Luther Speight & Company, LLC
Certified Public Accountants and Consultants

NEW ORLEANS REDEVELOPMENT UNLIMITED, INC.
(A COMPONENT UNIT OF NEW ORLEANS REDEVELOPMENT AUTHORITY)

NEW ORLEANS, LOUISIANA

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT THEREON

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

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
New Orleans Redevelopment Unlimited, Inc.
New Orleans, Louisiana

Report on the Audit of the Combined Financial Statements

Opinion

We have audited the accompanying combined financial statements of New Orleans Redevelopment Unlimited, Inc. (a nonprofit organization) ("NORU"), which comprise the combined statements of financial position as of December 31, 2025 and 2024, and the related combined statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the combined financial statements.

In our opinion, the combined financial statements present fairly, in all material respects, the financial position of NORU as of December 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of the combined 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 combined financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the combined 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 combined 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 NORU's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the combined financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about NORU's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The Combining Financial Statements on pages 25 through 27 and the Schedule of Compensation, Benefits, and Other Payments to Executive Director on page 28 are presented for purposes of additional analysis and are not a required part of the combined 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 combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information is fairly stated, in all material respects, in relation to the combined financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2026 on our consideration of NORU's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of NORU's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering NORU's internal control over financial reporting and compliance.

Luther Speight & Company CPAs
New Orleans, Louisiana
June 29, 2026

NEW ORLEANS REDEVELOPMENT UNLIMITED, INC.
COMBINED STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2025 AND 2024

	2025	2024
ASSETS		
Current Assets		
Cash	$ 1,072,914	$ 989,729
Investments	2,983,629	2,857,722
Amounts Receivable, Net	2,887	1,172
Current Portion of Loans Receivable, Net	479,000	950,000
Prepaid Items & Other Assets	4,809	2,965
Grants Receivable	132,111	31,514
Total Current Assets	4,675,350	4,833,102
Non-Current Assets		
Loans Receivable, Net	1,107,663	1,101,839
Fixed Assets, Net	2,289,463	2,340,127
Total Non-Current Assets	3,397,126	3,441,966
Total Assets	$ 8,072,476	$ 8,275,068
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable - Vendors	$ 10,655	$ 103,278
Salaries and Related-Payroll Liabilities	5,322	1,855
Due to Other Funds	72,655	-
Current Portion of Unearned Charges	-	165,188
Current Portion of Revolving Loan, Net	542,137	822,613
Current Portion of Mortgage Note Payable	35,087	32,966
Deposits Held for Buyers	5,886	5,833
Total Current Liabilities	671,742	1,131,733
Non-Current Liabilities		
Revolving Loan, Less Current Portion	4,569,304	4,580,689
Mortgage Note Payable, Less Current Portion	977,601	1,011,286
Unearned Charges	1,107,663	936,651
Total Non-Current Liabilities	6,654,568	6,528,626
Total Liabilities	7,326,310	7,660,359
Net Assets		
Without Donor Restriction	746,166	614,709
Total Net Assets	746,166	614,709
Total Liabilities and Net Assets	$ 8,072,476	$ 8,275,068

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

NEW ORLEANS REDEVELOPMENT UNLIMITED, INC.
COMBINED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Operating Activities						
Program Income	$ 594,754	$ -	$ 594,754	$ 31,514	$ -	$ 31,514
Other	283,204	-	283,204	312,803	-	312,803
Total Operating Income	877,958	-	877,958	344,317	-	344,317
Expenses						
Program Services	1,010,883	-	1,010,883	307,285	-	307,285
Supporting Services	262,883	-	262,883	287,519	-	287,519
Total Expenses	1,273,766	-	1,273,766	594,804	-	594,804
Change in Net Assets From Operating Activities	(395,808)	-	(395,808)	(250,487)	-	(250,487)
Non-Operating Activities						
Interest Income	175,104	-	175,104	170,022	-	170,022
Lease Income and Royalties	337,602	-	337,602	324,635	-	324,635
Forefitures and Other	14,559	-	14,559	15,655	-	15,655
Total Non-Operating Income	527,265	-	527,265	510,312	-	510,312
Change in Net Assets From Operating & Non-Operating Activities	131,457	-	131,457	259,825	-	259,825
Net Assets, Beginning of the Year	614,709	-	614,709	354,884	-	354,884
Net Assets, End of the Year	$ 746,166	$ -	$ 746,166	$ 614,709	$ -	$ 614,709

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

NEW ORLEANS REDEVELOPMENT UNLIMITED, INC.
COMBINED STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025			2024		
	Program Services	Supporting Services	Total	Program Services	Supporting Services	Total
Expenditures						
Operations:						
Personnel Salaries and Wages	$ 90,276	$ 71,218	$ 161,494	$ 65,431	$ 56,101	$ 121,532
Personnel Sevices Employee Benefits	19,691	14,416	34,107	14,785	12,393	27,178
Purchased Professional & Technical Services	15,725	26,252	41,977	18,089	16,520	34,609
Purchased Property Services	39,017	39,323	78,340	37,517	22,740	60,257
Insurance	572	7,626	8,198	1,952	7,602	9,554
Other Purchased Services	305	-	305	2,026	-	2,026
Supplies	52	-	52	-	675	675
Property	79,330	-	79,330	152	50,664	50,816
Programs	724,193	-	724,193	99,807	-	99,807
Other Uses	-	104,048	104,048	-	120,824	120,824
Cost of Sales	41,722	-	41,722	67,526	-	67,526
Total Expenditures	$ 1,010,883	$ 262,883	$ 1,273,766	$ 307,285	$ 287,519	$ 594,804

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

NEW ORLEANS REDEVELOPMENT UNLIMITED, INC.
COMBINED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
Cash Flows From Operating Activities:		
Change in Net Assets	$ 131,457	$ 259,825
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided by/(Used by) Operating Activities:		
Depreciation Expense	50,664	50,804
(Increase)/Decrease in the following assets:		
Grants Receivable	(100,597)	(20,103)
Prepaid Items & Other Assets	(1,844)	4,350
Loans Receivable	465,176	742,869
Amounts Receivable	(1,715)	60,470
Increase/(Decrease) in the following liabilities:		
Accounts Payable Vendors	(92,623)	98,793
Salaries and Related Payroll Liabilities	3,467	1,784
Unearned Charges	5,824	(33,147)
Deposits Held for Others	53	31
Increase in Due to Others	72,655	-
Total Adjustments	401,060	905,851
Net Cash Provided by Operating Activities	532,517	1,165,676
Cash Flows From Investing Activities:		
Purchase of Investments, Net	(125,907)	(223,736)
Net Cash Used by Investing Activities	(125,907)	(223,736)
Cash Flows From Financing Activities:		
Borrowings/(Repayments) of Mortgage Note Payable, Net	(31,564)	(29,774)
Borrowings/(Repayments) of Revolving Loans, Net	(291,861)	(723,419)
Net Cash Used by Financing Activities	(323,425)	(753,193)
Net Change in Cash	83,185	188,747
Cash, Beginning of Year	989,729	800,982
Cash, End of Year	$ 1,072,914	$ 989,729

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

NEW ORLEANS REDEVELOPMENT UNLIMITED, INC.
NOTES TO THE COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 1 – ORGANIZATION

Background

New Orleans Redevelopment Unlimited, Inc. (NORU) was formed in 2004 as a nonprofit corporation. The purposes of NORU include:

- Eliminate and prevent the development or spread of slums.
- Promote neighborhood revitalization, blight removal, community development and construction of affordable housing that is decent, safe, and sanitary for low- and moderate-income families, including support of efforts of entities so engaged through loans with repayment.
- Allow the rehabilitation, clearance and redevelopment of slums and blighted areas in the City of New Orleans to include but not limited to community improvement plans or projects approved by the governing body of the City of New Orleans.
- Acquire property by negotiation or gift.
- Dispose of property by sale, lease, or gift.
- Own real estate, to buy or sell, develop, or lease, and generally handle, moveable and immovable property of every nature and kind.
- Do all things necessary with full authority to perform all acts necessary or proper to accomplish the purposes expressed or implied in these Articles, or that may be incidental thereto.

General

NORU is primarily engaged in the implementation of a Loan Fund pursuant to Section 105(a)(15) of the Housing and Community Development Act of 1974 for revolving construction loans to facilitate the construction of residential housing in a memorandum agreement with New Orleans Redevelopment Authority (NORA). NORU is also classified as a component unit of NORA.

AHPP

The grant provided by New Orleans Redevelopment Authority, Inc. is for the development of four (4) single or two-family homes in areas of the City of New Orleans which may not otherwise receive adequate financing resources.

Neighborhood Stabilization Program

The Neighborhood Stabilization Program (NSP) is a federal program designed to address the impact of housing foreclosures and abandonment on neighborhoods. Funds were provided to NORU to purchase and redevelop abandoned and foreclosed properties, aiming to stabilize housing markets and revitalize communities.

NOTE 1 – ORGANIZATION (CONTINUED)

New Orleans Housing Investment Program (NOHIP)

The New Orleans Housing Investment Program (NOHIP) is a successor program that is very similar to the original Orleans Housing Investment Program implemented by NORA from 2017-2023 that addresses a niche in the residential housing market by assisting both developers and Low to Moderate Income (LMI) homebuyers. In the NOHIP program, NORA-owned properties are made available to qualified development teams at a discounted rate in exchange for their commitment to sell the completed homes to buyers with household incomes at or below 80% of Area Median Income (AMI). Additionally, under a subrecipient agreement between NORA and NORU, NORU offered construction loans of $100,000 or more during construction and subsidy to cover any gaps that exist between the total development cost of the project and the final sales price of the home. Funds are also made available to homebuyers to fill any gaps that may exist between their first mortgage and the final sales price of the homes. In 2025, NORA transferred 10 lots to three developers. As of November 2025, three of the 10 lots broke ground and construction started.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

NORU's basic combined financial statements consist of the combined statement of financial position, combined statement of activities, combined statement of functional expenses, and combined cash flows. The combined statements are prepared in accordance with accounting principles generally accepted in the United States of America. Interfund balances are eliminated.

Estimates

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

Financial Statement Presentation

As required by Financial Accounting Standards Board's Accounting Standards Codification (FASB ASC) sections 958-205 and 605 (Not-for-Profit Entities Presentation of Financial Statements and Revenue Recognition), NORU recognizes contributions received as revenue, including unconditional promises to give, in the period received at their fair value. At the same time, contributions made, including unconditional promises to give, are recognized as expenses in the period made at their fair value.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FASB ASC 958, dated August 2016, and the provisions of the American Institute of Certified Public Accountants Audit and Accounting Guide for Not-for-Profit Organizations (the Guide) Update 2016-14 was effective January 1, 2018. Under the provisions of the Guide, net assets, and gains and losses are classified based on the existence or absences of donor-imposed restrictions. Accordingly, the net assets of NORU and changes therein are classified as follows:

- Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of NORU. NORU's board may designate assets without restrictions for specific operational purposes from time to time.

- Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of NORU or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

At December 31, 2025 and 2024, NORU's net assets without donor restrictions reports the results of revenues generated by providing services, receiving unrestricted contributions, grants, interest from investments, disposition of real property, less expenses incurred in providing program and supporting related services. In addition, NORU presents a statement of cash flows in the accompanying combined financial statements.

Further, update No. 2016-14 affecting ASC 958, *Not-for-Profit Entities*, established standards for external financial reporting by not-for-profit organizations. The standard's main provisions require presentation on the face of the statement of activities the amount of the change in each of the two classes of net assets; continued to present on the face of the statement of cash flows the net amount for operating cash flows using either the direct or indirect method of reporting; and included enhanced disclosures of board designations, etc. affecting resources used without donor restrictions and the composition of donor restrictions and its effect on use of resources.

Statement of Cash Flows

For purposes of the statement of cash flows, NORU considers all highly liquid investments with an original maturity of ninety (90) days or less when purchased to be cash equivalents.

Loans Receivable

Loans receivable are recorded at the face value of the note at point of execution. The revolving construction loan program is used to support economic and rehabilitation development activities. NORU uses the allowance method (based on prior years' experience and analysis) to determine collectability of loans receivable.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments
Investments consist of participation in Louisiana Asset Management Pool (LAMP). The portfolio includes only securities and other obligations in which Local governments in Louisiana are authorized to invest in accordance with LA-R.S. 33:2955.

Measure of Operations
The statements of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to NORU's ongoing activities. Non-operating activities are limited to resources that generate return from investments, financing costs, and other activities considered to be of a more unusual or non-recurring nature.

Revolving Loan
A revolving loan is recorded at face value at the point of disbursement. The loan is used to further the construction loan program aimed at economic and rehabilitation development activities.

Fixed Assets
Fixed Assets include land and buildings and are recorded at cost when the individual cost exceeds $5,000 and have a useful life of greater than one year. When no historical records are available, land and buildings are valued at estimated historical cost. When assets are retired or otherwise disposed of, any resulting gain or loss is reflected in income for the period. Buildings are depreciated the using the straight-line method over a forty (40) year estimated useful life. Land is not a depreciable asset.

Functional Expenses
The costs of providing program and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated between program and supporting services benefitted. Such allocations are determined by management on an equitable basis. The expenses that are allocated include the following:

Expenses	Method of Allocation
Salaries and related benefits	Time and Effort
Occupancy	Square Footage
Other	Time and Effort

Recently Issued Accounting Standards
There were no recently issued accounting standards that had a significant impact on the combined financial statements.

NOTE 3 – CASH

At December 31, 2025, the carrying amount of NORU's deposits were $1,072,914 and the collected bank balance was $1,136,680. At December 31, 2024, the carrying amount of NORU's deposits were $989,729 and the collected bank balance was $1,005,097. The cumulative collected bank balances at December 31, 2025 and 2024 are covered by federal deposit insurance and through the pledge of securities in NORA's (parent entity) name. Custodial credit risk is the risk that in the event of a failure by the financial institution, NORU's deposits may not be returned to it. NORU has a deposit policy for custodial credit risk.

NOTE 4 – LIQUIDITY AND AVAILABILITY OF RESOURCES

NORU's financial assets available within one year of the balance sheet date for general expenses are as follows:

	2025	2024
Cash	$ 1,072,914	$ 989,729
Investments	2,983,629	2,857,722
Amounts Receivable	2,887	1,172
Current Portion of Loans Receivable	479,000	950,000
Grants Receivable	132,111	31,514
	4,670,541	4,830,137
Less Net Assets With Donor Restrictions	-	-
Total Financial Assets Available Within One Year	$ 4,670,541	$ 4,830,137

NORU's financial assets have been reduced by amounts not available for general use because of donor-imposed restrictions within one year of the balance sheet date.

As part of its liquidity management, NORU has a policy to structure its financial assets to be available as its general expenses, liabilities, and other obligations come due. In addition, NORU invests cash in excess of projected requirements in short-term investments.

NOTE 5 – NET LOANS RECEIVABLE

At December 31, 2025 and 2024, net loans receivable consisted of the following:

NON-FORGIVABLE LOANS	2025	2024
People's Housing		
Loan, secured by residential property, to a corporation at a rate of 2.50% per annum; payment of interest only due to begin immediately upon disbursement.	$ 64,000	$ -
People's Housing Loan, secured by residential property, to a corporation at a rate of 2.50% per annum; payment of principal and interest only due and payable on maturity date.	48,000	-
NewCorp Loan, secured by residential property, to a corporation at a rate of 2.50% per annum; payment of principal plus interest due in 36 equal monthly installments to begin 6 months after COA.	45,000	90,000
Armstrong Construction Loan, secured by residential property, to a corporation at a rate of 2.50% per annum; payment of principal plus interest due in 36 equal monthly installments to begin 6 months after COA.	30,000	30,000
Lucas Construction		
Loan, secured by residential property, to a corporation at a rate of 2.50% per annum; payment of interest only due to begin immediately upon disbursement.	-	150,000
SBP Loan, secured by residential property, to a corporation at a rate of 2.50% per annum; payment of interest only is due to begin immediately upon disbursement.	-	60,000
TOTAL NON-FORGIVABLE LOANS	$ 187,000	$ 330,000

NOTE 5 – NET LOANS RECEIVABLE (CONTINUED)

FORGIVABLE LOANS	2025	2024
NewCorp Loan, secured by residential property, to a corporation at a rate of 2.50% per annum; loan shall be forgiven at NORU's sole discretion, provided no event of default has occurred.	$ 90,000	$ 195,000
People's Housing Loan, secured by residential property, to a corporation at a rate of 2.50% per annum; loan shall be forgiven at NORU's sole discretion, provided no event of default has occurred.	80,000	-
People's Housing Loan, secured by residential property, to a corporation at a rate of 2.50% per annum; loan shall be forgiven at NORU's sole discretion, provided no event of default has occurred.	72,000	-
Armstrong Construction Loan, secured by residential property, to a corporation at a rate of 2.50% per annum; loan shall be forgiven at NORU's sole discretion, provided no event of default has occurred.	50,000	50,000
Lucas Construction Loan, secured by residential property, to a corporation at a rate of 2.50% per annum; loan shall be forgiven at NORU's sole discretion, provided no event of default has occurred.	-	255,000
SBP Loan, secured by residential property, to a corporation at a rate of 2.50% per annum; loan shall be forgiven at NORU's sole discretion, provided no event of default has occurred.	-	120,000
Residential construction loan (home buyer assistance) mortgage with varying amounts executed in 2016 and expiring on various dates through November 3, 2030.	1,107,663	1,101,839
TOTAL FORGIVABLE LOANS	1,399,663	1,721,839
SUBTOTAL LOANS	1,586,663	2,051,839
LESS: CURRENT PORTION	(479,000)	(950,000)
TOTAL NONCURRENT LOANS RECEIVABLE	$ 1,107,663	$ 1,101,839

NOTE 6 – RISK MANAGEMENT

NORU is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets for which NORU carries commercial insurance. Liabilities are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated.

NOTE 7 – CONCENTRATION OF CREDIT RISK

NORU receives primarily all revenues from NORA as a pass-through the State of Louisiana, and through donations. If the amount of revenues received from NORA and others fall below contract levels, NORU's operating results could be adversely affected.

NOTE 8 – CONTINGENCIES

NORU is subject to possible examinations by regulatory agencies who determine compliance with laws and regulations governing grants provided to NORU. These examinations may result in required refunds by NORU to agencies and/or program beneficiaries. NORU in the exercise of due diligence obtained through the Court, a filed judgment in connection with a loan agreement with a developer for the balance of loan funds. NORU has also obtained legal representation regarding an appeal with the Assessor's judgement that NORU will receive no tax exemption for 2024 and a partial exemption for 2025. It is Counsel's opinion at December 31, 2025 and 2024, and June 29, 2026, that there are no other matters that will have a material effect on the financial condition of NORU. Accordingly, no additional provision has been made in the combined financial statements for that contingency other than as described in NOTE 6.

NOTE 9 – PER DIEM FOR DIRECTORS

During the year ended December 31, 2025 and 2024, no board member received per diem in his/her capacity as a Director.

NOTE 10 – REVOLVING LOAN

The outstanding revolving loan balance at December 31, 2025 and 2024 of $5,111,441 and $5,403,302, respectively, represents the balance of funds provided to NORU through a memorandum of understanding with NORA. The funds are to be used to implement a loan fund pursuant to section 105(a)(15) of the Housing and Community Development Act of 1974 for revolving construction loans to facilitate the construction of residential housing in accordance with policies and procedures and as otherwise approved by NORU. See NOTE 5, for additional discussion.

NOTE 11 – RELATED PARTY TRANSACTIONS

NORA paid fees and made various reimbursements for costs incurred on NORU's behalf totaling $395,807 and $351,113 for the years ended December 31, 2025 and 2024, respectively, of which management fees paid were $21,341 and $17,556. NORU, during the year ended December 31, 2025, continued to administer and the Construction Lending Program with contract awards totaling $594,755 for construction projects on behalf of NORA. At December 31, 2025, the total cumulative amount disbursed, net of repayments results to a total revolving loan balance of $5,111,441.

In January 2024, NORU purchased the office building in which it was previously a tenant (see NOTE 17). NORU negotiated a lower sales price on the building as a result of a loan between the seller and NORA being forgiven. NORA is one of the tenants in the building and pays NORU a monthly rate of $16,215. Total rent revenue from NORA during the year ended December 31, 2025 was $194,580. NORA also pays a share of the utilities in the building and they paid NORU a total of $43,784 during the year ended December 31, 2025.

NOTE 12 – PROVISION FOR FORGIVEABLE LOANS

NORU continues to participate with NORA in several real estate loan transactions. From inception to date, the provision by NORA to the benefit of the respective home buyers for forgivable mortgage loans totals $1,399,663 and $1,721,839 at December 31, 2025 and 2024, respectively. See NOTE 5 for additional discussion.

NOTE 13 – GRANTS AND GRANTS RECEIVABLE

NORU recognized grant revenue totaling 594,754 during the year ended December 31, 2025 through the NOHIP and AHPP program and recognized no grant revenue for the year ended December 31, 2024. NORU had outstanding grants receivable balance from NOHIP totaling $59,456 and the AHPP program totaling $72,655 at December 31, 2025. NORU had an outstanding grants receivable balance from the AHPP program totaling $31,514 at December 31, 2024.

NOTE 14 – INVESTMENTS

At December 31, 2025 and 2024, investments of $2,983,629 and $2,857,722 consisted of shares in Louisiana Asset Management Pool, Inc.'s (LAMP) investment pool. The following facts are relevant for the investment pools:

- Credit risk: LAMP is rated AAAm by Standard & Poor's.
- Custodial credit risk: LAMP participants' investment in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. NORU's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of Credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to the account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The WAM for LAMP's total investments is (NUMBER - days) (from LAMP's monthly Portfolio Holdings) as of (DATE-Month-end).

NOTE 15 – FAIR VALUE

FASB ASC Topic 820, Fair Value Measurements and Disclosures emphasizes market-based measurement and, in doing so, stipulates a fair value hierarchy. The hierarchy is based on the type of inputs, or data used, to measure fair value.

The fair value hierarchy is summarized below:

- Level 1 lies at the top of the hierarchy; inputs are quoted prices in active markets
- Level 2 inputs are in the middle of the hierarchy, where data is adjusted from similar items traded in markets that are active markets or from identical or similar items in markets that are not active. Level 2 inputs do not stem directly from quoted prices.
- Level 3 inputs are unobservable and require an entity to develop its own assumptions.

NOTE 15 – FAIR VALUE (CONTINUED)

The investment in LAMP (see NOTE 14) at December 31, 2025 and 2024 is stated at fair value. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares.

The following table sets forth by level, within the fair value hierarchy, NORU's investments at fair value as of December 31, 2025 and 2024, respectively:

December 31, 2025:

Investment	Level 1	Level 2	Level 3	Total Fair Value
LAMP	$ -	$ 2,983,629	$ -	$ 2,983,629
Total	$ -	$ 2,983,629	$ -	$ 2,983,629

December 31, 2024:

Investment	Level 1	Level 2	Level 3	Total Fair Value
LAMP	$ -	$ 2,857,722	$ -	$ 2,857,722
Total	$ -	$ 2,857,722	$ -	$ 2,857,722

NOTE 16 – LEASES

In 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842), which is intended to improve financial reporting on leasing transactions. ASU No. 2016-02 will require lessees to recognize right of use assets and lease obligations for operating and finance leases under terms greater than 12 months. ASU No. 2016-02 was originally effective for fiscal years beginning after December 15, 2020, with early adoption permitted.

On June 3, 2020, FASB issued ASU No. 2020-05, *Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842)* that extended the effective date for certain entities, including NORU, to annual periods beginning after December 15, 2021.

NOTE 16 – LEASES (CONTINUED)

On January 13, 2024, NORU purchased the building located at 1409 Oretha Castle Haley Blvd, which had NORA headquarters as its anchor tenant. Upon purchase of the building, NORU negotiated a long-term lease with NORA. NORU also has several other tenants that rent out space in the building. On March 27, 2024, and subsequent to the building purchase, NORU purchased the parking lot located at 1303-05 &1309-11 South Rampart Street, to provide parking spaces for tenants and staff. NORU recorded $337,602 and $324,635 in lease income for the years ended December 31, 2025 and 2024, respectively, due to being the Lessor of the building. The following shows the future minimum lease payments NORU expects to receive for the subsequent five years and thereafter:

December 31,		Amount
2026	$	262,853
2027		266,175
2028		266,477
2029		226,305
2030		194,580
Thereafter		405,375
Total	$	1,621,765

NOTE 17 – FIXED ASSETS, NET

As of December 31, 2025 and 2024, fixed assets, net consisted of the following:

	2025	2024
Land	$ 461,710	$ 461,710
Buildings	2,001,544	2,001,544
Sub-Total	2,463,254	2,463,254
Less: Accumulated Depreciation	(173,791)	(123,127)
Total Fixed Assets, Net	$ 2,289,463	$ 2,340,127

Depreciation expense totaled $50,664 and $50,804 for the years ended December 31, 2025 and 2024, respectively.

NOTE 18 – MORTGAGE NOTE PAYABLE

During January 2024, NORU obtained a $1,100,000 loan with a financial institution to purchase the building at 1409 Oretha Castle Haley Blvd, New Orleans, Louisiana (See NOTE 16). The note is payable in 83 regular payments of $8,098, including principal and interest, and one irregular payment estimated at $851,190. The note carries a fixed interest rate of 6.250%.

Future maturities of the mortgage note payable are as follows:

Fiscal Year	Principal Payments
2026	$ 35,087
2027	37,344
2028	39,746
2029	42,302
2030	858,209
Thereafter	-
Total	$ 1,012,688

NOTE 19 – SUBSEQUENT EVENTS

NORU is required to evaluate events or transactions that may have occurred after the statement of financial position date for potential recognition or disclosure in the combined financial statements. NORU performed such an evaluation through June 29, 2026, the date of these combined financial statements. No subsequent events have been evaluated for inclusion in the combined financial statements past this date. Management has noted that there are no additional disclosures or adjustments required to these combined financial statements.

Luther Speight & Company, LLC
Certified Public Accountants and Consultants

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

To the Board of Directors of
New Orleans Redevelopment Unlimited, Inc.
New Orleans, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the combined financial statements of New Orleans Redevelopment Unlimited, Incorporated ("NORU"), which comprise the statement of financial position as of December 31, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the combined financial statements, and have issued our report thereon dated June 29, 2026.

Report on Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's combined 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.

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Atlanta Office: 1201 Peachtree St. NE, Suite 200 I Atlanta, GA 30328 I (678)971-3700

Report on Compliance and Other Matters

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

Purpose of this Report

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

Luther Speight & Company CPAs
New Orleans, Louisiana
June 29, 2026

NEW ORLEANS REDEVELOPMENT UNLIMITED, INC.
SCHEDULE OF FINDINGS AND MANAGEMENT RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2025

Section I – Summary of Auditor's Results

Combined Financial Statements

An unmodified opinion was issued on the combined financial statements of the auditee.

Internal Control Over Financial Reporting:

Material weaknesses identified?	_______ yes	___X___ no
Significant deficiencies identified not considered to be material weaknesses?	_______ yes	___X___ none reported
Noncompliance material to financial statements noted?	_______ yes	___X___ no

Federal Awards

Not applicable, as New Orleans Redevelopment Unlimited, Inc. did not expend $1,000,000 or more in federal funding during the year ended December 31, 2025.

NEW ORLEANS REDEVELOPMENT UNLIMITED, INC.
SCHEDULE OF FINDINGS AND MANAGEMENT RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2025

Section II – Financial Statement Findings and Management Responses

There were no financial statement findings for the year ended December 31, 2025.

Section III – Summary of Prior Year's Findings and Management Responses

There were no findings in the prior year's audit.

NEW ORLEANS REDEVELOPMENT UNLIMITED, INC.
COMBINING STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2025

	General Fund Unrestricted	AHPP	Revolving Loan	Revolving Loan NSP2 Project	New Orleans Housing Investment Project	Eliminations	Totals
Current Assets							
Cash	$ 530,407	$ 58	$ 542,449	$ -	$ -	$ -	$ 1,072,914
Investments	2,983,629	-	-	-	-	-	2,983,629
Amounts Receivable, Net	2,887	-	-	-	-	-	2,887
Current Portion of Loans Receivable, Net	479,000	-	-	-	-	-	479,000
Prepaid items and Other assets	4,809	-	-	-	-	-	4,809
Grants Receivable	-	72,655	-	-	59,456	-	132,111
Due from other funds	54,878	-	-	-	-	(54,878)	-
Total Current Assets	4,055,610	72,713	542,449	-	59,456	(54,878)	4,675,350
Non-Current Assets							
Loans Receivable, Net	1,107,663	-	-	-	-	-	1,107,663
Fixed Assets, Net	2,289,463	-	-	-	-	-	2,289,463
Total Non-Current Assets	3,397,126	-	-	-	-	-	3,397,126
Total Assets	$ 7,452,736	$ 72,713	$ 542,449	$ -	$ 59,456	$ (54,878)	$ 8,072,476
Current Liabilities							
Accounts Payable - Vendors	$ 10,655	$ -	$ -	$ -	$ -	$ -	$ 10,655
Salaries and Related Payroll Liabilities	374	58	312	-	4,578	-	5,322
Due to Other Funds	-	72,655	-	-	54,878	(54,878)	72,655
Current Portion of Unearned Charges	-	-	-	-	-	-	-
Current Portion of Revolving Loan, Net	-	-	542,137	-	-	-	542,137
Current Portion of Mortgage Note Payable	35,087	-	-	-	-	-	35,087
Deposits Held For Buyers	5,886	-	-	-	-	-	5,886
Total Current Liabilities	52,002	72,713	542,449	-	59,456	(54,878)	671,742
Non-Current Liabilities							
Revolving Loan, Less Current Portion	4,569,304	-	-	-	-	-	4,569,304
Mortgage Note Payable, Less Current Portion	977,601	-	-	-	-	-	977,601
Unearned Charges	1,107,663	-	-	-	-	-	1,107,663
Total Non-Current Liabilities	6,654,568	-	-	-	-	-	6,654,568
Total Liabilities	6,706,570	72,713	542,449	-	59,456	(54,878)	7,326,310
Net Assets							
Without Donor Restriction	746,166	-	-	-	-	-	746,166
Total Net Assets	746,166	-	-	-	-	-	746,166
Total Liabilities and Net Assets	$ 7,452,736	$ 72,713	$ 542,449	$ -	$ 59,456	$ (54,878)	$ 8,072,476

NEW ORLEANS REDEVELOPMENT UNLIMITED, INC.
COMBINING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025

	General Fund Unrestricted	AHPP	Revolving Loan	Revolving Loan NSP2 Project	New Orleans Housing Investment Project	Totals
Operating Activities						
Program Income	$ -	$ 521,141	$ -	$ -	$ 73,613	$ 594,754
Other	-	-	181,642	101,562	-	283,204
Total Operating Income	-	521,141	181,642	101,562	73,613	877,958
Expenses						
Program Services	198,706	504,211	166,399	100,193	41,374	1,010,883
Supporting Services	197,102	16,930	15,243	1,369	32,239	262,883
Total Expenses	395,808	521,141	181,642	101,562	73,613	1,273,766
Change in Net Assets from Operating Activities	(395,808)	-	-	-	-	(395,808)
Non-Operating Activities						
Interest Income	175,104	-	-	-	-	175,104
Lease Income and Royalties	337,602	-	-	-	-	337,602
Forefitures and Other	14,559	-	-	-	-	14,559
Total Non-Operating Income	527,265	-	-	-	-	527,265
Change in Net Assets From Operating & Non-Operating Activities	131,457	-	-	-	-	131,457
Net Assets, Beginning of the Year	614,709	-	-	-	-	614,709
Net Assets, End of the Year	$ 746,166	$ -	$ -	$ -	$ -	$ 746,166

NEW ORLEANS REDEVELOPMENT UNLIMITED, INC.
COMBINING STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025

	General Fund Unrestricted		AHPP		Revolving Loan		Revolving Loan NSP2 Project		New Orleans Housing Investment Project		Totals	
	Program Services	Supporting Services	Program Services	Supporting Services	Program Services	Supporting Services	Program Services	Supporting Services	Program Services	Supporting Services	Program Services	Supporting Services
Expenditures												
Operations												
Personnel Salaries and Wages	$ 18,138	$ 17,431	$ 19,452	$ 13,495	$ 17,881	$ 12,475	$ -	$ -	$ 34,805	$ 27,817	$ 90,276	$ 71,218
Personnel Sevices Employee Benefits	5,087	4,880	4,134	3,091	4,342	2,122	-	-	6,128	4,323	19,691	14,416
Purchased Professional & Technical Services	15,402	23,970	323	274	-	639	-	1,369	-	-	15,725	26,252
Purchased Property Services	38,691	39,147	77	70	92	7	-	-	157	99	39,017	39,323
Insurance	32	7,626	206	-	80	-	-	-	254	-	572	7,626
Other Purchased Services	305	-	-	-	-	-	-	-	-	-	305	-
Supplies	52	-	-	-	-	-	-	-	-	-	52	-
Property	79,277	-	19	-	4	-	-	-	30	-	79,330	-
Programs	-	-	480,000	-	144,000	-	100,193	-	-	-	724,193	-
Other Uses	-	104,048	-	-	-	-	-	-	-	-	-	104,048
Cost of Sales	41,722	-	-	-	-	-	-	-	-	-	41,722	-
Total Expenditures	$ 198,706	$ 197,102	$ 504,211	$ 16,930	166,399	15,243	$ 100,193	$ 1,369	$ 41,374	$ 32,239	$ 1,010,883	$ 262,883

NEW ORLEANS REDEVELOPMENT UNLIMITED, INC.
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO EXECUTIVE DIRECTOR
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

Agency Head: Mrs. Brenda M. Breaux, Executive Director

Purpose	2025 Amount	2024 Amount
Salary	$ -	$ -
Benefits-FICA	-	-
Benefits-State	-	-
Benefits-SUTA	-	-
Benefits-executive parking	-	-
Car allowance	-	-
vehicle provided by government	-	-
Per diem	-	-
Reimbursements	-	-
Travel	-	-
Registration fees	-	-
Conference travel	-	-
Continuing professional education fees	-	-
Housing	-	-
Unvouchered expenses	-	-
Special meals	-	-

NOTE: New Orleans Redevelopment Unlimited. (NORU) does not have any paid employees. NORU is managed by the Executive Director of New Orleans Redevelopment Authority. NORU is assessed a management fee by New Orleans Redevelopment Authority for services provided. A schedule of New Orleans Redevelopment Authority's Executive Director's "Compensation, Benefits, and Other Payments" is included in New Orleans Redevelopment Authority's annual audit for fiscal years ended December 31, 2025 and

Luther Speight & Company, LLC
Certified Public Accountants and Consultants

NEW ORLEANS REDEVELOPMENT UNLIMITED, INC.
(A COMPONENT UNIT OF NEW ORLEANS REDEVELOPMENT AUTHORITY)

STATEWIDE AGREED-UPON PROCEDURES REPORT

FOR THE YEAR ENDED DECEMBER 31, 2025

Luther Speight & Company, LLC
Certified Public Accountants and Consultants

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of
New Orleans Redevelopment Unlimited, Inc
and the Louisiana Legislative Auditor:

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

New Orleans Redevelopment Unlimited, Inc ("NORU") has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2025, through December 31, 2025. Additionally, the LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

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

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

   Results: *We performed the above procedures and noted no exceptions.*

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

   Results: *We performed the above procedures and noted no exceptions.*

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

Results: *We performed the above procedures and noted no exceptions.*

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

Results: *We performed the above procedures and noted no exceptions.*

e) ***Payroll/Personnel***, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

Results: *We performed the above procedures and noted no exceptions.*

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

Results: *We performed the above procedures and noted no exceptions.*

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

Results: *We performed the above procedures and noted no exceptions.*

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

Results: *We performed the above procedures and noted no exceptions.*

i) ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

Results: *We performed the above procedures and noted no exceptions.*

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

Results: *We performed the above procedures and noted no exceptions.*

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

Results: *We performed the above procedures and noted no exceptions.*

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

Results: *We performed the above procedures and noted no exceptions.*

Board or Finance Committee

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

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

   Results: *We performed the above procedures and noted no exceptions.*

   b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.

   Results: *We performed the above procedures and noted no exceptions.*

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

Results: *Not applicable, as the Entity is a non-profit.*

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

Results: *Not applicable, there were no audit findings for prior year, and Entity's 2024 audit was accepted by the LLA.*

Bank Reconciliations

3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:

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

Results: *Per Review of the 3 bank reconciliations, we noted that each had evidence (electronic timestamp) of being reconciled All reconciliations were prepared within 2 months of the statement closing date. No exceptions noted.*

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

Results: *Per Review of all the reconciliations, all included evidence of management approval. No exceptions noted.*

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

Results: *We noted no reconciling items were outstanding for more than 12 months from year-end*

Collections

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

   Results: *We performed the above procedures and noted no exceptions.*

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

   Results: *We performed the above procedures and noted no exceptions.*

   a) Employees responsible for cash collections do not share cash drawers/registers.

   Results: *No exceptions noted.*

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

   Results: *No exceptions noted.*

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

   Results: *No exceptions noted.*

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

   Results: *No exceptions noted.*

6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

   Results: *No exceptions noted.*

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

   ***Results**: We performed the above procedures and noted no exceptions.*

   a) Observe that receipts are sequentially pre-numbered.

      ***Results**: We performed the above procedures and noted no exceptions.*

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

      ***Results**: We performed the above procedures and noted no exceptions.*

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

      ***Results**: We performed the above procedures and noted no exceptions.*

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

      ***Results**: We performed the above procedures and noted no exceptions.*

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

      ***Results**: We performed the above procedures and noted no exceptions.*

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

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

   ***Results**: Per discussion with management, we obtained a listing of the locations that process payments. The Entity only has one location that process payments and it is the main office.*

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

***Results**: We performed the above procedures and noted no exceptions.*

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

***Results**: No exceptions noted.*

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

***Results:** No exceptions noted.*

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

***Results:** No exceptions noted.*

c) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

***Results:** No exceptions noted.*

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

***Results**: No exceptions noted.*

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:

***Results**: We performed the above procedures and noted no exceptions.*

a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.

***Results**: We performed the above procedures and noted no exceptions.*

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

Results: *We performed the above procedures and noted no exceptions.*

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

Results: *We performed the above procedures and noted no exceptions.*

Credit Cards/Debit Cards/Fuel Cards/P-Cards

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

Results: *NORU does not have any active credit cards for the fiscal year, this area is not applicable.*

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

Results: *Not Applicable.*

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

Results: *Not Applicable.*

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

Results: Not Applicable.

14. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Results: Not Applicable.

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

Results: Not Applicable.

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

15. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 2 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 2 reimbursements selected:

a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established by the U.S. General Services Administration (www.gsa.gov).

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

c) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

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

Results: *NORU did not have any travel expenses for the fiscal year, this area is not applicable.*

Contracts

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

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

Results: *We performed the above procedures and noted no exceptions.*

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

Results: *We performed the above procedures and noted no exceptions.*

c) If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).

Results: *We performed the above procedures and noted no exceptions.*

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

Results: *We performed the above procedures and noted no exceptions.*

Payroll and Personnel

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

Results: *NORU does not have any employees, this area is not applicable.*

18. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

a) Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)

Results*: Not Applicable.*

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

Results*: Not Applicable.*

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

Results*: Not Applicable.*

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

Results*: Not Applicable.*

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

Results: *Not Applicable.*

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

Results: *Not applicable.*

Ethics

21. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure, obtain ethics documentation from management, and:

Results: *NORU is a nonprofit entity, this area is not applicable.*

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

Results: *Not Applicable.*

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

Results: *Not Applicable.*

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

Results: *Not Applicable.*

Debt Service

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

Results: *Not applicable, as the entity does not have any outstanding debt.*

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

Results: *Not applicable, as the entity does not have any outstanding debt.*

Fraud Notice

25. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Results: *We performed the above procedures and noted no exceptions.*

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

Results: *We performed the above procedures and noted no exceptions.*

Information Technology Disaster Recovery/Business Continuity

27. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**

a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

Results: *We performed the above procedures and discussed the results with management.*

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

Results: *We performed the above procedures and discussed the results with management.*

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

Results: *We performed the above procedures and discussed the results with management.*

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

Results: *We performed the above procedures and discussed the results with management.*

29. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:

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

Results: *We performed the above procedures and discussed the results with management.*

Sexual Harassment

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

Results: *NORU is a nonprofit entity, this area is not applicable.*

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

Results: *Not applicable.*

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

Results: *Not Applicable.*

a) Number and percentage of public servants in the agency who have completed the training requirements:

Results: *Not Applicable.*

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

***Results**: Not Applicable.*

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

***Results**: Not Applicable.*

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

***Results**: Not Applicable.*

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

***Results**: Not Applicable.*

We were engaged by New Orleans Redevelopment Unlimited, Inc. to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of New Orleans Redevelopment Unlimited, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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

Luther Speight & Company CPAs
New Orleans, Louisiana
June 29, 2026