

**NEW ORLEANS REDEVELOPMENT UNLIMITED, INC.**

**FINANCIAL AND COMPLIANCE AUDIT  
TOGETHER WITH  
INDEPENDENT AUDITORS' REPORT**

**FOR THE YEAR ENDED DECEMBER 31, 2021**

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## INDEPENDENT AUDITORS' REPORT

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

### **Report on the Audit of the Financial Statements**

We have audited the accompanying financial statements of **New Orleans Redevelopment Unlimited, Inc. (NORU)** which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **NORU** as of December 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller of the United States of America. 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 **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 opinion.

**INDEPENDENT AUDITORS' REPORT**  
**(CONTINUED)**

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

**Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 **NORU's** ability to continue as a going concern within one year after the date that the financial statements are available to be issued, including any currently known information that may raise substantial doubt shortly thereafter.

**Auditors' Responsibilities for the Audit of the Financial Statements**

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

**INDEPENDENT AUDITORS' REPORT**  
**(CONTINUED)**

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

**Auditors' Responsibilities for the Audit of the Financial Statements, Continued**

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

- exercise professional judgment and maintain professional skepticism throughout the audit;
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 financial statements; and
- 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 auditing findings, and certain internal control related matters that we identified during the audit.

**INDEPENDENT AUDITORS' REPORT**  
**(CONTINUED)**

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2022 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 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 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.

*Bruno & Tervalon LLP*

**BRUNO & TERVALON LLP**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
New Orleans, Louisiana

June 30, 2022

**NEW ORLEANS REDEVELOPMENT UNLIMITED, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2021**

**ASSETS**

|  |                    |
|--|--------------------|
| Current assets:  |                    |
| Cash (NOTE 3)  | \$ 110,487         |
| Current portion of loans receivable (NOTES 5, 11 and 14) | 580,000            |
| Prepaid items and other assets                           | 660                |
| Amounts receivable, net (NOTES 6 and 9)                  | 1,212              |
| Grants receivable (NOTE 16)                              | 884,641            |
| Investment (NOTE 17)                                     | <u>3,130,407</u>   |
| Total current assets                                     | <u>4,707,407</u>   |
| Noncurrent assets:                                       |                    |
| Loans receivable, net (NOTES 5, 11 and 14)               | <u>1,067,248</u>   |
| Total noncurrent assets                                  | <u>1,067,248</u>   |
| Total assets   | <u>\$5,774,655</u> |

**LIABILITIES AND NET ASSETS**

|  |                    |
|--|--------------------|
| Current liabilities:                         |                    |
| Salaries and related taxes payable           | \$ 1,290           |
| Accounts payable vendors                     | 137,773            |
| Current portion of unearned charges (NOTE 5) | 580,000            |
| Due to primary government, net               | <u>722,493</u>     |
| Total current liabilities                    | <u>1,441,556</u>   |
| Noncurrent liabilities:                      |                    |
| Revolving loan (NOTES 5 and 11)              | 3,742,213          |
| Unearned charges (NOTE 5)                    | <u>487,248</u>     |
| Total noncurrent liabilities                 | <u>4,229,461</u>   |
| Total liabilities                            | <u>5,671,017</u>   |
| CONTINGENCIES (NOTE 9)                       |                    |
| Net assets:                                  |                    |
| Without donor restrictions                   | <u>103,638</u>     |
| Total net assets                             | <u>103,638</u>     |
| Total liabilities and net assets             | <u>\$5,774,655</u> |

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



**NEW ORLEANS REDEVELOPMENT UNLIMITED, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

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|  |                   |
|--|-------------------|
| Operating Activities:  |                   |
| Grants (NOTE 15)   | \$1,206,342       |
| Contributions  | <u>145,774</u>    |
| Total operating income   | <u>1,352,116</u>  |
| Expenses:  |                   |
| Program services   | 1,347,150         |
| Supporting services  | <u>21,205</u>     |
| Total expenses   | 1,368,355         |
| Change in net assets from operating activities                   | (16,239)          |
| Non-operating Activities   |                   |
| Interest income  | 9,651             |
| Forfeitures and other  | <u>225</u>        |
| Total non-operating income                                       | <u>9,876</u>      |
| Change in net assets from non-operating activities               | <u>9,876</u>      |
| Change in net assets from operating and non-operating activities | (6,363)           |
| Net assets, beginning of year                                    | <u>110,001</u>    |
| Net assets, end of year  | \$ <u>103,638</u> |

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

**NEW ORLEANS REDEVELOPMENT UNLIMITED, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

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|  | <u>Program<br/>Services</u> | <u>Supporting<br/>Services</u> | <u>Total</u>       |
|--|-----------------------------|--------------------------------|--------------------|
| Personnel salaries and wages                     | \$ 158,022                  | \$ -0-                         | \$ 158,022         |
| Personnel services employee benefits             | 34,378                      | -0-                            | 34,378             |
| Purchased professional and technical<br>services | 119,754                     | 11,540                         | 131,294            |
| Purchased property services                      | 942                         | 6,691                          | 7,633              |
| Insurance  | 2,511                       | 2,846                          | 5,357              |
| Other purchased services                         | -0-                         | 128                            | 128                |
| Property<br>Program                              | 257                         | -0-                            | 257                |
|  | <u>1,031,286</u>            | <u>-0-</u>                     | <u>1,031,286</u>   |
| Total  | <u>\$1,347,150</u>          | <u>\$21,205</u>                | <u>\$1,368,355</u> |

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

**NEW ORLEANS REDEVELOPMENT UNLIMITED, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

|  |                    |
|--|--------------------|
| Cash Flows From Operating Activities:  |                    |
| Change in net assets   | \$ (6,363)         |
| Adjustments to reconcile change in net assets<br>to net cash used by operating activities: |                    |
| Increase in amounts payable vendors  | 12,698             |
| Increase in due to primary government  | 201,203            |
| Decrease in salaries and related taxes payable   | (1,480)            |
| Increase in grants receivable  | (171,090)          |
| Increase in prepaid items and other assets   | (38)               |
| Decrease in unearned revenues  | <u>(227,326)</u>   |
| Net cash used by operating activities  | <u>(192,396)</u>   |
| Cash Flows From Investing Activities:  |                    |
| Disbursements of loans   | (1,582,624)        |
| Purchase of investments  | <u>(626,049)</u>   |
| Cash used in investing activities  | <u>(2,208,673)</u> |
| Cash Flows From Financing Activities:  |                    |
| Collection on revolving loans  | 2,095,247          |
| Grants and unearned charges  | <u>144,233</u>     |
| Cash provided by financing activities  | <u>2,239,480</u>   |
| Net decrease in cash   | (161,589)          |
| Cash, beginning of year  | <u>272,076</u>     |
| Cash, end of year  | \$ <u>110,487</u>  |
| Interest paid  | \$ <u>-0-</u>      |

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

**NEW ORLEANS REDEVELOPMENT UNLIMITED, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 1 - BACKGROUND GENERAL DATA:**

**Background**

**New Orleans Redevelopment Unlimited, Inc. (NORU)** was formed in 2004 as a nonprofit corporation.

The purposes of **NORU** include:

- o Eliminate and prevent the development or spread of slums.
- o 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.
- o 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.
- o Acquire property by negotiation or gift.
- o Dispose of property by sale, lease or gift.
- o Own real estate, to buy or sell, develop or lease, and generally handle, moveable and immovable property of every nature and kind.
- o Do any and 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**

As of December 31, 2021, **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).

**NEW ORLEANS REDEVELOPMENT UNLIMITED, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 1 - BACKGROUND GENERAL DATA, CONTINUED:

Orleans Housing Investment Program

The newest phase of NORU's Residential Construction Lending Program, is funded through HUD CDBG Locally-held Program Income derived from sale of former Road Home properties. NORA funds the development of primarily single-family affordable homes in neighborhoods like Central City, Seventh Ward, Gentilly, and New Orleans East.

Construction Lending Extended

The program is funded through HUD CDBG State held Program income derived from the sales of former Road Home Properties. NORA has awarded properties and NORU is providing financing for the development of affordable housing in Gentilly, Tulane-Gravier and New Orleans East.

Construction Lending Expanded

The program uses State CDBG funds to finance the development of affordable housing on NORA owned properties located in New Orleans East and the Lower Ninth Ward.

JP Morgan

The grant provided by JP Morgan Chase Foundation is for the development of a public sector organizational and funding structure for the sustainable long-term implementation of commercial corridor revitalization strategies in New Orleans.

**NEW ORLEANS REDEVELOPMENT UNLIMITED, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

Ford Foundation Public Sector Ecosystems

The Ford Foundation awarded **NORU** a grant to strengthen the affordable housing public sector ecosystem in New Orleans. The grant will support coordination among the City of New Orleans' Office of Community Development, Housing Authority of New Orleans, Finance Authority of New Orleans and New Orleans Redevelopment Authority.

Estimates

The preparation of 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimated.

Basis of Presentation

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

Financial Statement Presentation

As required by Financial Accounting Standards Board's Accounting Standards Codification (FASB ASC) sections 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.

NEW ORLEANS REDEVELOPMENT UNLIMITED, INC.  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES,  
CONTINUED:

Financial Statement Presentation, 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, where by the donor has stipulated the funds be maintained in perpetuity.

At December 31, 2021, 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 financial statements.

NEW ORLEANS REDEVELOPMENT UNLIMITED, INC.  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES,  
CONTINUED:

Financial Statement Presentation, Continued

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 affect 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 year's experience and analysis) to determine uncollectibility of loans receivable.



NEW ORLEANS REDEVELOPMENT UNLIMITED, INC.  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES,  
CONTINUED:

Investment

Investment consists 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 statement 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 nonrecurring nature.

Revolving Loan:

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

Functional Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statements 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:

| <u>Expenses</u>               | <u>Method of Allocation</u> |
|-------------------------------|-----------------------------|
| Salaries and related benefits | Time and Effort             |
| Occupancy                     | Square Footage              |
| Other                         | Time and Effort             |

NEW ORLEANS REDEVELOPMENT UNLIMITED, INC.  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

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NOTE 3 - CASH:

At December 31, 2021 the carrying amount of NORU's deposits was \$110,487 and the collected bank balance was \$157,982. The cumulative collected bank balance at December 31, 2021 is 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:

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

|                         |                     |
|-------------------------|---------------------|
| Cash                    | \$ 110,487          |
| Investments             | 3,130,407           |
| Grants receivable       | 884,641             |
| Amounts receivable, net | <u>1,212</u>        |
|                         | 4,126,747           |
| Less accounts payable   | <u>(861,556)</u>    |
|                         | <u>\$ 3,265,191</u> |

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.

NEW ORLEANS REDEVELOPMENT UNLIMITED, INC.  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

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NOTE 5 - LOANS RECEIVABLE, NET:

At December 31, 2021, loans receivable, net consisted of the following:

**NON-FORGIVABLE LOANS**

***Iris East Homes***

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 \$ 100,000

***Habitat for Humanity***

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 50,000

***SBP, Inc.***

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 90,000

***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 25,000

Non-forgivable loans 265,000

NEW ORLEANS REDEVELOPMENT UNLIMITED, INC.  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

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NOTE 5 - LOANS RECEIVABLE, NET, CONTINUED:

**FORGIVABLE LOANS**

***Habitat for Humanity***

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

***SBP, Inc.***

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

***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 75,000

***Iris East Homes***

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 100,000

Residential construction loan (home buyer assistance)  
mortgage with varying amounts executed in 2016  
and expiring on various dates through November 3, 2030 1,055,194

Credit sales loans which area forgivable based on the  
accomplishment of defined terms 12,054

Forgivable loans 1,382,248

Sub-total loans 1,647,248

Less: current portion (580,000)

Total noncurrent loans \$1,067,248

**NEW ORLEANS REDEVELOPMENT UNLIMITED, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 6 - AMOUNTS RECEIVABLE, NET:

At December 31, 2021 amounts receivable, net is as follows:

|  |                  |
|--|------------------|
| Funds due from sale of land, unimproved land<br>and structures from <b>NORU</b> 's inventory | \$ 1,212         |
| Loan to corporation which is currently in default  | <u>328,928</u>   |
| Subtotal   | <u>330,140</u>   |
| Less: allowance for doubtful accounts  | <u>(328,928)</u> |
| Total  | <u>\$ 1,212</u>  |

NOTE 7 - 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 8 - CONCENTRATION OF CREDIT RISK:

**NORU** receives primarily all of its 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 9 - 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.

**NEW ORLEANS REDEVELOPMENT UNLIMITED, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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**NOTE 9 - CONTINGENCIES, CONTINUED:**

**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. It is Counsel's opinion at December 31, 2021 and June 30, 2022, 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 financial statements for that contingency other than as described in NOTE 6.

**NOTE 10 - PER DIEM FOR DIRECTORS:**

During the year ended December 31, 2021, no board member received per diem in his/her capacity as a Director.

**NOTE 11 - REVOLVING LOAN:**

Revolving loan at December 31, 2021 of \$3,742,213 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 12 - RELATED PARTY TRANSACTIONS:**

**NORU** paid fees and made various reimbursements for cost incurred on **NORU**'s behalf totaling \$342,034 to NORA for the year ended December 31, 2021 of which management fees paid was \$17,102.

**NEW ORLEANS REDEVELOPMENT UNLIMITED, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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**NOTE 12 - RELATED PARTY TRANSACTIONS, CONTINUED:**

**NORU**, during the year ended December 31, 2021, continued to administer Orleans Housing Investment Program and Construction Lending Expanded with contract awards totaling \$1,124,790 for construction projects on behalf of NORA. At December 31, 2021, the total cumulative amount disbursed, net of repayments results to a total revolving loan balance of \$3,742,213.

**NOTE 13 - 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 financial statements. **NORU** performed such an evaluation through June 30, 2022, the date which financial statements were available to be issued. **NORU's** Board of Directors, on June 28, 2022, approved to initiate the purchase of 1409 Oretha Castle Haley Blvd, which currently has NORA headquarters as its anchor tenant. If **NORU** is successful in acquiring the location, **NORU** would negotiate a long-term lease with NORA.

**NOTE 14 - PROVISION FOR FORGIVABLE LOANS:**

**NORU** continues to participate with NORA (related party) 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 \$1,382,248 at December 31, 2021. See NOTE 5 for additional discussion.

NEW ORLEANS REDEVELOPMENT UNLIMITED, INC.  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

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NOTE 15 - GRANTS:

A detail of grants earned during the year ended December 31, 2021 is as follows:

| <u>Program</u>                     | <u>Amount</u>      |
|------------------------------------|--------------------|
| J P Morgan                         | \$ 81,552          |
| Expanded Target Area               | 2,740              |
| Orleans Housing Investment Program | <u>1,122,050</u>   |
|                                    | <u>\$1,206,342</u> |

NOTE 16 - GRANTS RECEIVABLE:

At December 31, 2021, grants receivable represents funds expended on various programs and pending reimbursement from the state as follows:

| <u>Program</u>                     | <u>Amount</u>    |
|------------------------------------|------------------|
| Construction Lending Expanded      | \$ 58,464        |
| Construction Lending Extended      | 199,596          |
| Orleans Housing Investment Program | <u>626,581</u>   |
|                                    | <u>\$884,641</u> |

NOTE 17 - INVESTMENT:

At December 31, 2021, investment of \$3,130,407 consisted of shares in Louisiana Asset Management Pool, Inc.'s (LAMP) investment pool.



NEW ORLEANS REDEVELOPMENT UNLIMITED, INC.  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

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NOTE 17 - INVESTMENT, CONTINUED:

LAMP is an investment pool that, to the extent practical, invests in a manner consistent with GASB Statement No. 79. 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).

The investment in LAMP at December 31, 2021 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.

## **SUPPLEMENTARY INFORMATION**

**INDEPENDENT AUDITORS' REPORT  
ON  
SUPPLEMENTARY INFORMATION**

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

**Other Matters**

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

We have audited the financial statements of **New Orleans Redevelopment Unlimited (NORU)** as of and for the year ended December 31, 2021, and have issued our report dated June 30, 2022, which contained an unmodified opinion on the financial statements as a whole.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards (Schedule I) is presented for the purposes of additional analysis as required by *the Uniform Guidance* and is not a required part of the financial statements. The information in Schedule I 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. Such 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 Schedule I is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

**INDEPENDENT AUDITORS' REPORT  
ON  
SUPPLEMENTARY INFORMATION  
(CONTINUED)**

**Other Matters, Continued**

*Supplementary Other Information*

The supplementary information comprised of the Schedule of Compensation, Benefits and Other Payments to Executive Director (Schedule II), Combining Statements of Financial Position, Activities and Functional Expenses (Exhibits A, B and C) is presented for the purpose 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 basic financial statements. Also, the information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information (Schedule II, Exhibits A, B and C ) is fairly stated, in all material respects, in relation to the financial statements as a whole.

*Bruno & Tervalon LLP*

**BRUNO & TERVALON LLP**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
New Orleans, Louisiana

June 30, 2022

SCHEDULE I

NEW ORLEANS REDEVELOPMENT UNLIMITED, INC.  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2021

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| <u>Program Grantor/Title</u>   | <u>CFDA</u> | <u>Federal Expenditures</u> |
|--|-------------|-----------------------------|
| <u>PROGRAM FUNDED BY THE U.S.<br/>DEPARTMENT OF HOUSING<br/>AND URBAN DEVELOPMENT</u>  |             |                             |
| Pass-Through New Orleans Redevelopment<br>Authority as Subgrantee of the State of<br>Louisiana and the City of New Orleans<br>(Office of Community Development): |             |                             |
| Construction Lending Expanded  | 14.228      | \$ 2,740                    |
| Orleans Housing Investment Program   | 14.228      | <u>1,122,050</u>            |
| Total U.S. Department of Housing<br>and Urban Development  |             | <u>\$1,124,790</u>          |

NOTE: Basis of Presentation: The accompanying Schedule of Expenditures of Federal Awards includes all Federal activity of NORU and is presented on a modified accrual basis of accounting. The information on this schedule is presented in accordance with other requirements of the *Uniform Guidance*.

NOTE: NORU has not elected to use the 10% de minimis indirect cost rate.

See Independent Auditors' Report on Supplementary Information.

**SCHEDULE II**

**NEW ORLEANS REDEVELOPMENT UNLIMITED, INC.  
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER  
PAYMENTS TO EXECUTIVE DIRECTOR  
FOR THE YEAR ENDED DECEMBER 31, 2021**

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**Executive Directors Name: Mrs. Brenda M. Breaux**

**PURPOSE**

**AMOUNT**

NONE

**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 year ended December 31, 2021.**

See Independent Auditors' Report on Supplementary Information.

**NEW ORLEANS REDEVELOPMENT UNLIMITED**  
**COMBINING STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2021**

|   | <u>ASSETS</u>                              |                  |  |  |   |   |   |
|---|--|------------------|--|--|---|---|---|
|   | <u>General Fund</u><br><u>Unrestricted</u> | <u>JP Morgan</u> | <u>Construction</u><br><u>Lending</u><br><u>Expanded</u> | <u>Construction</u><br><u>Lending</u><br><u>Extended</u> | <u>Orleans</u><br><u>Housing</u><br><u>Investment</u><br><u>Program</u> | <u>Ford</u><br><u>Public</u><br><u>Ecosystems</u> | <u>Totals</u><br><u>(Memorandum</u><br><u>Only)</u> |
| <b>Current Assets:</b>                      |  |                  |  |  |   |   |   |
| Cash  | \$ 106,907                                 | \$ 3,580         | \$ -0-   | \$ -0-   | \$ -0-  | \$ -0-  | \$ 110,487  |
| Current portion of loans<br>receivable, net | 580,000                                    | -0-              | -0-  | -0-  | -0-   | -0-   | 580,000   |
| Prepaid items and other assets              | 660  | -0-              | -0-  | -0-  | -0-   | -0-   | 660   |
| Amounts receivable, net                     | 1,212                                      | -0-              | -0-  | -0-  | -0-   | -0-   | 1,212   |
| Grants receivable                           | -0-  | -0-              | 58,464   | 199,596  | 626,581   | -0-   | 884,641   |
| Due from primary government<br>Investment   | 27,858                                     | -0-              | 14,674   | 94,106   | -0-   | -0-   | 136,638   |
|   | <u>3,130,407</u>                           | <u>-0-</u>       | <u>-0-</u>   | <u>-0-</u>   | <u>-0-</u>  | <u>-0-</u>  | <u>3,130,407</u>                                    |
| Total current assets                        | <u>3,847,044</u>                           | <u>3,580</u>     | <u>73,138</u>  | <u>293,702</u>   | <u>626,581</u>  | <u>-0-</u>  | <u>4,844,045</u>                                    |
| <b>Noncurrent Assets:</b>                   |  |                  |  |  |   |   |   |
| Loans receivable, net                       | <u>1,067,248</u>                           | <u>-0-</u>       | <u>-0-</u>   | <u>-0-</u>   | <u>-0-</u>  | <u>-0-</u>  | <u>1,067,248</u>                                    |
| Total noncurrent assets                     | <u>1,067,248</u>                           | <u>-0-</u>       | <u>-0-</u>   | <u>-0-</u>   | <u>-0-</u>  | <u>-0-</u>  | <u>1,067,248</u>                                    |
| Total assets                                | <u>\$4,914,292</u>                         | <u>\$ 3,580</u>  | <u>\$ 73,138</u>   | <u>\$293,702</u>   | <u>\$626,581</u>  | <u>\$ -0-</u>                                     | <u>\$5,911,293</u>                                  |

See Independent Auditors' Report on Supplementary Information.

NEW ORLEANS REDEVELOPMENT UNLIMITED  
COMBINING STATEMENT OF FINANCIAL POSITION, CONTINUED  
DECEMBER 31, 2021

LIABILITIES AND NET ASSETS

|   | General Fund<br>Unrestricted | JP Morgan       | Construction<br>Lending<br>Expanded | Construction<br>Lending<br>Extended | Orleans<br>Housing<br>Investment<br>Program | Ford<br>Public<br>Ecosystems | Totals<br>(Memorandum<br>Only) |
|---|------------------------------|-----------------|-------------------------------------|-------------------------------------|---|------------------------------|--------------------------------|
| <b>Current Liabilities:</b>                   |                              |                 |                                     |                                     |   |                              |                                |
| Salaries and related payroll<br>taxes payable | \$ -0-                       | \$ -0-          | \$ -0-                              | \$ -0-                              | \$ 1,290                                    | \$ -0-                       | \$ 1,290                       |
| Accounts payable - vendors                    | 158                          | 12              | -0-                                 | -0-                                 | 137,603                                     | -0-                          | 137,773                        |
| Due to primary government                     | 1,035                        | 3,568           | 73,138                              | 293,702                             | 487,688                                     | -0-                          | 859,131                        |
| Unearned charges                              | <u>580,000</u>               | <u>-0-</u>      | <u>-0-</u>                          | <u>-0-</u>                          | <u>-0-</u>                                  | <u>-0-</u>                   | <u>580,000</u>                 |
| Total current liabilities                     | <u>581,193</u>               | <u>3,580</u>    | <u>73,138</u>                       | <u>293,702</u>                      | <u>626,581</u>                              | <u>-0-</u>                   | <u>1,578,194</u>               |
| <b>Noncurrent Liabilities:</b>                |                              |                 |                                     |                                     |   |                              |                                |
| Revolving loans                               | 3,742,213                    | -0-             | -0-                                 | -0-                                 | -0-   | -0-                          | 3,742,213                      |
| Unearned charges                              | <u>487,248</u>               | <u>-0-</u>      | <u>-0-</u>                          | <u>-0-</u>                          | <u>-0-</u>                                  | <u>-0-</u>                   | <u>487,248</u>                 |
| Total noncurrent liabilities                  | <u>4,229,461</u>             | <u>-0-</u>      | <u>-0-</u>                          | <u>-0-</u>                          | <u>-0-</u>                                  | <u>-0-</u>                   | <u>4,229,461</u>               |
| Total liabilities                             | <u>4,810,654</u>             | <u>3,580</u>    | <u>73,138</u>                       | <u>293,702</u>                      | <u>626,581</u>                              | <u>-0-</u>                   | <u>5,807,655</u>               |
| <b>Net Assets:</b>                            |                              |                 |                                     |                                     |   |                              |                                |
| Without donor restrictions                    | <u>103,638</u>               | <u>-0-</u>      | <u>-0-</u>                          | <u>-0-</u>                          | <u>-0-</u>                                  | <u>-0-</u>                   | <u>103,638</u>                 |
| Total net assets                              | <u>103,638</u>               | <u>-0-</u>      | <u>-0-</u>                          | <u>-0-</u>                          | <u>-0-</u>                                  | <u>-0-</u>                   | <u>103,638</u>                 |
| Total liabilities and net assets              | <u>\$ 4,914,292</u>          | <u>\$ 3,580</u> | <u>\$ 73,138</u>                    | <u>\$ 293,702</u>                   | <u>\$ 626,581</u>                           | <u>\$ -0-</u>                | <u>\$ 5,911,293</u>            |

See Independent Auditors' Report on Supplementary Information.



**NEW ORLEANS REDEVELOPMENT UNLIMITED**  
**COMBINING STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

|   | <u>General Fund</u><br><u>Unrestricted</u> | <u>JP Morgan</u> | <u>Construction</u><br><u>Lending</u><br><u>Expanded</u> | <u>Construction</u><br><u>Lending</u><br><u>Extended</u> | <u>Orleans</u><br><u>Housing</u><br><u>Investment</u><br><u>Program</u> | <u>Ford</u><br><u>Public</u><br><u>Ecosystems</u> | <u>Totals</u><br><u>(Memorandum</u><br><u>Only)</u> |
|---|--|------------------|--|--|---|---|---|
| Operating Activities:   |  |                  |  |  |   |   |   |
| Grants  | \$ -0-                                     | \$81,552         | \$ 2,740   | \$ -0-   | \$1,122,050   | \$ -0-  | \$1,206,342   |
| Contributions   | <u>-0-</u>                                 | <u>-0-</u>       | <u>-0-</u>   | <u>-0-</u>   | <u>-0-</u>  | <u>145,774</u>                                    | <u>145,774</u>                                      |
| Total operating revenues  | <u>-0-</u>                                 | <u>81,552</u>    | <u>2,740</u>   | <u>-0-</u>   | <u>1,122,050</u>  | <u>145,774</u>                                    | <u>1,352,116</u>                                    |
| Expenses:   |  |                  |  |  |   |   |   |
| Program services  | -0-  | 81,090           | 2,740  | -0-  | 1,122,050   | 141,270   | 1,347,150   |
| Supporting services   | <u>21,205</u>                              | <u>-0-</u>       | <u>-0-</u>   | <u>-0-</u>   | <u>-0-</u>  | <u>-0-</u>  | <u>21,205</u>                                       |
| Total expenses  | <u>21,205</u>                              | <u>81,090</u>    | <u>2,740</u>   | <u>-0-</u>   | <u>1,122,050</u>  | <u>141,270</u>                                    | <u>1,368,355</u>                                    |
| Change in net assets from operating activities                  | <u>(21,205)</u>                            | <u>462</u>       | <u>-0-</u>   | <u>-0-</u>   | <u>-0-</u>  | <u>4,504</u>                                      | <u>(16,239)</u>                                     |
| Nonoperating Activities:  |  |                  |  |  |   |   |   |
| Interest income   | 9,651                                      | -0-              | -0-  | -0-  | -0-   | -0-   | 9,651   |
| Forfeitures and other   | 225  | -0-              | -0-  | -0-  | -0-   | -0-   | 225   |
| Support from (to)   | <u>4,966</u>                               | <u>(462)</u>     | <u>-0-</u>   | <u>-0-</u>   | <u>-0-</u>  | <u>(4,504)</u>                                    | <u>-0-</u>  |
| Total nonoperating activities                                   | <u>14,842</u>                              | <u>(462)</u>     | <u>-0-</u>   | <u>-0-</u>   | <u>-0-</u>  | <u>(4,504)</u>                                    | <u>9,876</u>  |
| Change in net assets from nonoperating activities               | <u>14,842</u>                              | <u>(462)</u>     | <u>-0-</u>   | <u>-0-</u>   | <u>-0-</u>  | <u>(4,504)</u>                                    | <u>9,876</u>  |
| Change in net assets from operating and nonoperating activities | (6,363)                                    | -0-              | -0-  | -0-  | -0-   | -0-   | (6,363)   |
| Net assets, beginning   | <u>110,001</u>                             | <u>-0-</u>       | <u>-0-</u>   | <u>-0-</u>   | <u>-0-</u>  | <u>-0-</u>  | <u>110,001</u>                                      |
| Net assets, ending  | <u>\$103,638</u>                           | <u>\$ -0-</u>    | <u>\$ -0-</u>  | <u>\$ -0-</u>  | <u>\$ -0-</u>   | <u>\$ -0-</u>                                     | <u>\$ 103,638</u>                                   |

See Independent Auditors' Report on Supplementary Information.

**EXHIBIT C**

**NEW ORLEANS REDEVELOPMENT UNLIMITED  
COMBINING STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2021**

|   | <u>General Fund Unrestricted</u> |                   | <u>JP Morgan Chase</u> |                   | <u>Ford Public Ecosystems</u> |                   | <u>Construction Leading<br/>Expanded Target Area</u> |                   | <u>Orleans Housing<br/>Investment Program</u> |                   | <u>Totals (Memorandum Only)</u> |                   |
|---|----------------------------------|-------------------|------------------------|-------------------|-------------------------------|-------------------|--|-------------------|---|-------------------|---------------------------------|-------------------|
|   | <u>Program</u>                   | <u>Supportive</u> | <u>Program</u>         | <u>Supportive</u> | <u>Program</u>                | <u>Supportive</u> | <u>Program</u>                                       | <u>Supportive</u> | <u>Program</u>                                | <u>Supportive</u> | <u>Program</u>                  | <u>Supportive</u> |
|   | <u>Services</u>                  | <u>Services</u>   | <u>Services</u>        | <u>Services</u>   | <u>Services</u>               | <u>Services</u>   | <u>Services</u>                                      | <u>Services</u>   | <u>Services</u>                               | <u>Services</u>   | <u>Services</u>                 | <u>Services</u>   |
| <b>Expenditures</b>                         |                                  |                   |                        |                   |                               |                   |  |                   |   |                   |                                 |                   |
| <b>Operations:</b>                          |                                  |                   |                        |                   |                               |                   |  |                   |   |                   |                                 |                   |
| Personnel Salaries & Wages                  | -0-                              | -0-               | \$ 16,824              | -0-               | \$ 18,718                     | -0-               | -0-  | -0-               | \$ 122,480                                    | -0-               | \$ 158,022                      | -0-               |
| Personnel Services Employee Benefits        | -0-                              | -0-               | 3,767                  | -0-               | 2,610                         | -0-               | -0-  | -0-               | 28,001  | -0-               | 34,378                          | -0-               |
| Purchased Professional & Technical Services | -0-                              | 11,540            | -0-                    | -0-               | 119,754                       | -0-               | -0-  | -0-               | -   | -0-               | 119,754                         | 11,540            |
| Purchased Property Services                 | -0-                              | 6,691             | 95                     | -0-               | 38                            | -0-               | -0-  | -0-               | 809   | -0-               | 942                             | 6,691             |
| Insurance                                   | -0-                              | 2,846             | 361                    | -0-               | 142                           | -0-               | -0-  | -0-               | 2,008   | -0-               | 2,511                           | 2,846             |
| Other Purchased Services                    | -0-                              | 128               | -0-                    | -0-               | -0-                           | -0-               | -0-  | -0-               | -   | -0-               | -0-                             | 128               |
| Property                                    | -0-                              | -0-               | 43                     | -0-               | 9                             | -0-               | -0-  | -0-               | 205   | -0-               | 257                             | -0-               |
| Programs                                    | -0-                              | -0-               | 60,000                 | -0-               | -0-                           | -0-               | 2,740  | -0-               | 968,546                                       | -0-               | 1,031,286                       | -0-               |
| Other Uses                                  | -0-                              | -0-               | -0-                    | -0-               | -0-                           | -0-               | -0-  | -0-               | -0-   | -0-               | -0-                             | -0-               |
| <b>Total Expenditures:</b>                  | <u>-0-</u>                       | <u>\$ 21,205</u>  | <u>\$ 81,090</u>       | <u>-0-</u>        | <u>\$ 141,271</u>             | <u>-0-</u>        | <u>\$ 2,740</u>                                      | <u>-0-</u>        | <u>\$1,122,049</u>                            | <u>-0-</u>        | <u>\$ 1,347,150</u>             | <u>\$ 21,205</u>  |

See Independent Auditors' Report on Supplementary Information.

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

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

We have audited 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 of America, the financial statements of **New Orleans Redevelopment Unlimited, Inc. (NORU)** which comprise the statement of financial position, as of December 31, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated June 30, 2022.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered **NORU's** internal control over financial reporting as a basis for designing the 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 **NORU's** internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of **NORU's** internal control over financial reporting.

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

**Internal Control Over Financial Reporting, Continued**

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

*A deficiency in internal control* over financial reporting 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 significant deficiency* over financial reporting is a deficiency, or a combination of deficiencies in internal control over financial reporting, that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

*A material weakness* over financial reporting is a deficiency or a combination of deficiencies in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of NORU's financial statements will not be prevented, or detected and corrected in a timely basis.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether NORU's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the 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 that are required to be

reported under *Government Auditing Standards*.

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

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing and not to provide an opinion on the effectiveness of NORU's internal control over financial reporting or on compliance. This 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. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Bruno & Tervalon LLP*

**BRUNO & TERVALON LLP**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
New Orleans, Louisiana

June 30, 2022

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY *THE UNIFORM GUIDANCE*

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

**Report on Compliance for Major Federal Program**

***Opinion on Major Federal Program***

We have audited New Orleans Redevelopment Unlimited's (NORU) compliance with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on NORU's major federal program for the year ended December 31, 2021. NORU's major federal program is identified in the Summary of Auditors' Results section of the accompanying Summary Schedule of Findings and Questioned Costs.

In our opinion NORU complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2021.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE  
(CONTINUED)

***Basis for Opinion on 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 *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 NORU 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 the major federal program. Our audit does not provide a legal determination of NORU's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to NORU's federal program.

***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 NORU's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the *Uniform Guidance* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve

collusion, forgery, intentional omissions, misrepresentations, or the override of internal  
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE  
(CONTINUED)

*Auditor's Responsibilities for the Audit of Compliance, Continued*

control. Noncompliance with the compliance requirements previously referred to 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 NORU's compliance with the requirements of its 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 judgement 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 previously regarding NORU's compliance with the compliance requirements previously referred to and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of NORU's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *Uniform Guidance*, but not for the purpose of expressing an opinion on the effectiveness of NORU's internal control over compliance. Accordingly, no such opinion is expressed.

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



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE  
(CONTINUED)

**Report on Internal Control Over Compliance**

Our consideration of internal control over compliance was for the purpose described in the Auditor's Responsibilities for the Audit of Compliance section 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.

*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 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 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.

A *material weakness* in internal control over compliance 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 in a timely basis.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE  
(CONTINUED)

**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.

*Bruno & Tervalon LLP*

**BRUNO & TERVALON LLP**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
New Orleans, Louisiana

June 30, 2022

**NEW ORLEANS REDEVELOPMENT UNLIMITED, INC.**  
**SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

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**Section I - Summary of Auditors' Results**

***Financial Statements***

|   |               |
|---|---------------|
| Type of Auditor's report issued:                      | Unmodified    |
| Internal control over financial reporting:            |               |
| Material weakness(es) identified?                     | No            |
| Significant deficiency(ies) identified?               | None Reported |
| Noncompliance material to financial statements noted? | No            |

***Federal Awards***

|  |               |
|--|---------------|
| Internal control over major programs:  |               |
| Material weakness(es) identified?  | No            |
| Significant deficiency(ies) identified?  | None Reported |
| Type of auditor's report issued on compliance for major programs:  | Unmodified    |
| Any audit findings disclosed that are required to be reported in accordance with <i>the Uniform Guidance</i> ? | No            |

**NEW ORLEANS REDEVELOPMENT UNLIMITED, INC.**  
**SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

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**Section I - Summary of Auditors' Results, Continued**

*Federal Awards, Continued*

Identification of major programs:

| <u>CFDA Number</u>  | <u>Name of Federal Program or Cluster</u> |
|---|---|
| 14.228  | Orleans Housing Investment<br>Program     |
| Dollar threshold used to distinguish<br>between type A and type B programs: | \$750,000                                 |
| Auditee qualified as low-risk auditee?                                      | Yes                                       |

**NEW ORLEANS REDEVELOPMENT UNLIMITED, INC.**  
**SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

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**Section II - Financial Statement Findings and Questioned Costs**

No financial statement findings and questioned costs were reported for the year ended December 31, 2021.

**Section III - Federal Award Findings and Questioned Costs**

No federal award findings and questioned costs were reported for the year ended December 31, 2021.

**Section IV - Status of Prior Year's Findings and Questioned Costs**

No prior year findings and questioned costs were reported for the year ended December 31, 2021.

**NEW ORLEANS REDEVELOPMENT UNLIMITED, INC.**

**EXIT CONFERENCE**

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Exit conferences were held with representatives of NORU. The contents of this report were discussed and management indicated their concurrence in all material respects. The following were in attendance and/or participated in various discussions:

**NEW ORLEANS REDEVELOPMENT UNLIMITED, INC.**

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|                       |                            |
|-----------------------|----------------------------|
| Mr. Wayne Woods       | -- Board President         |
| *Ms. Brenda M. Breaux | -- Executive Director      |
| Mr. Derrick Muse      | -- Chief Financial Officer |

**BRUNO & TERVALON LLP, CERTIFIED PUBLIC ACCOUNTANTS**

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|  |            |
|--|------------|
| Paul K. Andoh, Sr., CPA, MBA, CGFM, CGMA | -- Partner |
| Jeremy Buffington                        | -- Senior  |

\*Ms. Brenda M. Breaux has primary responsibility for the responses and action plans in connection with all findings listed in this report.

**INDEPENDENT AUDITORS' REPORT ON OTHER MATTERS  
RELATED TO INTERNAL CONTROL**

Ms. Brenda Breaux, Executive Director  
**New Orleans Redevelopment Unlimited, Inc.**  
New Orleans, Louisiana

Management of **New Orleans Redevelopment Unlimited, Inc. (NORU)** is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit of the financial statements of **NORU**, as of and for the year ended December 31, 2021 in accordance with auditing standards generally accepted in the United States of America, we considered **NORU's** internal control to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and 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.

As a part of our audit, we reviewed the current status of prior year's other matters with management. We previously reported on **NORU's** internal control in our report dated June 30, 2022. This letter does not affect our report dated June 30, 2022 on the financial statements or internal control of **NORU**.

Further, we will review the status of other matters during our next audit engagement. We have already discussed the current status of prior year's other matters with **NORU's** management, and will be pleased to discuss in further detail at your convenience.

**INDEPENDENT AUDITORS' REPORT ON OTHER MATTERS  
RELATED TO INTERNAL CONTROL  
(CONTINUED)**

*Current Year's Other Matters*

2021

For the year ended December 31, 2021, no other matters related to internal control were reported.

*Prior Year's Other Matter*

2020

For the year ended December 31, 2021, all prior year's other matters were reported as resolved.

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As always, we appreciate the courtesies extended to us by you and your staff during our audit. Should you have any questions and/or require further detail, please do not hesitate to call.

This report is intended solely for the information and use of management, the Board of Directors and is not intended to be and should be used by anyone other than these specified parties.

*Bruno & Tervalon LLP*

**BRUNO & TERVALON LLP**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
New Orleans, Louisiana

June 30, 2022



**NEW ORLEANS REDEVELOPMENT UNLIMITED**  
**INDEPENDENT ACCOUNTANTS' REPORT**  
**ON**  
**APPLYING STATEWIDE AGREED-UPON PROCEDURES**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

**INDEPENDENT ACCOUNTANTS' REPORT  
ON  
APPLYING STATEWIDE AGREED-UPON PROCEDURES**

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To the Board of Directors  
**New Orleans Redevelopment Unlimited**  
New Orleans, Louisiana

We have performed the procedures enumerated below, which were agreed to by **New Orleans Redevelopment Unlimited (NORU)** and the Louisiana Legislative Auditor (LLA) on the control and compliance areas identified in the Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures (SAUP) for the year ended December 31, 2021. **NORU's** management is responsible for those compliance and control areas identified in the SAUP.

This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the following procedures described either for the purpose for which this report has been requested or for any other purpose.

**INDEPENDENT ACCOUNTANTS' REPORT  
ON  
APPLYING STATEWIDE AGREED-UPON PROCEDURES  
(CONTINUED)**

The procedures and related findings to the SAUP are as follows:

**Written Policies and Procedures**

**1. Procedures**

We obtained and inspected NORU's written policies and procedures and observed that they addressed each of the following categories and subcategories, as applicable:

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

**Finding**

**No exceptions noted.**

- 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.

**Finding**

**No exceptions noted.**

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

**Finding**

**No exceptions noted.**

**INDEPENDENT ACCOUNTANTS' REPORT  
ON  
APPLYING STATEWIDE AGREED-UPON PROCEDURES  
(CONTINUED)**

**Written Policies and Procedures, Continued**

**1. Procedures, Continued**

- d) *Receipts*, including receiving, recording, and preparing deposits and completeness of all collections.

**Finding**

**No exceptions noted.**

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

**Finding**

**No exceptions noted.**

- f) *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.

**Finding**

**No exceptions noted.**

**INDEPENDENT ACCOUNTANTS' REPORT  
ON  
APPLYING STATEWIDE AGREED-UPON PROCEDURES  
(CONTINUED)**

**Board (or Finance Committee, if applicable)**

**2. Procedures**

We obtained and reviewed the board/committee minutes as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

- a) Reported whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.

**Finding**

**No exceptions noted.**

- b) Reported whether the minutes referenced financial activity relating to the public funds comprised more than 10% of NORU's collection during the year ended December 31, 2021.

**Finding**

**No exceptions noted.**

**INDEPENDENT ACCOUNTANTS' REPORT  
ON  
APPLYING STATEWIDE AGREED-UPON PROCEDURES  
(CONTINUED)**

**Bank Reconciliations**

**3. Procedures**

We obtained a listing of NORU's bank accounts for the year ended December 31, 2021 from management and management's representation that the listing is complete.

**Finding**

**No exceptions noted.**

**4. Procedures**

Using the listing provided by management, we selected NORU's main operating and only bank account. For the bank account selected, we obtained bank statements and reconciliations for one month in the fiscal period and observed that:

- a) Bank reconciliation bear evidence that they have been prepared within two (2) months of the related statements closing date.

**Finding**

**No exceptions noted.**

- b) Bank reconciliation included evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation.

**Finding**

**No exceptions noted.**

**INDEPENDENT ACCOUNTANTS' REPORT  
ON  
APPLYING STATEWIDE AGREED-UPON PROCEDURES  
(CONTINUED)**

**Bank Reconciliations, Continued**

**4. Procedures, Continued**

- c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than twelve (12) months as of the end of the fiscal period.

**Finding**

**No exceptions noted.**

**Collections**

**5. Procedures**

We obtained a listing of cash/check/money order (cash) deposit site(s) and collection location(s) for the fiscal year and management's representation that the listing is complete.

**Finding**

**No exceptions noted.**

**6. Procedures**

Using the listing provided by management, we randomly selected NORU's only cash collection location. For the cash collection location selected, we observed that job duties are properly segregated to each collection location such that:

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

**INDEPENDENT ACCOUNTANTS' REPORT  
ON  
APPLYING STATEWIDE AGREED-UPON PROCEDURES  
(CONTINUED)**

**Collections, Continued**

**6. Procedures, Continued**

**Finding**

**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.

**Finding**

**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 is responsible for reconciling ledger posting to each other and to the deposit.

**Finding**

**No exceptions noted.**

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

**Finding**

**No exceptions noted.**



**INDEPENDENT ACCOUNTANTS' REPORT  
ON  
APPLYING STATEWIDE AGREED-UPON PROCEDURES  
(CONTINUED)**

**Collections, Continued**

**7. Procedures, Continued**

We obtained from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observed the bond or insurance policy for theft was in force during the fiscal period.

**Finding**

**No exceptions noted.**

**8. Procedures**

We randomly selected two (2) deposit dates for the only bank account selected for procedure #4 under "Bank Reconciliations". We obtained supporting documentation for each of the two (2) deposits and:

- a) We observed that receipts are sequentially pre-numbered.

**Finding**

**No exceptions noted.**

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

**Finding**

**No exceptions noted.**

**INDEPENDENT ACCOUNTANTS' REPORT  
ON  
APPLYING STATEWIDE AGREED-UPON PROCEDURES  
(CONTINUED)**

**Collections, Continued**

**8. Procedures, Continued**

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

**Finding**

**No exceptions noted.**

d) We observed 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).

**Finding**

**No exceptions noted.**

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

**Finding**

**No exceptions noted.**

**INDEPENDENT ACCOUNTANTS' REPORT**  
**ON**  
**APPLYING STATEWIDE AGREED-UPON PROCEDURES**  
**(CONTINUED)**

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

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**9. Procedures**

We obtained a listing of location(s) that process payments for the year ended December 31, 2021 and management's representation that the listing is complete. We selected NORU's only process payment location.

**Finding**

**No exceptions noted.**

**10. Procedures**

For NORU's payment location selected under #9 above, we obtained a listing of those employees involved with non-payroll purchasing and payment functions. We obtained written policies and procedures relating to employee job duties, and observed that job duties are properly segregated such that:

- a) At least two (2) employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

**Finding**

**No exceptions noted.**

- b) At least two (2) employees are involved in processing and approving payments to vendors.

**Finding**

**No exceptions noted.**

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

**INDEPENDENT ACCOUNTANTS' REPORT  
ON  
APPLYING STATEWIDE AGREED-UPON PROCEDURES  
(CONTINUED)**

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

---

**10. Procedures, Continued**

Finding

**No exceptions noted.**

- d) Either the employee responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments:

Finding

**No exceptions noted.**

**11. Procedures**

For the location selected under #9, we obtained NORU's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtained management's representation that the population is complete. We randomly selected five (5) disbursements for the location, and obtained supporting documentation for each transaction and:

- a) We observed that the disbursement matched the related original invoice and supporting documentation indicates deliverables included in the invoice were received by NORU.

**INDEPENDENT ACCOUNTANTS' REPORT**  
**ON**  
**APPLYING STATEWIDE AGREED-UPON PROCEDURES**  
**(CONTINUED)**

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

---

**11. Procedures, Continued**

Finding

**No exceptions noted.**

- b) We observed that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #10 as applicable.

Finding

**No exceptions noted.**

**Contracts**

**12. Procedures**

We obtained from management a listing of all agreements and contracts for professional services, material and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Also, obtained management's representation that the listing is complete. We randomly selected five (5) contracts (or all contracts if less than 5) from the listing.

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

Finding

**No exceptions noted.**

**INDEPENDENT ACCOUNTANTS' REPORT  
ON  
APPLYING STATEWIDE AGREED-UPON PROCEDURES  
(CONTINUED)**

**Contracts, Continued**

**12. Procedures, Continued**

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

**Finding**

**No exceptions noted.**

- 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.

**Finding**

**No exceptions noted.**

- d) We randomly selected one (1) payment from the fiscal period for each of the five (5) contracts, obtained the supporting invoice, agreed the invoice to the contract terms, and observed the invoice and related payment agreed to the terms and conditions of the contract.

**Finding**

**No exceptions noted.**

**INDEPENDENT ACCOUNTANTS' REPORT  
ON  
APPLYING STATEWIDE AGREED-UPON PROCEDURES  
(CONTINUED)**

**Fraud Notice**

**13. Procedures**

We obtained a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. We selected all misappropriations on the listing, obtained supporting documentation, and observed that NORU reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which NORU is domiciled.

**Finding**

**No exceptions noted.**

**14. Procedures**

We observed that NORU 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.

**Finding**

**No exceptions noted.**

**Information Technology Disaster Recovery/Business Continuity**

**15. Procedures**

We performed the following procedures, verbally discussed the results with management and reported that "we performed the procedure and discussed the results with management."

**INDEPENDENT ACCOUNTANTS' REPORT  
ON  
APPLYING STATEWIDE AGREED-UPON PROCEDURES  
(CONTINUED)**

***Information Technology Disaster Recovery/Business Continuity, Continued***

**15. Procedures, Continued**

- a) We obtained and inspected NORU'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.
- b) We obtained and inspected NORU's most recent documentation that it has tested and 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.
- c) We obtained a listing of NORU's computers currently in use and their related locations, and management's representation that the listing is complete. We randomly selected five (5) computers and observed 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.

**Finding**

**We performed the procedures and discussed the results with management.**



**INDEPENDENT ACCOUNTANTS' REPORT  
ON  
APPLYING STATEWIDE AGREED-UPON PROCEDURES  
(CONTINUED)**

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We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions, respectively, on those compliance and control areas identified in the SAUP. 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.

The purpose of this report is solely to describe the scope of testing performed on those compliance and control areas identified in the SAUP, 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 Legislative Auditor as a public document.

*Bruno & Tervalon LLP*

**BRUNO & TERVALON LLP**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
New Orleans, Louisiana

June 30, 2022