 and 2024, the outstanding principal balance was $426,000 and $426,000, respectively. For the years ended December 31, 2025 and 2024, interest expense was $11,672 and $11,672, respectively, and is included in interest on mortgages payable on the accompanying consolidated statements of activities. As of December 31, 2025 and 2024, there was no accrued interest.

On January 21, 2020, CJ entered into a loan agreement with the FHFC under the SAIL Program for the construction of the project in an amount not to exceed $5,992,000. The loan is non-amortizing and bears interest at a fixed rate of 1.00 percent per annum and has a term of 15 years and matures January 21, 2035. The loan requires annual interest payments based on the available cash flow of CJ, as defined. As of December 31, 2025 and 2024, the balance of the loan was $5,898,048 and $5,887,673, respectively, which includes unamortized debt issuance costs of $93,952 and $104,327, respectively. For the years ended December 31, 2025 and 2024, interest incurred totaled $70,295 and $70,295, respectively, which includes amortization of debt issuance costs of $10,375 and $10,375, respectively. As of December 31, 2025 and 2024, accrued interest was $107,346 and $111,619, respectively, and is included in accrued interest payable on the accompanying consolidated statements of financial position.

On January 21, 2020, CJ entered into a loan agreement with the FHFC under the ELI Program for the construction of the project in an amount not to exceed $508,000. The loan is non-amortizing, non-interest bearing and has a term of 15 years and matures January 21, 2035. As of December 31, 2025 and 2024, the balance of the loan was $500,036 and $499,156, respectively, which includes unamortized debt issuance costs of $7,964 and $8,844, respectively. During the years ended December 31, 2025 and 2024, interest expense of $880 and $880, respectively, was incurred, which consists entirely of amortization of debt issuance costs.

On August 16, 2021, CJ entered into a promissory note with the Federal Home Loan Bank (FHLB) through the FHLB's Affordable Housing Subsidy Program (AHP) in the amount of $500,000. The note is non-interest bearing, and if the AHP's prescribed conditions are met during the 15-year compliance period, the entire principal amount of the loan will be forgiven. The balance of the loan as of December 31, 2025 and 2024 was $500,000 and $500,000, respectively.

On May 26, 2021, CAE entered into a promissory note with the FHFC under the SAIL Program for the construction of the project in an amount not to exceed $5,150,000. The loan is non-amortizing and has an interest rate of 0 percent for the percentage of units set aside for the unaccompanied farmworker and an interest rate of 1 percent for the remaining units, which results in an overall blended rate of 0.60 percent. The loan has a term of 17 years and matures May 26, 2038. The loan requires annual interest payments based on the available cash flow of CAE, as defined. As of December 31, 2025 and 2024, the balance of the loan was $5,061,499 and $5,054,436, respectively, which includes unamortized debt issuance costs of $88,501 and $95,564, respectively. During the years ended December 31, 2025 and 2024, interest of $37,963 and $37,858, respectively, was incurred, which includes amortization of debt issuance costs of $7,063 and $6,958, respectively. As of December 31, 2025 and 2024, accrued interest was $32,164 and $49,501, respectively, and is included in accrued interest payable on the accompanying consolidated statements of financial position.

On May 25, 2022, CAE entered into a promissory note with the Federal Home Loan Bank (FHLB) through the FHLB's Affordable Housing Subsidy Program (AHP) in the amount of $500,000. The note is non-interest bearing, and if the AHP's prescribed conditions are met during the 15-year compliance period, the entire principal amount of the loan will be forgiven. The balance of the loan as of December 31, 2025 and 2024 was $500,000 and $500,000, respectively.

On March 22, 2022, SCBPK entered into two notes with FHFC under the CDBG-DR program for the construction of the project in an amount not to exceed $10,915,596. The loans are non-amortizing, non-interest bearing and have a term of 20 years and mature March 22, 2042. As of December 31, 2025 and 2024, the balance of the loan was $10,845,097 and $10,841,216, respectively, which includes unamortized debt issuance costs of $70,500 and $74,831, respectively. During the years ended December 31, 2025 and 2024, interest of $3,881 and $3,880, respectively, was incurred, which is made up entirely of amortization expense.

On March 22, 2022, SCBPK entered into two construction loan agreements with Community Housing Capital Inc. for the construction of the project in an amount not to exceed $2,725,000. The loans have a term of 17 years with a two-year interest only period. During the two-year interest only period, the loans bore interest at a floating rate equal to LIBOR plus a spread of 3 percent, and interest payments were due monthly. Following the two-year interest only period, the loans have a 15-year permanent period and bear interest at 4.85 percent. During the permanent period, principal and interest are due monthly. The 15-year permanent period commenced on July 1, 2024, and the loans have a maturity date of July 1, 2039. As of December 31, 2025 and 2024, the balance of the loan was $2,597,114 and $2,622,661, respectively, which includes unamortized debt issuance costs of $49,859 and $53,645, respectively. During the years ended December 31, 2025 and 2024, interest of $134,089 and $180,639, respectively, was incurred, which includes amortization of debt issuance costs of $3,786 and $3,788, respectively. As of December 31, 2025 and 2024, accrued interest was $10,696 and $10,817, respectively, and is included in accrued interest payable on the accompanying consolidated statements of financial position.

On March 22, 2022, ABPK entered into a loan agreement with the FHFC under the CDBG-DR program in an amount not to exceed $2,073,962. The loan is non-amortizing, non-interest bearing and has a term of 20 years and matures March 22, 2042. As of December 31, 2025 and 2024, the balance of the loan was $2,046,604, and $2,044,929, respectively, net of unamortized debt issuance costs of $27,358 and $29,033, respectively. During the years ended December 31, 2025 and 2024, interest incurred was $1,675 and $1,675, respectively, which was entirely comprised of amortization of debt issuance costs.

On March 22, 2022, ABPK entered into a loan agreement with Community Housing Capital Inc. for the construction of the project in an amount not to exceed $425,000. The loan bears interest at 4.85 percent and has a maturity date of July 1, 2039, with payments of interest due monthly and principal due upon maturity over the life of the loan. As of December 31, 2025 and 2024, the balance of the loan was $400,668 and $403,989, respectively, which includes unamortized debt issuance costs of $17,188 and $18,705, respectively. During the years ended December 31, 2025 and 2024, interest of $21,891 and $28,562, respectively, was incurred, which includes amortization of debt issuance costs of $1,517 and $3,192, respectively. As of December 31, 2025 and 2024, accrued interest was $1,689 and $1,708, respectively, and is included in accrued interest payable on the accompanying consolidated statements of financial position.

In 2024, DSL and LSL combined into one entity under LSL. On March 16, 2023, LSL entered into a promissory note with Lower Keys Community Center Corp. in an amount not to exceed $2,520,000 The loan bears interest at 4.5 percent, compounded annually, and matures at the earliest of June 30, 2026, or the construction loan closing date, as defined. As of December 31, 2025 and 2024, the balance of the loan was $2,520,000 and $2,520,000, respectively. During the years ended December 31, 2025 and 2024, interest of $122,725 and $117,440, respectively, was incurred. As of December 31, 2025 and 2024, accrued interest was $329,941 and $207,216, respectively, and is included in accrued interest payable on the accompanying consolidated statements of financial position.

Tax Credit Assistance Program (TCAP) Loans

On April 29, 2010, OGA-LTD entered into a TCAP agreement with the FHFC for an amount not to exceed $3,430,567, consisting of a TCAP Loan ("TCAP Loan") of $2,750,567 and a TCAP/Supplemental Loan ("Supplemental Loan") of $680,000.

The TCAP Loan bore interest at a rate of zero percent through May 1, 2012 and is non-amortizing during the term of the note. Commencing on May 1, 2012, annual interest payments were due at a rate of .33% simple interest on the outstanding principal balance, subject to available cash flow, as defined. As of January 1, 2014, the for-profit borrower withdrew and the interest rate was reduced to 0 percent. Unpaid interest and principal is due on February 16, 2027.

The Supplemental Loan bears no interest and is non-amortizing during the term of the note, with a balloon payment due and payable on February 16, 2027. As of December 31, 2025 and 2024, the outstanding principal balance was $2,973,097 and $3,426,846, respectively, which includes unamortized debt issuance costs of $35,470 and $3,721, respectively. During the years ended December 31, 2025 and 2024, interest expense totaled $2,823 and $2,823, respectively, which is made up entirely of amortization of debt issuance costs, and is included in interest on mortgages payable on the accompanying consolidated statements of activities.

On April 7, 2010, CCA-LTD entered into a TCAP agreement with the FHFC for an amount not to exceed $3,675,167, consisting of a TCAP Loan of $2,995,167 and a Supplemental Loan of $680,000.

The TCAP Loan bore interest at a rate of zero percent through May 1, 2012 and is non-amortizing during the term of the note. Commencing on May 1, 2012, annual interest payments were due, subject to available cash flow, as defined, at a blended rate of 1.0% simple interest per annum on the portion of the development determined by the FHFC to be owned by a for-profit borrower, and 0% interest on the portion of the development determined by the FHFC to be owned by a non-profit borrower on the outstanding principal balance. As of January 1, 2014, the for-profit borrower withdrew and the interest rate was reduced to 0 percent. Unpaid interest and principal is due on February 16, 2027.

On September 29,2025, the Partnership made an early principal payment of $422,000 on the Supplemental Loan with funds from the operating deficit reserve account.

The Supplemental Loan bears interest at a rate of 0% simple interest per annum on the outstanding principal balance and is non-amortizing during the term of the note, with a balloon payment due and payable on February 16, 2027. As of December 31, 2025 and 2024, the outstanding principal balance was $3,369,804 and $3,673,750, respectively, which includes unamortized debt issuance costs of $20,970 and $1,417, respectively.

During the years ended December 31, 2025 and 2024, interest expense totaled $5,974 and $3,947, respectively, which is made up entirely of amortization of debt issuance costs, and is included in interest on mortgages payable on the accompanying consolidated statements of activities.

Tax Credit Exchange Program (TCEP) Loans

On April 29, 2010, OGA-LTD entered into a TCEP agreement with the FHFC for an amount not to exceed $12,674,248. The TCEP loan bears no interest and is non-amortizing during the term of the note. As of December 31, 2025 and 2024, the outstanding principal balance was $0 and $833,395, respectively, which includes unamortized debt issuance costs of $0 and $11,553, respectively.

On April 7, 2010, CCA-LTD entered into a TCEP agreement with the FHFC for an amount not to exceed $10,242,500. The TCEP loan bears interest at a rate of zero percent and is non-amortizing during the term of the note. As of December 31, 2025 and 2024, the outstanding principal balance was $0 and $669,802, respectively, which includes unamortized debt issuance costs of $0 and $13,036, respectively.

Under the TCEP loan agreements, loan principal is forgiven annually over the 15-year tax credit compliance period. Forgiveness is subject to OGA-LTD and CCA-LTD maintaining compliance with Section 42. Prior to being forgiven the remaining outstanding portion of the loans that has not been forgiven is subject to repayment in the event OGA-LTD and CCA-LTD fail to maintain compliance. No principal payments are required to be paid during the loan terms. The loan agreements provide FHFC with a security interest in the buildings and improvements of the projects. The loans are subordinated to the first mortgages.

Loan proceeds funded with Section 1602 program funds are intended to assist with payment of development costs of LIHTC properties. In exchange for the funds received, OGA-LTD and CCA-LTD have agreed to operate their properties in accordance with Section 42. Under the American Recovery and Reinvestment Act, portions of the loans which have been forgiven are considered government assistance related to assets and are considered non-taxable income. OGA-LTD and CCA-LTD will record the portions of their loans which have been forgiven as a deferred liability which will be recognized as tax-exempt income based on the total amount of the loan expected to be forgiven on a straight-line basis over the depreciable life of the buildings and improvements of the projects. The TCAP and TCEP loans are serviced by Seltzer Management Group, Inc.

HOME Loans

On April 29, 2010, OGA-LTD entered into a HOME loan agreement with the FHFC for an amount not to exceed $115,900. Effective January 1, 2014, Florida Housing reduced the interest rate to zero percent. The entire unpaid principal balance is due on February

16, 2030, the maturity date. As of December 31, 2025 and 2024, the outstanding principal balance was $0 and $114,523, respectively, which includes unamortized debt issuance costs of $0 and $1,377, respectively. During the years ended December 31, 2025 and 2024, interest expense totaled $1,377 and $3,084, respectively, which is made up entirely of amortization of debt issuance costs, and is included in interest on mortgages payable on the accompanying consolidated statements of activities. On September 29, 2025, the Partnership fully repaid the HOME loan in the amount of $115,900 using funds from the operating deficit reserve.

On April 7, 2010, CCA-LTD entered into a HOME loan agreement with the FHFC, for an amount not to exceed $130,000. Effective January 1, 2014, Florida Housing reduced the interest rate to zero percent. The entire unpaid principal balance is due on February 16, 2027, the maturity date. As of December 31, 2025 and 2024, the outstanding principal balance was $0 and $126,985, respectively, which includes unamortized debt issuance costs of $0 and $3,015, respectively. During the years ended December 31, 2025 and 2024, interest expense totaled $3,015 and $2,808, respectively, which is made up entirely of amortization of debt issuance costs, and is included in interest on mortgages payable on the accompanying consolidated statements of activities. On September 29, 2025, the Partnership fully repaid the HOME loan in the amount of $130,000 using funds from the operating deficit reserve.

On October 21, 2016, OM entered into a promissory note with the Federal Home Loan Bank (FHLB) through the FHLB's Affordable Housing Subsidy Program (AHP) in the amount of $440,000. The note is non-interest bearing, and if the AHP's prescribed conditions are met during the 15-year compliance period, the entire principal amount of the loan will be forgiven. The balance of the loan as of December 31, 2025 and 2024, was $440,000 and $440,000, respectively.

<u>Notes and Mortgages Payable under PCSH are as follows:</u>

On September 17, 2013, PCSH received a Capital Advance pursuant to Section 202 of the National Housing Act in the final endorsed amount of $3,837,200 from HUD for costs related to the construction and development. Under the terms of the agreement, the project must remain available for very low-income elderly individuals/families as approved by HUD for no less than 40 years. Failure to do so could require all or a portion of the Capital Advance to be repaid to HUD. The Capital Advance has been recorded as a mortgage payable and has a final maturity date of November 1, 2056. The mortgage bears no interest and repayment is not required so long as the housing remains available for very low-income elderly individuals/families as approved by HUD. As of December 31, 2025 and 2024, $3,837,200 and $3,837,200, respectively, had been received.

Notes and Mortgages Payable under FNPS are as follows:

EP has a mortgage note payable to the USDA, bearing interest at a rate of 1 percent per annum and maturing on February 11, 2043. Annual installments of principal and interest in the amount of $11,303 are due beginning January 1, 2013, with any unpaid principal and interest due at maturity. The USDA mortgage is collateralized by a first lien on the land, buildings and improvements, and an assignment of leases, rents and profits of the Organization. The balance of the mortgage payable at December 31, 2025 and 2024 was $175,769 and $185,214, respectively. During the years ended December 31, 2025 and 2024, interest expense totaled $1,849 and $1,943, respectively, and is included in interest on mortgages payable on the accompanying consolidated statements of activities

EP entered into a mortgage note payable to the Florida Housing Finance Agency, State Apartment Incentive Loan Program (S.A.I.L.) with interest at zero percent, defaulting to 18 percent should occupancy by qualified occupants fall below 80 percent. Repayment of principal and interest is determined annually in August for the preceding calendar year by the Florida Housing Finance Agency, based upon actual cash flow of the Project, with final payment of principal and unpaid interest due February 2043. The balance of the mortgage payable at December 31, 2025 and 2024 was $3,187,764 and $3,187,764, respectively. The Florida Housing Finance Agency mortgage is collateralized by a second lien on the land, buildings and improvements.

Notes and Mortgages Payable under DCSH are as follows:

On December 23, 2020, DCSH entered into a construction loan with Community Housing Capital, Inc. in an amount not to exceed $12,000,000, which was secured by a first priority mortgage on the property. During the construction phase, the note bore interest at the LIBOR Index Rate plus 2.10 percent. Beginning February 1, 2021, interest only payments were due during the construction phase, which had a term of 24 months.

On June 1, 2023, the construction loan converted to a permanent loan with CHC in the amount of $3,600,000. The loan bears interest at a rate of 4.35 percent per annum and is secured by a first priority mortgage on the property. The loan requires monthly principal and interest payments in the amount of $16,704 until it matures on December 23, 2037. As of December 31, 2025 and 2024, the principal balance was $3,484,407 and $3,532,155, respectively, which includes unamortized debt issuance costs of $29,823 and $32,311, respectively. For the year ended December 31, 2025 and 2024, interest expense totaled $155,019 and $157,055, respectively, which includes amortization of debt issuance costs of $2,488 and $2,488, respectively. As of December 31, 2025 and 2024, accrued interest of $12,631 and $12,804, respectively, remained payable.

On May 24, 2021, DCSH entered into a construction loan with City of Gainesville in an amount not to exceed $469,313. During the construction phase, which had a term of 24 months, the note bore interest at 0.00 percent. After the construction phase, the loan converted to a permanent non-amortizing 15-year loan and bears interest at 1 percent. The interest only payments will be paid in one payment annually for 15 years with principal due in full at maturity. As of December 31, 2025 and 2024, the principal balance outstanding was $469,313 and $469,313, respectively. For the year ended December 31, 2025 and 2024, interest expense totaled $4,693 and $6,648, respectively. As of December 31, 2025 and 2024, accrued interest of $0 and $0, respectively, remained payable.

<u>Notes and Mortgages Payable under ITNP are as follows:</u>

On March 10, 2005, NHI entered into a $600,000 loan agreement with RD under section 514 of the Federal Housing Act of 1949. The loan bears interest at a fixed rate of 1.00 percent per annum with a 30-year amortization period and is collateralized by the land, buildings and improvements. The loan requires annual principal and interest payments of $22,605 until the principal and interest are fully paid with the final installment due and payable at the maturity date, March 10, 2038. For the years ended December 31, 2025 and 2024, interest expense was $2,054 and $2,369, respectively, and is included in interest on mortgages payable on the accompanying consolidated statements of activities. As of December 31, 2025 and 2024, the balance of the loan was $196,125 and $216,645, respectively. As of December 31, 2025 and 2024, accrued interest was $163 and $195, respectively, and is included in accrued interest payable on the accompanying consolidated statements of financial position.

NHI entered into a $1,325,600 loan agreement with the Florida Housing Finance Corporation (FHFC). The loan matures on February 28, 2035. The loan is non-interest bearing with principal due at maturity. As of December 31, 2025 and 2024, the balance of the loan was $1,325,600 and $1,325,600, respectively.

On January 26, 1996, NHII entered into a $1,716,000 loan agreement with RD under section 514 of the Federal Housing Act of 1949. The loan bears interest at a fixed rate of 1.00 percent per annum with a 33-year amortization period and is collateralized by the land, buildings and improvements. The loan required annual principal and interest payments of $62,927 until maturity on January 26, 2029. On May 1, 2011, NHII entered into a re-amortization agreement with RD. The re-amortized principal amount of the loan was $1,048,628. The agreement requires annual principal and interest payments of $53,337 until maturity on January 26, 2034. For the years ended December 31, 2025 and 2024, interest expense was $4,291 and $4,542, respectively, and is included in interest on mortgages payable on the accompanying consolidated statements of activities. As of December 31, 2025 and 2024, accrued interest of $324 and $390, respectively, remained payable and is included in accrued interest payable on the accompanying consolidated statements of financial position. As of December 31, 2025 and 2024, the balance of the loan was $376,520 and $425,500, respectively.

NHII entered into a $1,910,814 loan agreement with the Florida Housing Finance Corporation (FHFC) for the construction of the project. This loan converted to a permanent HOME loan upon completion of construction and holds a second mortgage position. The loan is non-interest bearing with principal due at maturity. The loan originally matured January 4, 2016; however, an extension was granted to January 26, 2019. During the year ended December 31, 2023, another extension was granted to January 26, 2034. Along with the extension of the loan at its current terms, FHFC requested a principal paydown of $243,375. This results in a 13% reduction in the HOME principal. As of December 31, 2025 and 2024, the balance of the loan was $1,667,439 and $1,667,439, respectively.

On August 13, 1999, IRRH entered into a $1,285,851 loan agreement with RD to provide funds for the construction of the project. The stated interest rate of 7.125 percent varies from the effective rate of 1.00 percent due to an interest subsidy provided by RHS. At December 31, 2025 and 2024, the outstanding balances were $1,078,866 and $1,094,674, respectively. The note is payable in monthly installments of principal and interest of $2,731 and is expected to mature on August 31, 2049. Interest incurred on this note, net of the subsidy, during the years ended December 31, 2025 and 2024 was $16,873 and $18,022, respectively, and is included in interest on mortgages payable on the accompanying consolidated statements of activities. At December 31, 2025 and 2024, accrued interest was $1,368 and $1,462, respectively, and is included in accrued interest payable on the accompanying consolidated statements of financial position.

IRRH entered into a $926,827 loan agreement, on February 16, 2000, with the Florida Housing Finance Corporation (FHFC) for the construction of the Project. This loan converted to a permanent HOME loan upon completion of construction and holds a second mortgage position. The loan originally matured on February 16, 2020. During the year ended December 31, 2025, FHFC extended the maturity date to February 1, 2034. As of December 31, 2025 and 2024, the principal balance was $566,309 and $566,309, respectively.

ITNP entered into various notes, along with first and second mortgages, with Martin County under the Neighborhood Stabilization Program (NSP) between 2010 and 2016. The loans are intended to be a benefit and not solely as an instrument to homeownership. Therefore, ITNP has agreed to maintain and own the property for the entire term of the mortgage. As long as ITNP remains in compliance with all of the covenants, conditions, and terms of the mortgage and the development agreement, no repayment of the note is required, and the mortgage will expire at the end of the term. ITNP currently has fifteen single family homes that fall under the NSP. The terms vary between fifteen and twenty years. As of December 31, 2025 and 2024, the balance of the notes payable was $2,772,961 and $2,772,961, respectively.

The estimated aggregate principal maturities of the promissory and mortgage notes payable subsequent to December 31, 2025 are as follows:

	RNI	ECA	BCHC	LMHC	EHT	FNPS	DCSH	PWCSH	INP	RHAOC	Total
2026	$ 2,000,000	$ 635,737	$ 290,452	$ 204,890	$ 141,832	$ 9,566	$ 49,867	$ -	$ 88,640	$ -	$ 3,420,984
2027	-	899,860	293,064	206,964	6,548,998	9,664	52,080	-	90,691	304,434	8,405,755
2028	-	384,272	264,127	209,059	157,867	9,762	54,391	-	92,848	399,642	1,571,968
2029	-	357,736	266,789	211,175	7,397,145	9,862	56,805	-	95,119	434,726	8,829,357
2030	-	1,393,012	269,478	213,313	80,002	9,962	59,326	-	97,508	461,947	2,584,548
Thereafter	-	10,478,442	9,290,090	3,554,664	35,396,567	3,314,717	3,681,251	3,837,200	7,519,014	59,121,651	136,193,596
Total	2,000,000	14,149,059	10,674,000	4,600,065	49,722,411	3,363,533	3,953,720	3,837,200	7,983,820	60,722,400	161,006,208
Less unamortized debt issuance costs	-	(46,986)	(22,771)	(40,170)	(592,272)	-	(29,823)	-	-	(2,910,266)	(3,642,288)
	2,000,000	14,102,073	10,651,229	4,559,895	49,130,139	3,363,533	3,923,897	3,837,200	7,983,820	57,812,134	157,363,920
Less current maturities	(2,000,000)	(635,737)	(290,452)	(204,890)	(141,832)	(9,566)	(49,867)	-	(88,640)	-	(3,420,984)
Net long-term portion	$ -	$ 13,466,336	$ 10,360,777	$ 4,355,005	$ 48,988,307	$ 3,353,967	$ 3,874,030	$ 3,837,200	$ 7,895,180	$ 57,812,134	$ 153,942,936

All loans noted above are secured by the underlying value of the real estate collateral, improvements, easements of other interests, assignments of rents and leases and personal property.

NOTE 7 - ASSET MANAGEMENT FEE

FHFC, in its capacity as asset manager of the OGA-LTD and CCA-LTD projects, is to be paid an annual cumulative asset management fee of $3,000 per project, per year, commencing on the closing dates. The asset management fee is paid to the FHFC or the appointed loan servicer for reviewing informational reports, financial statements, and other financial, program, and compliance reports as required by TCAP. The fee is payable to the extent of available cash flow and unpaid fees accrue without interest. During the years ended December 31, 2025 and 2024, asset management fees of $3,000 and $3,000, respectively, were incurred by OGA-LTD and $3,000 and $3,000, respectively, remained payable. During the years ended December 31, 2025 and 2024, asset management fees of $3,000 and $3,000, respectively, were incurred by CCA-LTD and $3,000 and $3,000, respectively, remained payable. These amounts are included in accrued expenses on the accompanying consolidated statements of financial position, and the expenses are included in project administration on the accompanying consolidated statements of activities.

NOTE 8 - PARTNER’S CAPITAL CONTRIBUTIONS

Oaks at Shannon’s Crossing, LP

Pursuant to the partnership agreement, the withdrawing limited partner of OSC was required to make capital contributions of $9,455,565. As of December 31, 2025 and 2024, the withdrawing limited partner had made capital contributions of $9,455,565 and $9,455,565, respectively, less a downward tax credit adjuster of $435,118 incurred during 2009. In addition to the required capital contributions, during the year ended December 31, 2019, OSC received a capital contribution from SCL of $1,690,364 to pay the deferred developer fee and outstanding interest in full.

Eden Gardens Apartments, LLC

Pursuant to the partnership agreement, the limited partner of EGALLC is required to make capital contributions of $2,840,716 less a downward adjuster of $5,247. As of December 31, 2025 and 2024, the limited partner had made contributions of $3,237,687 and $3,237,687, respectively. The total capital contribution required by the limited partner is subject to adjustment if certain annual tax credit benchmarks are not attained, as defined. During the year ended December 31, 2023, the limited partner sold its partnership interest to the managing member who then transferred all interest to BCHC. BCHC is now the sole member.

Orchid Grove Apartments, Ltd.

Pursuant to the partnership agreement, the partners of OGA-LTD are required to make aggregate capital contributions totaling $100. The limited partner is required to make a capital contribution of $99.99, which remains payable as of December 31, 2025 and 2024. The managing general partner is required to make a capital contribution of $0.0033 and OA is required to make a capital contribution of $0.0067, which has been paid as of December 31, 2025 and 2024.

Cypress Cove Apartments, Ltd.

Pursuant to the partnership agreement, the partners of CCA-LTD are required to make aggregate capital contributions totaling $100. The limited partner is required to make a capital contribution of $99.99, the special limited partner is required to make a capital contribution of $0.0033, and CC is required to make a capital contribution of $0.0067. As of December 31, 2025 and 2024, the capital contributions owed by the limited partner have not been paid. Upon achievement of stabilization, the limited partner was required to contribute an additional $650 to CCA-LTD. During 2011, this additional contribution was paid.

Deer Creek Senior Housing, LLLP

Pursuant to the amended and restated agreement of limited liability limited partnership agreement, the general partners of DCSH are required to make capital contributions of $100 totaling in aggregate $200. The administrative limited partner is required to make a capital contribution of $100, and the investor limited partner is required to make capital contributions of $11,630,722. As of December 31, 2025 and 2024, the capital contributions owed by the general partners had not been paid. As of December 31, 2025 and 2024, cumulative capital contributions of $100 and $100, respectively, had been paid by the administrative limited partner. As of December 31, 2025 and 2024, cumulative capital contributions of $10,033,907 and $10,033,907, respectively, had been paid by the investor limited partner, which is net of cumulative syndication costs of $60,000 and $60,000, respectively. A contribution of $1,597,115 by the Investor Limited Partner is pending disbursement with an estimated downward adjuster of $239,629. Pending benchmarks include rental achievement, as defined, receipt of 8609 and first credit year K-1's and final tax return.

NOTE 9 - PENSION PLAN

The Corporation has a 401(k) profit sharing plan (the Plan) for the exclusive benefit of its employees. The Plan covers all employees who have attained the age of 21 and completed three months of service. The Corporation provides qualified non-elective contributions of 3 percent of compensation for all eligible employees. Additional discretionary contributions of 4.3 percent of compensation up to $21,000 and 8.6 percent of compensation in excess of $21,000 may be made by the Corporation. The additional contributions vest proportionately over a three-year period. The Corporation's contributions for the years ended December 31, 2025 and 2024 were $322,733 and $293,331, respectively, and are included in project administration expenses on the accompanying consolidated statements of activities.

NOTE 10 - PROPERTY MANAGEMENT FEES

Professional Management, Inc. is an unrelated management company that oversees the operations of DCSH, OGA-LTD, and CCA-LTD. The current management agreements for DCSH, OGA-LTD, and CCA-LTD provide for monthly fees equal to the greater of $3,500 or 5 percent of gross collections, as defined. For the years ended December 31, 2025 and 2024, property management fees of $182,050 and $164,006, respectively, were incurred and $1,252 and $319, respectively, remained payable and are included in accrued expenses on the accompanying consolidated statements of financial position.

NOTE 11 - SALE OF PROPERTY

On August 19, 2024, FNPS sold a piece of property consisting of a parcel of land, building, and equipment to an unrelated party. The transaction amounted to a total consideration of $250,000 with a gain on the sale of real property of $160,325, which is included in gain on sale of real property on the accompanying consolidated statements of activities.

On July 31, 2024, BR sold a parcel of land to an unrelated party. The transaction amounted to a total consideration of $35,000 with a gain on the sale of real property of $27,815, which is included in gain on sale of real property on the accompanying consolidated statements of activities.

On July 31, 2024, BR sold a parcel of land to an unrelated party. The transaction amounted to a total consideration of $35,000 with a gain on the sale of real property of $27,816, which is included in gain on sale of real property on the accompanying consolidated statements of activities.

On December 19, 2024, BR sold a parcel of land to an unrelated party. The transaction amounted to a total consideration of $475,000 with a gain on the sale of real property of

$121,097, which is included in gain on sale of real property on the accompanying consolidated statements of activities.

On November 18, 2025, FNPS sold a piece of property consisting of a parcel of land, building, and equipment to an unrelated party. The transaction amounted to a total consideration of $220,000 with a gain on the sale of real property of $115,676, which is included in gain on sale of real property on the accompanying consolidated statements of activities.

NOTE 12 - GRANTS

On July 22, 2024, RHAOC entered into a grant agreement with Collier Community Foundation, Inc. (CCF) and was awarded $6,858,302 to assist with the development and construction of the project. The period of performance to satisfy the grant conditions is November 10, 2020, through December 31, 2026. As of December 31, 2025 and 2024, RHAOC incurred grant-eligible costs of $6,858,302 and $6,858,302, respectively, which have been recorded to rental property and reserves on the accompanying consolidated statements of financial position. During the years ended December 31, 2025 and 2024, grant income of $0 and $6,171,972, respectively, was earned and is included in grant revenue on the accompanying consolidated statements of activities. As of December 31, 2025 and 2024, $0 and $3,085,986, respectively, of the grant remained receivable and is included in grant receivables on the accompanying consolidated statements of financial position. As of December 31, 2025, the entire grant award of $6,858,302 had been earned, including $686,330 recognized in periods prior to the years presented. The grant was fully funded as of February 13, 2025.

On July 22, 2024, RHAOC entered into a grant agreement with Moorings Park Foundation, Incorporated (MPA) and was awarded $3,141,698 to assist with the development and construction of the project. The period of performance to satisfy the grant conditions is November 10, 2020 through December 31, 2026. As of December 31, 2025 and 2024, RHAOC incurred grant-eligible costs of $3,141,698 and $3,141,698, respectively, which have been recorded to rental property and reserves on the accompanying consolidated statements of financial position. During the years ended December 31, 2025 and 2024, grant income of $0 and $2,827,528, respectively, was earned and is included in grant revenue on the accompanying consolidated statements of activities. As of December 31, 2025 and 2024, $0 and $1,413,764, respectively, of the grant remained receivable and is included in grant receivables on the accompanying consolidated statements of financial position. As of December 31, 2025, the entire grant award of $3,141,698 had been earned, including $314,170 recognized in periods prior to the years presented. The grant was fully funded as of February 13, 2025.

On November 3, 2023, RNI entered into a grant agreement with the U.S. Department of Housing and Urban Development (HUD) under the Economic Development Initiative (EDI) program and was awarded $2,000,000 to assist with the development and construction of the project. Eligible costs incurred after December 29, 2022 are eligible to be reimbursed under the grant, and revenue is recognized as eligible project costs are incurred. RNI is the federal grantee and has sub-granted the award to RHAOC; the related intercompany contribution is described in Note 5. During the years ended December 31, 2025 and 2024, $2,000,000 and $0, respectively, of federal grant revenue was earned and is included in grant revenue on the accompanying consolidated statements of activities. As of December 31, 2025 and 2024, $269,774 and $0, respectively, remained receivable from HUD and is included in grant receivables on the accompanying consolidated statements of financial position.

On August 13, 2024, RHAOC, as a direct subrecipient of Collier County, entered into an agreement in the amount of $1,130,551 as part of the American Rescue Plan (ARP) Coronavirus State and Local Fiscal Recovery Fund to cover reimbursement of eligible pre-development and development costs of the project incurred between December 29, 2022 and September 30, 2026. During the years ended December 31, 2025 and 2024, $1,130,551 and $0, respectively, of grant income was earned and is included on the accompanying consolidated statements of activities.

On August 13, 2024, RHAOC, as a direct subrecipient of Collier County, entered into an agreement in the amount of $8,916,403 as part of the American Rescue Plan (ARP) Coronavirus State and Local Fiscal Recovery Fund to cover reimbursement of eligible pre-development and development costs of the project incurred between December 29, 2022 and September 30, 2026. During the years ended December 31, 2025 and 2024, $8,916,403 and $0, respectively, of grant income was earned and is included on the accompanying consolidated statements of activities.

NOTE 13 - LEGAL SETTLEMENT

On January 1, 2023, a shooting took place at EFV that resulted in significant injuries to a tenant's guest. On March 4, 2024, an affidavit and release of all claims was executed by the tenant's guest releasing and discharging Rural Neighborhood, Inc., ECA, et. Al, and Burling Insurance Company from damages, as defined, in exchange for a settlement of $2,000,000, of which $494,089 will be paid from insurance proceeds. The settlement amounts will be paid as follows:

- One million dollars within 20 days of March 4, 2024;
- Five hundred thousand dollars no later than 60 days from March 4, 2024;
- Two hundred fifty thousand dollars to be paid no later than March 1, 2025;
- Two hundred fifty thousand dollars to be paid no later than March 1, 2026;

As of December 31, 2025 and 2024, $250,000 and $500,000, respectively, remain payable and are included in loss contingency on the accompanying consolidated statements of financial position.

NOTE 14 - CONCENTRATION OF CREDIT RISK

The Corporation maintains its cash, restricted deposits, and reserves with financial institutions. The bank balances are insured by the Federal Deposit Insurance Corporation up to $250,000 at each bank. At times, these balances may exceed the federal insurance limits; however, the Partnership has not experienced any losses with respect to its bank balances in excess of government provided insurance. Management believes that no significant concentration of credit risk exists with respect to the balances as of December 31, 2025 and 2024.

NOTE 15 - CURRENT VULNERABILITY DUE TO CERTAIN CONCENTRATIONS

The Corporation's principal assets are its rental units. The Corporation's operations are concentrated in the affordable housing real estate market. In addition, the Corporation operates in a heavily regulated environment. The operations of the projects are subject to the administrative directives, rules, and regulations of federal, state and local regulatory agencies, including, but not limited to, Rural Development and the State Housing Agency. Such administrative directives, rules and regulations are subject to change by an Act of Congress or an administrative change mandated by Rural Development or the State Housing Agency. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden to comply with a change.

NOTE 16 - LIQUIDITY AND AVAILABILITY OF RESOURCES

RNI's financial assets available within two years of the statement of financial position date for general expenditures are as follows:

	2025	2024
Cash and cash equivalents	$ 33,975,054	$ 20,788,214
Accounts receivable - tenants	35,131	24,811
Rental assistance receivables	461,085	376,987
Miscellaneous receivables	44,651	27,910
Grant receivables	269,774	4,499,750
Prepaid expenses	1,798,569	1,686,903
Total current assets	$ 36,584,264	$ 27,404,575

RNI manages its liquidity by developing and adopting annual operating budgets that provide sufficient funds for general expenditures in meeting its liabilities and other obligations as they come due. RNI maintains financial assets on hand to meet 60 days of normal operating expenses.

NOTE 17 - COMMITMENTS AND CONTINGENCIES

Farm Labor Requirement

In accordance with the loan agreements with the USDA, EFV, OSC, MSV, EGALLC, and MV designated their projects as farm labor projects. 100 percent of the EFV, OSC, MSV and EGALLC units and 62 of the MV units must be rented to eligible farm workers, as defined. In 2013, the USDA granted OSC a permanent exemption from this requirement.

Operating Deficit Guaranty

In connection with the development of the tax credit project, SCL is required to loan the respective partnerships amounts to cover operating deficits for 36 months following rental achievement, as defined. The maximum amount of operating loans ranges from $175,000 to $325,000 and advances are repayable only from available cash flows, as defined. The operating deficit expired on February 28, 2012. Any loan made after that date is considered a due to affiliate. As of December 31, 2025 and 2024, no operating loans have been made.

Pursuant to the mortgage loan documents, OA and CC are required to advance funds to their respective partnerships to cover operating deficits of the related projects. OA and CC are liable to fund 20% of any operating deficits of their respective partnerships, until such time that the managing general partners are released from their guarantees under the mortgage loan documents by the FHFC. Any advances will be treated as subordinate loans repayable with interest. As of December 31, 2025 and 2024, no operating deficit advances have been made.

Pursuant to the partnership agreement, CSS is required to loan EGALLC amounts not to exceed $200,000 to cover operating deficits of the project beginning with the achievement of breakeven operations, as defined, and continuing for five years or the achievement of a debt coverage ratio of 1 to 1 over a consecutive 12-month period, whichever is later. Operating deficit advances are non-interest bearing and are repayable only from available cash flows, as defined. As of December 31, 2025 and 2024, no operating deficit advances have been made.

Development Deficit Guaranty

SCL, CSS, OA, and CC have guaranteed the performance and payment obligations of the developer under the development agreement to the respective partnerships and their limited partners. As of December 31, 2025 and 2024, no development deficit advances have been made.

Exchange Funds

The exchange funds of the affordable housing partnerships are contingent on their ability to maintain compliance with applicable sections of Section 42. Failure to maintain compliance with occupant eligibility, and/or unit gross rent, or to correct noncompliance within a specified time period could result in repayment of exchange funds.

Low-income Housing Tax Credits

The low-income housing tax credits of the affordable housing partnerships are contingent on their ability to maintain compliance with applicable sections of Section 42 of the Internal Revenue Code. Failure to maintain compliance with tenant income eligibility and rent limits or to correct instances of noncompliance within a reasonable time period could result in recapture of previously claimed tax credits plus interest. In addition, any such noncompliance, if it were to occur, likely would result in an adjustment to the contributed capital of the limited partners.

NOTE 18 - SUBSEQUENT EVENTS

Events that occur after the consolidated statement of financial position date but before the consolidated financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the consolidated statement of financial position date are recognized in the accompanying consolidated financial statements. Subsequent events which provide evidence about conditions that existed after the consolidated statement of financial position date, require disclosure in the accompanying notes. Management evaluated the activity of the Corporation through June 15, 2026 (the date the consolidated financial statements were available to be issued) and concluded that no subsequent events have occurred except as noted below, that would require recognition in the consolidated financial statements or disclosure in the notes to the consolidated financial statements.

SUPPLEMENTARY INFORMATION

Rural Neighborhoods, Inc. and its Affiliates

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

December 31, 2025

ASSETS	RNI	ECA	BCHC	LMHC	EHT	EHG	PCSH	FNPS	DCSH	FKLT	RHSL	RHAOC	ITNP	Eliminations	Total
CURRENT ASSETS															
Cash and cash equivalents	$ 12,894,730	$ 1,638,308	$ 651,114	$ 383,297	$ 2,158,383	$ 1,284,849	$ 24,326	$ 480,189	$ 270,037	$ 579,423	$ 1,884	$ 13,154,428	$ 454,086	$ -	$ 33,975,054
Accounts receivable - tenants	-	11,252	6,770	639	12,783	-	30	405	-	-	-	-	3,252	-	35,131
Rental assistance receivables	-	240,073	74,150	67,642	2,540	-	144	16,148	-	-	-	-	60,388	-	461,085
Miscellaneous receivables	-	566	-	-	23,544	-	-	-	-	-	-	19,879	662	-	44,651
Grant receivables	269,774	-	-	-	-	-	-	-	-	-	-	-	-	-	269,774
Due from affiliates	153,341	-	-	-	585,000	2,182,543	-	-	-	-	-	269,774	-	(3,190,658)	-
Notes receivable - affiliates	8,557,365	800,000	-	-	-	-	-	-	-	-	-	-	-	(9,357,365)	-
Developer fee receivable	3,974,721	-	-	-	-	-	-	-	-	-	-	-	96,585	(4,071,306)	-
Prepaid expenses	278,190	604,114	91,774	55,755	523,877	72,193	12,144	28,101	30,617	8,711	-	-	93,093	-	1,798,569
Total current assets	26,128,121	3,294,313	823,808	507,333	3,306,127	3,539,585	36,644	524,843	300,654	588,134	1,884	13,444,081	708,066	(16,619,329)	36,584,264
RESTRICTED DEPOSITS AND FUNDED RESERVES															
Tenant security deposits	-	271,363	90,523	46,600	362,225	-	7,401	23,105	50,659	5,693	-	500	84,191	-	942,260
Mortgage escrows	-	1,270,993	303,556	172,310	640,659	-	32,657	97,633	-	10,257	-	-	310,421	-	2,838,486
Replacement reserve	-	1,829,147	266,710	188,800	1,029,726	-	75,786	441,118	46,500	27,050	-	-	210,436	-	4,115,273
Debt Service reserve	-	23,385	1,346,246	35,004	90,770	-	-	646	-	-	-	1,494,900	553,923	-	3,544,874
Operating reserve	-	27,887	-	-	-	-	-	64,178	203,230	-	-	-	-	-	295,295
Other reserves	138,109	-	50,132	85,234	64,378	-	23,376	-	-	-	-	1,093,321	-	-	1,454,550
Total restricted deposits and funded reserves	138,109	3,422,775	2,057,167	527,948	2,187,758	-	139,220	626,680	300,389	43,000	-	2,588,721	1,158,971	-	13,190,738
PROPERTY AND EQUIPMENT															
Land	-	2,709,569	1,013,486	372,195	8,736,298	-	348,000	535,000	863,073	687,036	-	-	1,552,706	-	16,817,363
Land improvements	-	4,781,218	2,247,640	1,014,471	3,959,548	-	137,037	-	716,356	-	-	-	60,465	-	12,916,735
Buildings and improvements	1,349,693	72,085,812	23,484,177	10,910,796	56,050,522	-	3,917,625	5,692,258	13,818,199	1,077,802	-	-	16,164,675	(8,773,773)	195,777,786
Furniture and equipment	37,063	1,566,067	533,301	319,750	3,214,023	347,651	206,949	89,178	622,494	25,232	-	-	881,041	-	7,842,749
Construction in progress	-	-	-	-	2,064,050	-	-	-	-	7,102	23,116	72,875,386	164,126	(1,691,598)	73,442,182
Total property and equipment	1,386,756	81,142,666	27,278,604	12,617,212	74,024,441	347,651	4,609,611	6,316,436	16,020,122	1,797,172	23,116	72,875,386	18,823,013	(10,465,371)	306,796,815
Less accumulated depreciation	(48,552)	(40,846,792)	(12,374,496)	(5,925,862)	(15,776,752)	(224,773)	(982,343)	(3,123,213)	(1,569,763)	(177,965)	-	-	(10,760,857)	-	(91,811,368)
Total property and equipment, net	1,338,204	40,295,874	14,904,108	6,691,350	58,247,689	122,878	3,627,268	3,193,223	14,450,359	1,619,207	23,116	72,875,386	8,062,156	(10,465,371)	214,985,447
OTHER ASSETS															
Other deposits	1,700	1,737	5,362	5,544	85,317	-	25	325	-	-	-	16,005	1,574	-	117,589
Tax credit monitoring fees, net	-	-	-	-	63,857	-	-	-	295,958	-	-	-	-	-	359,815
Right-of-use asset	-	-	-	-	2,679,624	-	-	-	-	-	-	-	-	-	2,679,624
Investment in debt securities	2,006,975	-	-	-	-	-	-	-	-	-	-	-	-	-	2,006,975
Other assets	3,058,179	-	-	-	-	-	-	-	-	-	-	-	-	(3,019,041)	39,138
Total other assets	5,066,854	1,737	5,362	5,544	2,828,798	-	25	325	295,958	-	-	16,005	1,574	(3,019,041)	5,203,141
Total assets	$ 32,671,288	$ 47,014,699	$ 17,790,445	$ 7,732,175	$ 66,570,372	$ 3,662,463	$ 3,803,157	$ 4,345,071	$ 15,347,360	$ 2,250,341	$ 25,000	$ 88,924,193	$ 9,930,767	$ (30,103,741)	$ 269,963,590

(continued)

Rural Neighborhoods, Inc. and its Affiliates

CONSOLIDATING STATEMENT OF FINANCIAL POSITION - CONTINUED

December 31, 2025

LIABILITIES AND NET ASSETS	RNI	ECA	BCHC	LMHC	EHT	EHG	PCSH	FNPS	DCSH	FKLT	RHSL	RHAOC	ITNP	Eliminations	Total
CURRENT LIABILITIES															
Accounts payable	$ 120,232	$ 540,761	$ 112,699	$ 150,394	$ 944,179	$ 12,043	$ 22,728	$ 27,684	$ 12,010	$ 4,933	$ -	$ 129,680	$ 539,047	$ (2,335,884)	$ 280,506
Accrued expenses	44,904	113,888	61,792	39,028	194,711	252,071	10,512	20,495	6,681	2,050	-	-	428,898	-	1,175,030
Accrued interest payable	2,487	400,518	381,426	224,900	562,462	-	-	56	12,631	-	-	847,763	3,635	-	2,435,878
Due to affiliate	269,774	-	-	-	-	-	-	-	-	-	-	-	-	(269,774)	-
Related party fees payable	-	-	-	-	-	-	-	-	96,250	-	-	-	-	-	96,250
Construction costs payable	-	-	-	-	1,746	-	-	-	-	-	-	2,944,281	-	-	2,946,027
Loss contingency - current	-	250,000	-	-	-	-	-	-	-	-	-	-	-	-	250,000
Current portion of mortgages payable	2,000,000	635,737	290,452	204,890	141,832	-	-	9,566	49,867	-	-	-	88,640	-	3,420,984
Total current liabilities	2,437,397	1,940,904	846,369	619,212	1,844,930	264,114	33,240	57,801	177,439	6,983	-	3,921,724	1,060,220	(2,605,658)	10,604,675
DEPOSITS AND PREPAID LIABILITY															
Tenant security deposits	1,200	271,363	90,523	46,600	362,225	-	7,401	23,105	50,659	5,693	-	-	84,191	-	942,960
Prepaid rent	-	332,062	75,548	51,383	179,618	-	6,766	20,320	23,750	5,655	-	-	19,010	-	714,112
Total deposits and prepaid liability	1,200	603,425	166,071	97,983	541,843	-	14,167	43,425	74,409	11,348	-	-	103,201	-	1,657,072
LONG-TERM LIABILITIES															
Developer fee payable	-	52,228	214,589	-	1,099,203	-	-	-	1,559,384	-	-	2,183,237	153,784	(4,539,392)	723,033
Notes payable - affiliate	-	1,090,000	2,195,606	-	3,021,759	-	-	-	1,710,000	-	25,000	1,900,000	-	(9,942,365)	-
Deferred revenue	-	-	-	-	14,322,963	-	-	-	-	-	-	-	-	-	14,322,963
Mortgages payable	-	13,466,336	10,360,777	4,355,005	48,988,307	-	3,837,200	3,353,967	3,874,030	-	-	57,812,134	7,895,180	-	153,942,936
Total long-term liabilities	-	14,608,564	12,770,972	4,355,005	67,432,232	-	3,837,200	3,353,967	7,143,414	-	25,000	61,895,371	8,048,964	(14,481,757)	168,988,932
Total liabilities	2,438,597	17,152,893	13,783,412	5,072,200	69,819,005	264,114	3,884,607	3,455,193	7,395,262	18,331	25,000	65,817,095	9,212,385	(17,087,415)	181,250,679
NET ASSETS															
Without donor restrictions - non-controlling interest	-	-	-	-	3,008,100	-	-	-	7,952,199	-	-	-	(13,345)	-	10,946,954
Without donor restrictions - controlling interest	30,232,691	29,861,806	4,007,033	2,659,975	(6,256,733)	3,398,349	(81,450)	889,878	(101)	2,232,010	-	23,107,098	731,727	(13,016,326)	77,765,957
Net assets without donor restrictions	30,232,691	29,861,806	4,007,033	2,659,975	(3,248,633)	3,398,349	(81,450)	889,878	7,952,098	2,232,010	-	23,107,098	718,382	(13,016,326)	88,712,911
Total net assets	30,232,691	29,861,806	4,007,033	2,659,975	(3,248,633)	3,398,349	(81,450)	889,878	7,952,098	2,232,010	-	23,107,098	718,382	(13,016,326)	88,712,911
Total liabilities and net assets	$ 32,671,288	$ 47,014,699	$ 17,790,445	$ 7,732,175	$ 66,570,372	$ 3,662,463	$ 3,803,157	$ 4,345,071	$ 15,347,360	$ 2,250,341	$ 25,000	$ 88,924,193	$ 9,930,767	$ (30,103,741)	$ 269,963,590

(continued)

Rural Neighborhoods, Inc. and its Affiliates

CONSOLIDATING STATEMENT OF FINANCIAL POSITION - CONTINUED

December 31, 2024

ASSETS	RNI	ECA	BCHC	LMHC	EHT	EHG	PCSH	FNPS	DCSH	FKLT	RHSL	RHAOC	ITNP	Eliminations	Total
CURRENT ASSETS															
Cash and cash equivalents	$ 12,944,946	$ 1,323,836	$ 351,144	$ 334,686	$ 1,402,760	$ 1,111,015	$ 44,855	$ 317,706	$ 330,386	$ 511,105	$ 5,392	$ 1,849,598	$ 214,277	$ -	$ 20,741,706
Accounts receivable - tenants	-	7,015	262	2,868	4,268	-	440	236	6,570	-	-	-	1,962	-	23,621
Rental assistance receivables	-	217,018	59,019	31,226	2,704	-	-	13,216	-	-	-	-	55,412	-	378,595
Miscellaneous receivables	23,357	-	-	-	-	3,423	-	-	-	-	-	-	712	-	27,492
Grant receivables	-	-	-	-	-	-	-	-	-	-	-	4,499,750	-	-	4,499,750
Due from affiliates	44,821	-	-	-	652,077	1,724,212	-	-	-	-	-	-	-	(2,421,110)	-
Notes receivable - affiliates	8,132,165	800,000	-	-	-	-	-	-	-	-	-	-	45,000	(8,977,165)	-
Developer fee receivable	2,335,623	-	-	-	-	-	-	-	-	-	-	-	96,585	(2,432,208)	-
Prepaid expenses	288,468	600,432	91,413	81,042	394,845	52,569	17,804	28,056	30,557	8,496	-	-	93,196	-	1,686,878
Total current assets	23,769,380	2,948,301	501,838	449,822	2,456,654	2,891,219	63,099	359,214	367,513	519,601	5,392	6,349,348	507,144	(13,830,483)	27,358,042
RESTRICTED DEPOSITS AND FUNDED RESERVES															
Tenant security deposits	-	272,700	83,733	46,700	360,797	-	7,643	21,900	43,420	5,693	-	-	84,018	-	926,604
Mortgage escrows	-	1,323,330	317,048	177,657	575,874	-	32,642	100,525	-	7,495	-	-	289,489	-	2,824,060
Replacement reserve	-	1,430,128	177,694	145,956	832,201	-	61,837	378,193	27,900	27,050	-	-	147,893	-	3,228,852
Debt Service reserve	-	197,144	1,224,791	33,292	53,883	-	-	603	-	-	-	1,494,900	520,803	-	3,525,416
Operating reserve	-	27,747	-	-	956,930	-	-	64,003	-	-	-	-	-	-	1,048,680
Other reserves	46,508	-	38,397	67,173	62,690	-	23,318	-	-	-	-	2,352,080	-	-	2,590,166
Total restricted deposits and funded reserves	46,508	3,251,049	1,841,663	470,778	2,842,375	-	125,440	565,224	71,320	40,238	-	3,846,980	1,042,203	-	14,143,778
PROPERTY AND EQUIPMENT															
Land	-	2,709,569	1,013,486	372,195	8,736,298	-	348,000	535,000	863,073	687,036	-	-	1,552,706	-	16,817,363
Land improvements	-	4,781,218	2,247,640	1,014,471	3,959,548	-	137,037	-	716,356	-	-	-	31,499	-	12,887,769
Buildings and improvements	-	72,015,551	23,442,203	10,901,996	56,051,466	-	3,917,625	5,808,938	13,818,199	1,077,802	-	-	16,154,532	(8,229,634)	194,958,678
Furniture and equipment	37,063	1,437,834	513,961	294,050	3,144,420	362,733	200,549	83,003	622,494	25,232	-	-	966,321	-	7,687,660
Construction in progress	1,357,693	-	-	-	1,689,321	-	-	-	-	7,102	19,608	8,788,346	157,826	(500,000)	11,519,896
Total property and equipment	1,394,756	80,944,172	27,217,290	12,582,712	73,581,053	362,733	4,603,211	6,426,941	16,020,122	1,797,172	19,608	8,788,346	18,862,884	(8,729,634)	243,871,366
Less accumulated depreciation	(10,805)	(38,711,330)	(11,613,880)	(5,590,422)	(13,901,154)	(251,352)	(873,653)	(2,930,687)	(1,052,052)	(145,465)	-	-	(10,518,176)	-	(85,598,976)
Total property and equipment, net	1,383,951	42,232,842	15,603,410	6,992,290	59,679,899	111,381	3,729,558	3,496,254	14,968,070	1,651,707	19,608	8,788,346	8,344,708	(8,729,634)	158,272,390
OTHER ASSETS															
Other deposits	1,700	1,037	3,275	5,544	84,813	5,000	25	325	1,217	-	-	5,001	1,596	-	109,533
Tax credit monitoring fees, net	-	-	-	-	68,985	-	-	-	319,548	-	-	-	-	-	388,533
Right-of-use asset	-	-	-	-	2,722,701	-	-	-	-	-	-	-	-	-	2,722,701
Investment in debt securities	2,006,975	-	-	-	-	-	-	-	-	-	-	-	-	-	2,006,975
Other assets	3,055,048	-	-	-	-	-	-	-	-	-	-	-	-	(3,019,041)	36,007
Total other assets	5,063,723	1,037	3,275	5,544	2,876,499	5,000	25	325	320,765	-	-	5,001	1,596	(3,019,041)	5,263,749
Total assets	$ 30,263,562	$ 48,433,229	$ 17,950,186	$ 7,918,434	$ 67,855,427	$ 3,007,600	$ 3,918,122	$ 4,421,017	$ 15,727,668	$ 2,211,546	$ 25,000	$ 18,989,675	$ 9,895,651	$ (25,579,158)	$ 205,037,959

(continued)

Rural Neighborhoods, Inc. and its Affiliates

CONSOLIDATING STATEMENT OF FINANCIAL POSITION - CONTINUED

December 31, 2024

LIABILITIES AND NET ASSETS	RNI	ECA	BCHC	LMHC	EHT	EHG	PCSH	FNPS	DCSH	FKLT	RHSL	RHAOC	ITNP	Eliminations	Total
CURRENT LIABILITIES															
Accounts payable	$ 75,642	$ 542,082	$ 101,206	$ 158,754	$ 408,855	$ 39,624	$ 33,162	$ 25,844	$ 36,308	$ 3,936	$ -	$ 11,054	$ 735,858	$ (1,836,110)	$ 336,215
Accrued expenses	35,404	112,499	60,386	35,714	157,560	263,708	7,950	20,245	14,087	2,000	-	-	4,926	-	714,479
Accrued interest payable	17,487	394,642	369,201	203,709	470,346	-	-	64	12,804	-	-	109,627	3,209	-	1,581,089
Related party fees payable	-	-	-	-	-	-	-	-	86,250	-	-	-	-	-	86,250
Construction costs payable	-	-	-	-	797	-	-	-	-	-	-	-	-	-	797
Loss contingency - current	-	250,000	-	-	-	-	-	-	-	-	-	-	-	-	250,000
Current portion of mortgages payable	-	1,218,611	287,869	202,838	2,336,286	-	-	9,470	47,748	-	-	-	86,688	-	4,189,510
Total current liabilities	128,533	2,517,834	818,662	601,015	3,373,844	303,332	41,112	55,623	197,197	5,936	-	120,681	830,681	(1,836,110)	7,158,340
DEPOSITS AND PREPAID LIABILITY															
Tenant security deposits	-	272,700	83,733	46,700	360,797	-	7,643	21,900	43,420	5,693	-	-	84,018	-	926,604
Prepaid rent	-	110,990	10,813	55,302	90,279	-	3,743	8,089	22,286	1,775	-	-	8,119	-	311,396
Total deposits and prepaid liability	-	383,690	94,546	102,002	451,076	-	11,386	29,989	65,706	7,468	-	-	92,137	-	1,238,000
LONG-TERM LIABILITIES															
Developer fee payable	-	52,228	214,589	-	1,099,203	-	-	-	1,559,384	-	-	500,000	153,784	(2,856,155)	723,033
Notes payable - affiliate	-	794,000	2,213,606	-	2,686,836	-	-	102,723	1,710,000	-	25,000	1,900,000	130,000	(9,562,165)	-
Loss contingency - long term	-	250,000	-	-	-	-	-	-	-	-	-	-	-	-	250,000
Deferred revenue	-	-	-	-	13,368,096	-	-	-	-	-	-	-	-	-	13,368,096
Mortgages payable	2,000,000	14,090,151	10,649,125	4,557,564	49,370,651	-	3,837,200	3,363,508	3,921,409	-	-	6,469,010	7,982,440	-	106,241,058
Total long-term liabilities	2,000,000	15,186,379	13,077,320	4,557,564	66,524,786	-	3,837,200	3,466,231	7,190,793	-	25,000	8,869,010	8,266,224	(12,418,320)	120,582,187
Total liabilities	2,128,533	18,087,903	13,990,528	5,260,581	70,349,706	303,332	3,889,698	3,551,843	7,453,696	13,404	25,000	8,989,691	9,189,042	(14,254,430)	128,978,527
NET ASSETS															
Without donor restrictions - non-controlling interest	-	-	-	-	2,452,676	-	-	-	8,274,057	-	-	-	(13,590)	-	10,713,143
Without donor restrictions - controlling interest	28,135,029	30,345,326	3,959,658	2,657,853	(4,946,955)	2,704,268	28,424	869,174	(85)	2,198,142	-	9,999,984	720,199	(11,324,728)	65,346,289
Net assets without donor restrictions	28,135,029	30,345,326	3,959,658	2,657,853	(2,494,279)	2,704,268	28,424	869,174	8,273,972	2,198,142	-	9,999,984	706,609	(11,324,728)	76,059,432
Total net assets	28,135,029	30,345,326	3,959,658	2,657,853	(2,494,279)	2,704,268	28,424	869,174	8,273,972	2,198,142	-	9,999,984	706,609	(11,324,728)	76,059,432
Total liabilities and net assets	$ 30,263,562	$ 48,433,229	$ 17,950,186	$ 7,918,434	$ 67,855,427	$ 3,007,600	$ 3,918,122	$ 4,421,017	$ 15,727,668	$ 2,211,546	$ 25,000	$ 18,989,675	$ 9,895,651	$ (25,579,158)	$ 205,037,959

See independent auditor's report.

Rural Neighborhoods, Inc. and its Affiliates

CONSOLIDATING STATEMENT OF ACTIVITIES

Year ended December 31, 2025

	RNI	ECA	BCHC	LMHC	EHT	EHG	PCSH	FNPS	DCSH	FKLT	RHAOC	ITNP	Eliminations	Total
Rental revenue														
Potential rental revenue	$ -	$ 8,853,883	$ 2,427,395	$ 1,783,449	$ 5,676,870	$ -	$ 270,786	$ 572,975	$ 892,570	$ 85,200	$ -	$ 2,222,547	$ -	$ 22,785,675
Less vacancies and concessions	-	(376,743)	(90,840)	(223,552)	(355,993)	-	(535)	(17,419)	(13,486)	-	-	(87,842)	-	(1,166,410)
Total rental revenue	-	8,477,140	2,336,555	1,559,897	5,320,877	-	270,251	555,556	879,084	85,200		2,134,705	-	21,619,265
Other revenue														
Application fees	-	13,455	2,485	5,350	14,295	-	-	615	1,020	-	-	2,215	-	39,435
Laundry and vending	-	17,620	-	-	125,125	-	-	-	-	-	-	15,233	-	157,978
Interest income	385,561	48,398	34,249	5,138	35,283	1,139	159	856	-	9,476	9,258	2,728	-	532,245
Interest income - related party	87,068	4,000	-	-	-	-	-	-	-	-	-	-	(91,068)	-
Tenant charges	-	53,224	13,829	18,372	71,058	-	949	6,020	33,253	1,170	-	13,405	-	211,280
Property management fees	-	-	-	-	-	1,470,609	-	-	-	-	-	-	(1,470,609)	-
Developer fee income	1,639,098	-	-	-	-	-	-	-	-	-	-	-	(1,639,098)	-
Grant revenue	2,991,854	-	-	-	-	-	-	-	-	-	13,047,454	-	(2,000,000)	14,039,308
Miscellaneous revenue	482,886	155,768	12,454	4,578	65,993	490,524	1,809	3,896	3,512	50	50,401	23,565	(604,038)	691,398
Total other revenue	5,586,467	292,465	63,017	33,438	311,754	1,962,272	2,917	11,387	37,785	10,696	13,107,113	57,146	(5,804,813)	15,671,644
Expenses														
Operating and maintenance	5,351	2,090,090	481,909	264,736	1,063,153	27,739	112,310	132,686	147,726	4,786	(1)	557,322	-	4,887,807
Utilities	2,839	1,078,968	115,763	309,493	402,599	-	47,967	5,832	21,685	-	-	69,296	-	2,054,442
Project administration expenses	1,089,142	1,138,961	298,797	264,628	1,232,981	1,152,593	34,154	134,363	174,139	4,906	-	470,669	(604,038)	5,391,295
Management fees	-	723,828	196,812	131,124	295,126	-	13,570	54,506	45,861	4,128	-	223,704	(1,470,609)	218,050
Taxes and insurance	323,726	1,888,835	384,362	219,517	1,201,791	60,436	66,351	112,251	138,319	15,708	-	417,460	-	4,828,756
Bad debt expense	-	39,256	4,383	13,301	22,945	-	-	773	-	-	-	10,086	-	90,744
Total expenses	1,421,058	6,959,938	1,482,026	1,202,799	4,218,595	1,240,768	274,352	440,411	527,730	29,528	(1)	1,748,537	(2,074,647)	17,471,094
Income from operations	4,165,409	1,809,667	917,546	390,536	1,414,036	721,504	(1,184)	126,532	389,139	66,368	13,107,114	443,314	(3,730,166)	19,819,815
Non-operating expenses (income)														
Interest on note payable - affiliates	-	-	36,963	-	-	-	-	1,605	-	-	-	-	(38,568)	-
Gain on sale of real property	-	-	-	-	-	-	-	(115,676)	-	-	-	-	-	(115,676)
Interest on mortgages payable	30,000	145,725	72,592	52,974	807,668	-	-	1,849	159,712	-	-	23,218	-	1,293,738
Related party fees	-	12,000	-	-	-	-	-	-	10,000	-	-	-	-	22,000
Sub-grant expense	2,000,000	-	-	-	-	-	-				-	-	(2,000,000)	-
Income from forgiveness of debt	-	-	-	-	(572,919)	-	-	-	-	-	-	-	-	(572,919)
Depreciation expense	37,747	2,135,462	760,616	335,440	1,875,598	27,423	108,690	218,050	517,711	32,500	-	408,323	-	6,457,560
Amortization expense	-	-	-	-	5,128	-	-	-	23,590	-	-	-	-	28,718
Total non-operating expenses (income)	2,067,747	2,293,187	870,171	388,414	2,115,475	27,423	108,690	105,828	711,013	32,500	-	431,541	(2,038,568)	7,113,421
Change in net assets before non-controlling interest	2,097,662	(483,520)	47,375	2,122	(701,439)	694,081	(109,874)	20,704	(321,874)	33,868	13,107,114	11,773	(1,691,598)	12,706,394
Non-controlling interest in earnings of subsidiaries	-	-	-	-	(608,334)	-	-	-	321,858	-	-	(245)	-	(286,721)
Change in net assets attributable to Rural Neighborhoods, Inc.	$ 2,097,662	$ (483,520)	$ 47,375	$ 2,122	$ (1,309,773)	$ 694,081	$ (109,874)	$ 20,704	$ (16)	$ 33,868	$ 13,107,114	$ 11,528	$ (1,691,598)	$ 12,419,673

(continued)

Rural Neighborhoods, Inc. and its Affiliates

CONSOLIDATING STATEMENT OF ACTIVITIES - CONTINUED

Year ended December 31, 2024

	RNI	ECA	BCHC	LMHC	EHT	EHG	PCSH	FNPS	DCSH	FKLT	RHAOC	ITNP	Eliminations	Total
Rental revenue														
Potential rental revenue	$ -	$ 8,251,805	$ 2,227,207	$ 1,589,077	$ 5,335,128	$ -	$ 251,571	$ 551,685	$ 767,959	$ 81,600	$ -	$ 2,001,582	$ -	$ 21,057,614
Less vacancies and concessions	-	(253,225)	(55,549)	(139,682)	(426,015)	-	(3,792)	(13,364)	(18,059)	-	-	(178,970)	-	(1,088,656)
Total rental revenue	-	7,998,580	2,171,658	1,449,395	4,909,113	-	247,779	538,321	749,900	81,600	-	1,822,612	-	19,968,958
Other revenue														
Application fees	-	7,985	1,848	6,020	20,540	-	-	840	1,005	-	-	3,350	-	41,588
Laundry and vending	-	18,674	-	-	121,289	-	-	-	-	-	-	16,341	-	156,304
Interest income	369,267	68,180	36,032	5,434	44,865	895	149	873	-	6,280	-	1,981	-	533,956
Interest income - related party	41,653	4,000	-	-	-	-	-	-	-	-		-	(45,653)	-
Tenant charges	14	33,842	14,995	21,418	68,448	-	1,165	6,601	32,556	1,095	-	18,235	-	198,369
Property management fees	-	-	-	-	-	1,263,499	-	-	-	-	-	-	(1,263,499)	-
Developer fee income	1,683,956	-	-	-	-	-	-	-	-	-	-	-	(557,046)	1,126,910
Grant revenue	650,030	-	-	-	-	-	-	-	-	70	8,999,500	-	-	9,649,600
Miscellaneous revenue	390,831	139,115	6,818	12,943	(160,007)	432,452	-	-	-	1,000	-	36,210	(452,695)	406,667
Total other revenue	3,135,751	271,796	59,693	45,815	95,135	1,696,846	1,314	8,314	33,561	8,445	8,999,500	76,117	(2,318,893)	12,113,394
Expenses														
Operating and maintenance	13,989	2,004,457	491,146	277,854	1,222,408	33,176	92,025	157,813	122,319	2,764	-	640,003	-	5,057,954
Utilities	726	936,777	109,935	247,925	370,871	-	45,721	5,428	15,943	-	-	61,073	-	1,794,399
Project administration expenses	1,332,998	1,171,724	332,508	260,178	1,034,407	895,414	49,915	142,115	199,197	10,317	1	(117,096)	(452,695)	4,858,983
Management fees	-	637,815	174,270	118,440	276,822	-	12,520	49,020	39,061	3,600	-	152,017	(1,263,499)	200,066
Taxes and insurance	172,693	1,771,403	372,141	210,921	1,162,140	50,174	49,856	108,272	137,068	13,927	-	416,040	-	4,464,635
Bad debt expense	-	28,549	5,736	7,488	20,272	-	-	373	3,000	-	-	14,535	-	79,953
Total expenses	1,520,406	6,550,725	1,485,736	1,122,806	4,086,920	978,764	250,037	463,021	516,588	30,608	1	1,166,572	(1,716,194)	16,455,990
Income from operations	1,615,345	1,719,651	745,615	372,404	917,328	718,082	(944)	83,614	266,873	59,437	8,999,499	732,157	(602,699)	15,626,362
Non-operating expenses (income)														
Interest on note payable - affiliates	-	-	36,963	-	-	-	-	8,690	-	-	-	-	(45,653)	-
Gain on sale of real property	-	-	-	-	(176,728)	-	-	(160,325)	-	-	-	-	-	(337,053)
Interest on mortgages payable	30,000	151,567	75,159	76,494	846,965	-	-	1,943	163,703	-	-	24,933	-	1,370,764
Related party fees	-	12,000	-	-	-	-	-	-	10,000	-	-	-	-	22,000
Income from forgiveness of debt	-	-	-	-	(572,919)	-	-	-	-	-	-	-	-	(572,919)
Depreciation expense	1,050	2,098,530	757,572	331,972	1,865,941	24,648	107,832	218,949	516,177	27,708	-	382,456	-	6,332,835
Amortization expense	-	-	1,764	-	5,128	-	-	-	23,590	-	-	-	-	30,482
Income from affiliates	(225,835)	-	-	-	(30,040)	-	(80,869)	-	-	-	-	-	336,744	-
Donations - affiliate	110,909	-	-	-	80,000	-	-	145,835	-	-	-	-	(336,744)	-
Total non-operating expenses	(83,876)	2,262,097	871,458	408,466	2,018,347	24,648	26,963	215,092	713,470	27,708	-	407,389	(45,653)	6,846,109
Change in net assets before non-controlling interest	1,699,221	(542,446)	(125,843)	(36,062)	(1,101,019)	693,434	(27,907)	(131,478)	(446,597)	31,729	8,999,499	324,768	(557,046)	8,780,253
Non-controlling interest in earnings of subsidiaries	-	-	-	-	(353,453)	-	-	-	446,575	-	-	(404)	-	92,718
Change in net assets attributable to Rural Neighborhoods, Inc.	$ 1,699,221	$ (542,446)	$ (125,843)	$ (36,062)	$ (1,454,472)	$ 693,434	$ (27,907)	$ (131,478)	$ (22)	$ 31,729	$ 8,999,499	$ 324,364	$ (557,046)	$ 8,872,971

See independent auditor’s report.

RURAL NEIGHBORHOODS, INC - STATEMENT OF ACTIVITIES

Year ended December 31, 2025

	Unrestricted	Permanently Restricted	Total
OTHER REVENUE			
Interest income	$ 385,561	$ -	$ 385,561
Interest income - related party	87,068	-	87,068
Developer fee income	1,639,098	-	1,639,098
Grant revenue	2,991,854	-	2,991,854
Miscellaneous revenue	482,886	-	482,886
Total other revenue	5,586,467	-	5,586,467
EXPENSES			
Project administration expenses	1,097,332	-	1,097,332
Taxes and insurance	323,726	-	323,726
Total expenses	1,421,058	-	1,421,058
Income from operations	4,165,409	-	4,165,409
NON-OPERATING EXPENSES (INCOME)			
Interest on mortgage payable	30,000	-	30,000
Depreciation expense	37,747	-	37,747
Total non-operating expenses (income)	67,747	-	67,747
Change in net assets	$ 4,097,662	$ -	$ 4,097,662

See independent auditor’s report.

RURAL NEIGHBORHOODS, INC - STATEMENT OF ACTIVITIES

Year ended December 31, 2024

	Unrestricted	Permanently Restricted	Total
OTHER REVENUE			
Interest income	$ 369,267	$ -	$ 369,267
Interest income - related party	41,653	-	41,653
Tenant Charges	14	-	14
Developer fee income	1,683,956	-	1,683,956
Grant revenue	650,030	-	650,030
Miscellaneous revenue	390,831	-	390,831
Total other revenue	3,135,751	-	3,135,751
EXPENSES			
Project administration expenses	1,347,713	-	1,347,713
Taxes and insurance	172,693	-	172,693
Total expenses	1,520,406	-	1,520,406
Income (loss) from operations	1,615,345	-	1,615,345
NON-OPERATING EXPENSES (INCOME)			
Interest on mortgage payable	30,000	-	30,000
Income from affiliates	(225,835)	-	(225,835)
Donations - affiliate	110,909	-	110,909
Depreciation expense	1,050	-	1,050
Total non-operating expenses (income)	(83,876)	-	(83,876)
Change in net assets	$ 1,699,221	$ -	$ 1,699,221

See independent auditor's report.

SCHEDULES OF FINANCIAL POSITION AND STATEMENTS OF ACTIVITIES FOR THE NEIGHBORWORKS AMERICA CAPITAL FUND

Rural Neighborhoods Inc
Schedules of Financial Position
December 31, 2025 and 2024

	2025	2024
ASSETS		
Cash	$ (550,000)	$ (550,000)
Intercompany receivable - Hatchers Preserve	550,000	550,000
Total	$ -	$ -
LIABILITIES AND NET ASSETS		
Net Assets - With Donor Restrictions	$ -	$ -
Total	$ -	$ -

Rural Neighborhoods Inc
Statements of Activities
Years Ended December 31, 2025 and 2024

Revenue and Support	2025	2024
Capital Grant NeighborWorks BOY	$ -	$ -
Additions	-	-
Released - Unrestricted	-	-
Net Assets End of Year	$ -	$ -

During the years ended December 31, 2025 and 2024, Rural Neighborhoods received real estate restricted grants from NeighborWorks America of $0 and $0, respectively.

See independent auditor’s report.

Rural Neighborhoods, Inc. and its Affiliates

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year ended December 31, 2025

Federal Grantor/ Program Title	Federal AL Number	Agency or Pass-through Number	Federal Expenditures
U.S. Department of Agriculture Farm Labor Housing Loans and Grants Program			$ 12,731,736
Total	**10.405**		$ 12,731,736
U.S. Department of Agriculture Rural Rental Assistance Payments Program			$ 4,118,528
Total	**10.427**		$ 4,118,528
U.S. Department of Treasury NeighborWorks America			$ 378,000
Total	**21.000**		$ 378,000
U.S. Department of Housing and Urban Development Supportive Housing for the Elderly			$ 3,837,200
U.S. Department of Housing and Urban Development Project Rental Assistance Contract			159,261
Total	**14.157**		$ 3,996,461
Community Project Funding and Economic Development Initiative			$ 2,000,000
Total	**14.251**		$ 2,000,000
Totals:			$ 23,224,725

See notes to schedule of expenditures of federal awards.

Rural Neighborhoods, Inc. and its Affiliates

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED

Year ended December 31, 2025

Pass-through Grantor/ Program Title	Federal AL Number	Agency or Pass-through Number	Federal Expenditures
U.S Department of Housing and Urban Development Home Investment Partnership Program - passed through Florida Housing Finance		95HR-011	$ 1,667,439
Total	**14.239**		$ 1,667,439

See notes to schedule of expenditures of federal awards.

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Rural Neighborhoods, Inc. and its Affiliates under programs of the federal government for the year ended December 31, 2025. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Rural Neighborhoods Inc. and its Affiliates, it is not intended to and does not present the consolidated statements of activities, changes in net assets, and cash flows of Rural Neighborhoods, Inc. and its Affiliates.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, the cost principles contained in OMB Circular A-122, “Cost Principles for Non-Profit Organizations” and the cost principles contained in the Uniform Guidance.

Rural Neighborhoods, Incorporated and its Affiliates have elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 3 - LOAN AND CAPITAL ADVANCE PROGRAM

Rural Neighborhoods, Inc. and its Affiliates have received direct loans under the federal programs as listed below. The loan balances outstanding at the beginning of the year are included in the federal expenditures presented in the schedule. Rural Neighborhoods, Inc. and its Affiliates received no additional loans during the year.

The balance of the loans outstanding at December 31, 2025 consists of:

CFDA Number	Program Name	Outstanding Balance at December 31, 2025
10.405	U.S. Department of Agriculture Farm Labor Housing Loans and Grants Program	$ 12,731,736
14.157	Section 202 Capital Advance Program	$ 3,837,200
14.251	Community Project Funding and Economic Development Initiative	$ 2,000,000

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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
Rural Neighborhoods, Inc. and its Affiliates

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States *(Government Auditing Standards)*, the financial statements of Rural Neighborhoods, Inc. and its Affiliates, which comprise the consolidated statement of financial position as of December 31, 2025, and the related consolidated statements of activities, changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 15, 2026.

Report on Internal Control over Financial Reporting

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Rural Neighborhoods, Inc. and its Affiliates' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the determination of 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 Rural Neighborhoods, Inc. and its Affiliates' internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Rural Neighborhoods, Inc. and its Affiliates' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

EisnerAmper LLP

EINSERAMPER LLP
Atlanta, Georgia
June 15, 2026

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE

To the Board of Directors
Rural Neighborhoods, Inc. and its Affiliates

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Rural Neighborhoods, Inc. and its Affiliates' 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 Rural Neighborhoods, Inc. and its Affiliates' major federal programs for the year ended December 31, 2025. Rural Neighborhoods, Inc. and its Affiliates' 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, Rural Neighborhoods, Inc. and its Affiliates 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, 2025.

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 Rural Neighborhoods, Inc. and its Affiliates 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 Rural Neighborhoods, Inc. and its Affiliates' 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 applicable to Rural Neighborhoods, Inc. and its Affiliates' 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 Rural Neighborhoods, Inc. and its Affiliates' 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 Rural Neighborhoods, Inc. and its Affiliates' 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 Rural Neighborhoods, Inc. and its Affiliates' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of Rural Neighborhoods, Inc. and its Affiliates' 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 Rural Neighborhoods, Inc. and its Affiliates' 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.

Purpose of this Report

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.

EisnerAmper LLP

EISNERAMPER LLP
Atlanta, Georgia
June 15, 2026

Rural Neighborhoods, Inc. and its Affiliates

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

December 31, 2025

A. Summary of Auditor's Results

1. The auditor's report expresses an unmodified opinion on the financial statements of Rural Neighborhoods, Inc. and its Affiliates.

2. No significant deficiencies related to the audit of the financial statements were reported in the 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*. No material weaknesses were reported.

3. No instances of noncompliance material to the financial statements of Rural Neighborhoods, Inc. and its Affiliates were disclosed during the audit.

4. No significant deficiencies related to the audit of the major federal award programs were disclosed in the Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance. No material weaknesses were reported.

5. The auditor's report on compliance for the major federal award programs for Rural Neighborhoods, Inc. and its Affiliates expresses an unmodified opinion.

6. There are no audit findings relative to the major federal award programs for Rural Neighborhoods, Inc. and its Affiliates.

7. The programs tested as major programs included:

    a. U.S. Department of Agriculture Farm Labor Housing Loan and Grants Program, AL No. 10.405
    b. U.S. Department of Housing and Urban Development Supportive Housing for the Elderly, AL No. 14.157
    c. Community Project Funding and Economic Development Initiative, AL No. 14.251

8. The threshold for distinguishing Type A and B programs was $1,000,000.

9. Rural Neighborhoods, Inc. did not qualify as a low-risk auditee.

Rural Neighborhoods, Inc. and its Affiliates

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

December 31, 2025

1. Audit Report, dated June 5, 2025, for the year ended December 31, 2024, issued by Tidwell Group, LLC:

    There are no open findings from the prior audit report.

2. There were no reports issued by USDA OIG or other Federal agencies or contract administrators during the period covered by this audit.

3. There were no letters or reports issued by USDA management during the period covered by this audit.