

NEW ORLEANS REDEVELOPMENT AUTHORITY

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

FOR THE YEAR ENDED DECEMBER 31, 2021

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INDEPENDENT AUDITORS' REPORT

Board of Commissioners
New Orleans Redevelopment Authority
New Orleans, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the discretely presented component unit information, and the aggregate remaining funds of **New Orleans Redevelopment Authority (NORA)** as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise **NORA's** basic financial statements as listed in the Table of Contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, the discretely presented component unit information and the aggregate remaining fund information of **NORA**, as of December 31, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States 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 **NORA** and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit.

INDEPENDENT AUDITORS' REPORT
(CONTINUED)

Board of Commissioners
New Orleans Redevelopment Authority
New Orleans, Louisiana

Basis for Opinions, Continued

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about **NORA's** ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

INDEPENDENT AUDITORS' REPORT
(CONTINUED)

Board of Commissioners
New Orleans Redevelopment Authority
New Orleans, Louisiana

Auditor's Responsibilities for the Audit of the Financial Statements

In performing an audit in accordance with auditing standards generally accepted in the United States of America 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 **NORA's** internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about **NORA's** ability to continue as a going concern for a reasonable period of time.

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

INDEPENDENT AUDITORS' REPORT
(CONTINUED)

Board of Commissioners
New Orleans Redevelopment Authority
New Orleans, Louisiana

Emphasis of a Matter

As described in NOTE 3, other post-retirement benefits liability at December 31, 2021 was \$1,641,901. The liability was based on various actuarial valuation assumptions made by the respective fund's actuary and management of **NORA**. Because actual experience may differ from the assumptions used in the actuarial valuation, there is the risk that the liability at December 31, 2021 could be under or over stated.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 6 through 16 and Schedules III (Schedule of Other Post Employment Benefit Plan - OPEB) and IV (Schedule of Contribution) on pages 103-104 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

INDEPENDENT AUDITORS' REPORT
(CONTINUED)

Board of Commissioners
New Orleans Redevelopment Authority
New Orleans, Louisiana

Other Matters, Continued

Other Information

Management is responsible for the other information included in the annual report. The other information listed as Exhibits A, B, C, D, E, F, G, and H does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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 NORA'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 the effectiveness of NORA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering NORA'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 AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS

This report offers readers of these financial statements an overview and analysis of the financial activities of **New Orleans Redevelopment Authority (NORA)** as of and for the year ended December 31, 2021 in comparison to December 31, 2020. This narrative is designed to assist the reader in focusing on significant financial issues, identify changes in **NORA's** financial position, identify any material deviations from the approved budget documents, and identify individual fund issues or concerns.

The Management's Discussion and Analysis (MD&A) is designed to focus on **NORA's** current year activities, resulting changes and currently known facts.

FINANCIAL HIGHLIGHTS

NORA's assets exceeded its liabilities by \$3,903,374 and \$3,834,041 for the years ended 2021 and 2020.

NORA's total net position increased at December 31, 2021 by \$269,229 prior to the effect of a prior period adjustment of \$199,896, totaling \$69,333. For 2020, net position increased by \$343,756, prior to the effect of a prior period adjustment of \$214,238 totaling \$557,994. The increase in net position for the years ended December 31, 2021 and 2020 was primarily due to growth in income from sales of property and reversion activities. For the years ended December 31, 2021 and 2020, net revenues (expenses) were \$(16,081) and \$52,177, respectively for governmental activities. Similarly, net revenues (expenses) for the business type activities were \$285,310 in 2021 and \$291,579 in 2020.

At December 31, 2021 and 2020, **NORA's** governmental funds reported combined fund balance of \$459,207 and \$397,373, respectively.

OVERVIEW OF THE FINANCIAL STATEMENTS

NORA's financial statements focus' on the government as a whole (government-wide), major individual funds and the aggregate remaining funds. Both perspectives (government-wide, major fund and the aggregate remaining funds) allow the reader to address relevant questions, broaden a basis for comparison (year to year of government to government) and should enhance **NORA's** accountability.

Management's Discussion and Analysis introduces **NORA's** basic financial statements. The basic financial statements include (1) government-wide financial statements, (2) fund level financial statements, and (3) notes to the financial statements. **NORA** also includes in this report additional information to supplement the basic financial statements.

NEW ORLEANS REDEVELOPMENT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS

Government-Wide Financial Statements

The government-wide financial statements on pages 17 through 19 are designed to be similar to private-sector business. These statements combine **NORA's** current financial resources with capital assets and long-term obligations.

The Statement of Net Position on pages 17 and 18 present information on all of **NORA's** assets and liabilities, with the difference between the two reported as net position. Over time, changes in net position may serve as a useful indicator of whether the financial position of **NORA** is improving or deteriorating.

At December 31, 2021 and 2020, **NORA** recorded a cumulative unfunded OPEB of \$1,641,901 and \$1,366,186, respectively.

Deferred inflows of resources at December 31, 2021 was \$32,479,292 and \$33,089,128 for December 31, 2020. The deferred inflows of resources represent the acquisition of funds applicable to future years.

At December 31, 2021 and 2020, **NORA** reported deferred inflow of resources (OPEB) of \$0 and \$335,470, respectively and \$275,715 and \$180,287 of deferred outflows of resources (OPEB).

The Statement of Activities on page 19, presents information showing how **NORA's** assets changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (i.e., earned but unused vacation leave result in cash flows for future periods). The focus of the Statement of Activities is on both the gross and net cost of various activities, which are provided by **NORA's** grant revenues. This is intended to summarize information and simplify the user's analysis of cost of various governmental services.

The governmental activities reflect **NORA's** basic services including the rehabilitation and/or removal of buildings and other improvements whose physical conditions render them detrimental to the safety and welfare of the public at large, and whose existence directly threatens the physical, social and economic stability of the surrounding neighborhood facilities and jeopardizes the well-being of the entire community. The business-type activities of **NORA** reflect the development of viable urban communities including decent housing and suitable living environments and expanding economic opportunities, principally for persons of low and moderate income.

NEW ORLEANS REDEVELOPMENT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS

These services are financed primarily with grants, proceeds from sales of inventory, and other charges.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Traditional users of governmental financial statements will find the fund financial statements presentation more familiar. The focus is now on major funds, rather than generic fund types. Within the basic financial statements, fund financial statements focus on **NORA's** most significant funds rather than **NORA** as a whole. Major funds are separately reported while others are combined into a single, aggregated presentation.

NORA's funds can be divided into two categories: *governmental funds* and *proprietary funds*.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. **NORA's** governmental funds on pages 20 through 29 are presented on a sources and uses of liquid resources basis. This is the manner in which the financial plan is typically developed excluding certain timing differences between the budget basis and accounting principles generally accepted in the United States of America.

Unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the year. Such information may be useful in evaluating **NORA's** current financing requirements.

Proprietary funds on pages 42 through 44 provide the same type of information as the government-wide financial statements, only in more detail for the enterprise fund.

The governmental major funds total column requires reconciling because of the different measurement focus which is reflected on the page following each statement. The reconciliation incorporates long-term obligations and capital assets, as applicable into the government-wide statements.

NEW ORLEANS REDEVELOPMENT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are a required part of the basic financial statements and can be found on pages 45 through 88 of the accompanying audit report.

Supplementary, Required Supplementary and Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information which can be found on pages 91 through 98 of this report. A Schedule of Expenditures of Federal Awards can be found on pages 99 and 100. Schedule II can be found on page 101. Also, the Required Supplementary Information (Scheduled III and IV) can be found on pages 102 and 103. The supplementary sections are included for additional information and analysis and do not constitute a part of the basic financial statements.

Using This Annual Report

Our auditors have provided assurance in their independent auditor's report located immediately preceding this Management's Discussion and Analysis. That opinion is unmodified with respect to the basic financial statements. Varying degrees of assurances are being provided by the auditors regarding the other information included in the report. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts of this report.

**NEW ORLEANS REDEVELOPMENT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Financial Analysis of NORA as a Whole

As year-to-year financial information is accumulated on a consistent basis, changes in net position may be observed and used to discuss the changing financial position of NORA as a whole.

STATEMENT OF NET POSITION COMPARATIVE DATA

	December 31,		Amount of Change
	2021	2020	Increase (Decrease)
Current assets	\$36,368,220	\$35,803,347	\$564,873
Noncurrent Assets	32,104,314	35,560,568	(3,456,254)
Deferred outflows	<u>275,715</u>	<u>180,287</u>	<u>95,428</u>
Total assets and deferred outflows of resources	<u>68,748,249</u>	<u>71,544,202</u>	<u>(2,795,953)</u>
Current liabilities	20,355,841	22,324,184	(1,968,343)
Noncurrent liabilities	<u>11,792,724</u>	<u>11,961,379</u>	<u>(168,655)</u>
Total liabilities	<u>32,148,565</u>	<u>34,285,563</u>	<u>(2,136,998)</u>
Deferred inflows of revenues	<u>32,696,310</u>	<u>33,424,598</u>	<u>(728,288)</u>
Total liabilities and deferred inflows of resources	<u>64,844,875</u>	<u>67,710,161</u>	
Net position:			
Net investment in capital assets	241,396	276,359	(34,963)
Unrestricted	3,617,978	3,513,682	104,296
Restricted	<u>44,000</u>	<u>44,000</u>	<u>-</u>
Net position	<u>3,903,374</u>	<u>3,834,041</u>	<u>69,333</u>

NORA's net position at December 31, 2021 and 2020 were \$3,903,374 and \$3,834,041. Of these amounts, \$241,396 and \$276,359 represents the amount of investment in capital assets in 2021 and 2020, respectively. The remaining \$3,617,978 for 2021 and \$3,513,682 for 2020 represent the unrestricted net position. There was no change in restricted net position for 2021 and 2020, totaling \$44,000.

NEW ORLEANS REDEVELOPMENT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS

NORA's net position at December 31, 2020 and 2019 were \$3,834,041 and \$3,276,047. Of these amounts, 276,359 and 311,088 represent the amount of investment in capital assets in 2020 and 2019, respectively. The remaining \$3,513,682 for 2020 and \$2,920,959 for 2019 represent unrestricted net position, and restricted net position of \$44,000 for 2020 and 2019, respectively.

Current assets increased from \$35,803,347 in 2020 to \$36,368,220 in 2021. The increase in current assets relate primarily to the disposition of land and structures in NORA's inventory under the Road Home Disposition Program and the timely collection of grants receivable and program income. These properties are disposed of through various development mechanisms with the income returned to the appropriate governmental entity.

Capital assets at December 31, 2021 reflects a decrease from 276,359 in 2020 to \$241,396 in 2021 and from \$311,088 in 2019 to 276,359 in 2020 as a result of the impact of depreciation expense.

At December 31, 2021, loans receivable net reflects a decrease of \$1,684,856 from 2020 and \$1,854,568 from 2019 due to the net impact of origination and payment of loans.

For 2021, current liabilities decreased from \$22,324,184 in 2020 to \$20,355,841 in 2021. This change was due to NORA's disposition and sale activities which furthered the redevelopment of blighted and abandoned properties.

Noncurrent liabilities decreased from \$11,961,379 in 2020 to \$11,792,724 in 2021 due to a decrease in unfunded other postemployment benefits.

NORA's major source of program revenues totaling \$5,415,933 and \$6,134,236 for the years ended December 31, 2021, and 2020, represent grants and/or contributions from governmental entities, proceeds from sale of real property and fees charged for services. The decrease is primarily attributable to the level of construction related activities more specifically related phase-out of the Disaster Commercial Corridors program and expense containment for the Road Home Property Disposition Program.

General revenues constitutes the remaining source of total revenues totaling \$4,020,756 in 2021 and \$5,003,320 in 2020 which are primarily the result of program income.

NORA's proprietary funds' revenue (program and general) resulted from the contributions, fees and other income in the amount of \$848,627 in 2021 and \$818,443 in 2020. NORA's major source of general revenues came as a result of program income.

Program expenses for the governmental activities were \$9,470,914 in 2021 and

**NEW ORLEANS REDEVELOPMENT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS**

\$10,266,936 in 2020 for the governmental funds. For the business-type activities expenses totaled \$563,317 for 2021 to \$526,864 in 2020.

The major components of program expenses for 2021 and 2020 were related to salaries and related fringe benefits, purchase or investment in the development of properties in New Orleans, property maintenance, and other contractual services related to property acquisition and redevelopment.

STATEMENT OF ACTIVITIES COMPARATIVE DATA FOR THE YEARS ENDED

	December 31,		Amount of Change
	2021	2020	Increase (Decrease)
Program Revenues:			
Operating Grants and Contributions	\$4,625,273	\$5,407,222	-\$781,949
Sales of Inventory	758,080	690,800	\$67,280
Fees and other	32,580	36,214	(3,634)
	<u>5,415,933</u>	<u>6,134,236</u>	<u>(718,303)</u>
General Revenues:			
Interest income	58,732	97,327	(38,595)
Program Income	3,586,281	3,502,373	83,908
Other Income	1,242,514	1,403,620	(161,106)
	<u>4,887,527</u>	<u>5,003,320</u>	<u>(115,793)</u>
Expenses:			
General expenses	10,034,231	10,793,800	(759,569)
Change in net position	269,229	343,756	(74,527)
Net position, beginning of year, as restated	<u>3,634,145</u>	<u>3,490,285</u>	<u>143,860</u>
Net position, end of year	3,903,374	3,834,041	69,333

Financial Analysis of NORA's Funds

Governmental Funds: As discussed, the focus of NORA's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing NORA's financing requirements. In particular, unreserved fund balance may serve as a useful measure of NORA's net resources available for spending at the end of the year.

NEW ORLEANS REDEVELOPMENT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS

At December 31, 2021 and 2020, **NORA's** governmental funds reported combined fund balance of \$459,207 and \$397,373, respectively.

Major Governmental Funds: The general fund is the chief operating fund of **NORA**. At December 31, 2021 and 2020, unreserved fund balance of the general fund was \$407,830 and \$348,765, respectively. Nonspendable fund balance at December 31, 2021 and 2020 were \$51,377 and \$48,608, respectively.

The Blighted Properties Removal Program Fund receives funding under contract with the City of New Orleans to provide rehabilitation, clearance and redevelopment of slums in blighted areas of the City of New Orleans. The fund balance always reflects a zero balance as this fund operates on a cost-reimbursement basis.

Proprietary Funds: The focus of **NORA's** proprietary funds is to provide the same type of information found in the government-wide financial statements, but in more detail.

Major Proprietary Funds: Net position at December 31, 2021 and 2020 amounted to \$5,008,357 and \$4,922,943, representing an increase of \$85,414. Of the total net position; net investment in capital assets were \$222,382 in 2021 and \$241,265 in 2020.

General Fund Budgetary Highlights

The Blighted Properties Removal Program Fund's entitlement program grants' original budgets for the fiscal years 2021 and 2020 were \$1,000,000 for each year.

In addition, **NORA** received blighted related program funding (City of New Orleans and State) to rehabilitate and redevelop blight properties.

Capital Asset and Debt Administration

At December 31, 2021 and 2020, **NORA** had \$241,396 and \$276,359 in investment in capital assets consisting principally of land. See NOTE 6 for detail composition of capital assets.

At December 31, 2021 and 2020 **NORA** had no debt.

**NEW ORLEANS REDEVELOPMENT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS**

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**NEW ORLEANS REDEVELOPMENT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Economic Factors and Next Year's Budget and Rates

NORA's budget for 2022 covers multiple years. Those sources include:

- City of New Orleans** **\$13.4M**
Funding from the City of New Orleans for administrative and program delivery costs, acquisition, disposition, residential and commercial redevelopment for blight reduction, management of disposition activities, redevelopment planning, and reuse of vacant blighted properties into active outdoor space. NORA has continued to grow as an organization and partner with the City of New Orleans to help realize its community development and redevelopment goals via affordable rental gap financing, development of model resilient homes, and small business assistance grants.
- Housing Construction Loan Fund** **\$5.8M**
(through the City of New Orleans and State of Louisiana)
Funding has been established for Housing Construction Loan Fund through NORA's non-profit subsidiary, New Orleans Redevelopment Unlimited, Inc. (NORU), to financially assist developers in the Gentilly Woods, Lower Ninth Ward, Pontchartrain Park, and New Orleans East neighborhoods in accelerating the redevelopment of vacant and blighted properties in these areas.
- National Disaster Resilience Competition (NDRC)** **\$1.3M**
Funds provided by the City of New Orleans with CDBG National Disaster Resilience (CDBG-NDR) awarded under the National Disaster Resilience Competition for the purpose of designing and implementing a program that offers new stormwater management interventions on privately owned property and benefits low/moderate income residents. The green infrastructure interventions will promote best practices in diverting stormwater away from the public drainage system.
- Neighborhood Stabilization (NSP2)** **\$.75M**
In February 2010, NORA was awarded \$29.7 million from the U.S. Department of Housing and Urban Development to fund the Neighborhood Stabilization 2 (NSP2) Program. NORA generated program income from the sale of homes it developed and repayment of homebuyer subsidy when homes are resold to non-qualified households. This Program Income has been retained and will be used to develop new affordable rental or homeownership units or provide homebuyer assistance on units qualified census tracts.
- Ford Foundation** **\$.47M**
NORA has secured approval from the Ford Foundation to dedicate the balance of this recoverable grant in support of long-term affordability for a portion of the 56 planned residential units at 1429-31 St. Bernard Avenue.

**NEW ORLEANS REDEVELOPMENT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS**

FEMA

\$.05M

Through FEMA Hazard Mitigation funding, NORA is authorized to complete construction administration for a stormwater management project on 45 NORA owned properties in Pontchartrain Park and Gentilly Woods. This project will reduce flood risk for existing residents and make the area more attractive for new housing investments.

Although NORA has a significant budget for 2021, there are still challenges that NORA must overcome. Primarily, all funding anticipated is on a cost reimbursement basis.

Requests for Information

The report is designed to provide a general overview of NORA's finances for all those that are interested in NORA's finances. Any questions concerning any of the enclosed information in this report and/or requests for additional information should be addressed to the Executive Director, New Orleans Redevelopment Authority, 1409 Oretha Castle Blvd., New Orleans, Louisiana 70113.

NEW ORLEANS REDEVELOPMENT AUTHORITY
STATEMENT OF NET POSITION
DECEMBER 31, 2021

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

	Governmental Activities	Business-Type Activities	Total Primary Unit	Component Unit
Current Assets:				
Cash unrestricted (NOTE 4)	\$875,234	\$1,207,163	\$2,082,397	\$110,487
Cash restricted (NOTE 5)	7,401,186	0	7,401,186	0
Amounts receivable (NOTE 17)	46,284	30,984	77,268	1,212
Grants receivable (NOTE 8)	1,920,219	0	1,920,219	884,641
Accrued interest receivable	311,973	0	311,973	0
Prepaid items and other assets (NOTE 19)	148,251	399	148,650	660
Land, unimproved land and structures (NOTE 7)	18,011,199	2,258,633	20,269,832	0
Due from other funds, net	1,878,611	0	1,878,611	0
Investments unrestricted (NOTE 20)	235,733	1,311,422	1,547,155	3,130,407
Investments restricted (NOTE 21)	192,725	0	192,725	0
Loans receivable, net (NOTE 24)		538,204	538,204	580,000
Total current assets	31,021,415	5,346,805	36,368,220	4,707,407
Noncurrent assets:				
Cash restricted (NOTE 5)	20,203,040	0	20,203,040	0
Capital assets, net (NOTE 6)	19,014	222,382	241,396	0
Loans receivable, net (NOTE 24)	11,659,878		11,659,878	1,067,248
Total noncurrent assets	31,881,932	222,382	32,104,314	1,067,248
Total assets	62,903,347	5,569,187	68,472,534	5,774,655
Deferred outflows of resources:				
Deferred outflows OPEB (NOTE 28)	275,715	0	275,715	0
Total assets and deferred outflow	\$ 63,179,062	\$ 5,569,187	\$ 68,748,249	\$ 5,774,655

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

NEW ORLEANS REDEVELOPMENT AUTHORITY
STATEMENT OF NET POSITION
DECEMBER 31, 2021

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION

	Governmental Activities	Business-Type Activities	Total Primary Unit	Component Unit
Current Liabilities:				
Amounts payable - vendors	\$922,215	\$4,954	\$927,169	\$137,773
Amounts payable - State of Louisiana	18,043,199	0	18,043,199	0
Accrued salaries, taxes and other withholdings payable	50,149	0	50,149	1,290
Deposits held for buyers (NOTE 15)	79,943	17,672	97,615	0
Due to other funds, net	1,157,251	0	1,157,251	722,493
Compensated absences payable (NOTE 14)	80,458	0	80,458	0
Current portion of unearned charges	0	0	0	580,000
Total current liabilities	20,333,215	22,626	20,355,841	1,441,556
Noncurrent liabilities:				
Compensated absences payable (NOTE 14)	193,696	0	193,696	0
Unfunded other post employment benefits (NOTE 3)	1,641,901	0	1,641,901	0
Revolving loans (NOTE 25)	9,957,127	0	9,957,127	3,742,213
Total noncurrent liabilities	11,792,724	0	11,792,724	3,742,213
Total liabilities	32,125,939	22,626	32,148,565	5,183,769
Deferred inflows of resources:				
Deferred grant funds and cost of assets (NOTE 27)	31,941,088	538,204	32,479,292	0
Deferred inflow other post employment liability	0	0	0	0
Deferred other	217,018	0	217,018	0
Unearned revenues	0	0	0	487,248
Total deferred inflows of resources:	32,158,106	538,204	32,696,310	487,248
Total liabilities and deferred inflows of resources:	64,284,045	560,830	64,844,875	5,671,017
Net position				
Net investment in capital asset:				
Unrestricted	19,014	222,382	241,396	0
Restricted (NOTE 29)	(1,123,997)	4,741,975	3,617,978	103,638
	0	44,000	44,000	0
Total net position	(\$1,104,983)	\$5,008,357	\$3,903,374	\$103,638

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

NEW ORLEANS REDEVELOPMENT AUTHORITY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

Functions	PROGRAM REVENUES			NET (EXPENSES) REVENUES AND CHANGES IN NET POSITION			
	Expenses	Charges For Services	Grants/ Contributions	Governmental Activities	Business Type Activities	Total Primary Unit	Component Units
Government Activities							
Blighted Properties Removal Program:							
Community Development Block Grant:							
Nonmajor	\$ 2,129,658		\$ 2,203,603	73,945	\$ 0	73,945	\$ 0
Disaster O. C. Haley	557,860		503,318	(54,542)	0	(54,542)	0
Road Home Property Disposition	2,787,780		0	(2,787,780)	0	(2,787,780)	0
Construction Lending Expanded	0		0	0	0	0	141,271
Construction Lending Extended	0		0	0	0	0	2,740
Housing Opportunity Zone	0		0	0	0	0	0
Orleans Housing Investment Program	1,088,034		0	0	0	0	1,122,048
National Disaster Resilience Competition	1,918,352		1,918,352	0	0	0	0
Façade Renew 2.0	0		0	0	0	0	0
General Fund	989,230		0	(989,230)	0	(989,230)	102,295
Strategic Acquisition Fund	0		0	0	0	0	0
Total governmental activities	<u>\$ 9,470,914</u>	<u>\$ 0</u>	<u>\$ 4,625,273</u>	<u>\$ (4,845,641)</u>	<u>\$ 0</u>	<u>\$ (4,845,641)</u>	<u>\$ 1,368,355</u>
Business-type Activities:							
Real Estate Acquisition and Land Banking Mechanism	\$ 563,317	\$ 32,580	\$ 0	\$ 0	\$ (530,737)	\$ (530,737)	\$ 0
Total business-type activities	<u>\$ 563,317</u>	<u>\$ 32,580</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (530,737)</u>	<u>\$ (530,737)</u>	<u>\$ 0</u>
Component Units:							
New Orleans Redevelopment Unlimited	0	0	0	0	0	0	1,352,116
Total component units	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,352,116</u>
General Revenues:							
Interest income				57,919	813	58,732	9,651
Program income				3,586,281	758,080	4,344,361	0
Other Revenue				1,185,360	57,154	1,242,514	225
Total general revenues				<u>4,829,560</u>	<u>816,047</u>	<u>5,645,607</u>	<u>9,876</u>
Changes in net position				<u>(16,081)</u>	<u>285,310</u>	<u>269,229</u>	<u>(6,363)</u>
Net Assets, beginning of year				<u>(1,088,902)</u>	<u>4,922,943</u>	<u>3,834,041</u>	<u>110,001</u>
Prior Period adjustment (NOTE 31)					<u>(199,896)</u>	<u>(199,896)</u>	<u>0</u>
Net position, beginning of year, as restated				<u>(1,088,902)</u>	<u>4,723,047</u>	<u>3,634,145</u>	<u>110,001</u>
Net position, end of year				<u>\$ (1,104,983)</u>	<u>\$ 5,008,357</u>	<u>3,903,374</u>	<u>\$ 103,638</u>

The accompanying notes are an integral part of these financial statements

NEW ORLEANS REDEVELOPMENT AUTHORITY
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2021

ASSETS

	GOVERNMENTAL FUNDS						Total Governmental Funds
	General Fund	CDBG - Disaster Oretha Castle Haley Fund	Road Home Property Disposition Fund	National Disaster Resilience Competition	Orleans Housing Investment Program	Nonmajor Governmental Funds	
Cash unrestricted	\$ 875,234	\$0	\$0	\$0	\$0	\$0	\$ 875,234
Cash restricted	0	1,957,056	11,829,650	8,473	6,154,734	7,654,313	27,604,226
Amounts receivable, net	0	0	14,650	0	0	31,634	46,284
Accrued interest receivable	0	311,973	0	0	0	0	311,973
Prepaid items and other assets	51,377	0	50,650	0	0	46,224	148,251
Grants receivable	0	0	0	479,567	0	1,166,498	1,646,065
Loans receivable, net	777,720	7,261,093	1,428,735	0	0	2,192,330	11,659,878
Due from other funds	1,878,611	0	0	0	0	0	1,878,611
Investments unrestricted	235,733	0	0	0	0	0	235,733
Investments restricted	0	0	0	0	0	192,725	192,725
Land, unimproved land and structures	0	0	13,983,750	0	0	4,027,449	18,011,199
Total assets	\$ 3,818,675	\$ 9,530,122	\$ 27,307,435	\$ 488,040	\$ 6,154,734	\$ 15,311,173	\$ 62,610,179

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

NEW ORLEANS REDEVELOPMENT AUTHORITY
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2021

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)

	GOVERNMENTAL FUNDS						Total Governmental Funds
	General Fund	CDBG - Disaster Oretha Castle Haley Fund	Road Home Property Disposition Fund	National Disaster Resilience Competition	Orleans Housing Investment Program	Nonmajor Governmental Funds	
Liabilities:							
Accounts payable - vendors	\$ 39,512	\$ 55,650	\$ 107,670	\$ 487,933	\$ 137,593	\$ 93,857	\$ 922,215
Amounts payable - State of Louisiana	0	0	13,983,750	0	0	4,059,449	18,043,199
Due to other funds	27,858	0	0	0	0	1,129,393	1,157,251
Salaries and related payroll taxes payable	8,704	294	15,493	107	0	25,551	50,149
Revolving loans	777,720	7,479,407	0	0	0	1,700,000	9,957,127
Deposits held for buyers	0	0	77,939	0	0	2,004	79,943
Total liabilities	853,794	7,535,351	14,184,852	488,040	137,593	7,010,254	30,209,884
Deferred inflows of resources:							
Deferred grant funds and cost of assets	2,505,674	1,994,771	13,122,583	0	6,017,141	8,300,919	31,941,088
Total deferred inflows of resources:	2,505,674	1,994,771	13,122,583	0	6,017,141	8,300,919	31,941,088
Fund balances:							
Nonspendable	51,377	0	0	0	0	0	51,377
Unassigned	407,830	0	0	0	0	0	407,830
Total fund balances:	459,207	0	0	0	0	0	459,207
Total liabilities, deferred inflows of resources, and fund balances:	\$ 3,818,675	\$ 9,530,122	\$ 27,307,435	\$ 488,040	\$ 6,154,734	\$ 15,311,173	\$ 62,610,179

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

NEW ORLEANS REDEVELOPMENT AUTHORITY
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2021

ASSETS

NON-MAJOR GOVERNMENTAL FUNDS

	<u>Entitlement</u>	<u>Target Zone</u>	<u>PRC Operation Comeback</u>	<u>Construction Lending Extended</u>	<u>Housing Opportunity Zone</u>	<u>Page Total</u>
Cash unrestricted	\$0	\$0	\$0	\$0	\$0	\$0
Cash restricted	650	74,603	0	11,711	0	86,964
Amounts receivable, net	0	0	0	0	0	0
Accrued interest receivable	0	0	0	0	0	0
Prepaid items and other assets	10,599	0	0	0	0	10,599
Grants receivable	991,044	0	0	82,395	0	1,073,439
Loans receivable, net	0	61,811	0	0	0	61,811
Due from other funds	0	0	0	0	0	0
Investments unrestricted	0	0	0	0	0	0
Investments restricted	0	0	0	0	0	0
Land, unimproved land and structures	603	98,400	0	0	0	99,003
Total assets	\$ 1,002,896	\$ 234,814	\$0	\$94,106	0	\$ 1,331,816

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

NEW ORLEANS REDEVELOPMENT AUTHORITY
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2021

ASSETS

	NON-MAJOR GOVERNMENTAL FUNDS				Page Total
	Construction Lending Expanded	Neighborhood Stabilization Program 2	Affordable Housing Pilot Program	Housing Mitigation Grant Program	
Cash unrestricted	\$0	\$0	\$0	\$0	\$0
Cash restricted	0.00	800,381.00	365,781.00	0.00	1,166,162.00
Amounts receivable, net	0.00	27,867.00	3,553.00	0.00	31,420.00
Accrued interest receivable	0.00	0.00	0.00	0.00	0.00
Prepaid items and other assets	0.00	0.00	3,625.00	0.00	3,625.00
Grants receivable	18,269.00	0.00	0.00	11,643.00	29,912.00
Loans receivable, net	0.00	2,021,496.00	99,071.00	0.00	2,120,567.00
Due from other funds	0.00	0.00	0.00	0.00	0.00
Investments unrestricted	0.00	0.00	0.00	0.00	0.00
Investments restricted	0.00	0.00	192,725.00	0.00	192,725.00
Land, unimproved land and structures	0.00	0.00	428,395.00	0.00	428,395.00
Total assets	<u>\$ 18,269</u>	<u>\$ 2,849,744</u>	<u>\$ 1,093,150</u>	<u>\$ 11,643</u>	<u>\$ 3,972,806</u>

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

NEW ORLEANS REDEVELOPMENT AUTHORITY
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2021

ASSETS

	NON-MAJOR GOVERNMENTAL FUNDS					Page Total
	CNO Abandoned Property Program	Façade Algiers State Fund	Affordable Rental Gap	Resilient Homes	Small Business Microlending	
Cash unrestricted	\$0	0	\$0	\$0	\$0	\$0
Cash restricted	146,334	0	1,451,765	1,460,072	1,500,000	4,558,171
Amounts receivable, net	0	0	0	0	0	0
Accrued interest receivable	0	0	0	0	0	0
Prepaid items and other assets	32,000	0	0	0	0	32,000
Grants receivable	0	60,891	0	0	0	60,891
Loans receivable, net	0	0	0	0	0	0
Due from other funds	0	0	0	0	0	0
Investments unrestricted	0	0	0	0	0	0
Investments restricted	0	0	0	0	0	0
Land, unimproved land and structures	47,333	0	0	0	0	47,333
Total assets	\$ 225,667	\$ 60,891	\$ 1,451,765	\$ 1,460,072	\$ 1,500,000	\$ 4,698,395

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

NEW ORLEANS REDEVELOPMENT AUTHORITY
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2021

ASSETS

NON-MAJOR GOVERNMENTAL FUNDS

	Neighborhood Housing Improvement	Façade Renew	Façade Renew 2.0	Strategic Acquisition Fund	Page Total	Total Non-Major Governmental Funds
Cash unrestricted	\$0	\$0	\$0	\$0	\$0	\$0
Cash restricted	0	15	1,168,087	674,914	1,843,016	7,654,313
Amounts receivable, net	0	0	0	214	214	31,634
Accrued interest receivable	0	0	0	0	0	0
Prepaid items and other assets	0	0	0	0	0	46,224
Grants receivable	2,256	0	0	0	2,256	1,166,498
Loans receivable, net	2,448	0	0	7,504	9,952	2,192,330
Due from other funds	0	0	0	0	0	0
Investments unrestricted	0	0	0	0	0	0
Investments restricted	0	0	0	0	0	192,725
Land, unimproved land and structures	171,000	0	0	3,281,718	3,452,718	4,027,449
Total assets	\$ 175,704	\$ 15	\$ 1,168,087	\$ 3,964,350	\$ 5,308,156	\$ 15,311,173

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

NEW ORLEANS REDEVELOPMENT AUTHORITY
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2021

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)

NON-MAJOR GOVERNMENTAL FUNDS						
Entitlement	Target Zone	PRC Operation Comeback	Construction Lending Extended	Housing Opportunity Zone	Page Total	
Liabilities:						
Accounts payable - vendors	\$ 19,282	\$0	\$0	\$0	\$0	\$ 19,282
Amounts payable - State of Louisiana	603	98,400	0	0	0	99,003
Due to other funds	965,617	0	0	94,106	0	1,059,723
Salaries and related payroll taxes payable	17,394	0	0	0	0	17,394
Revolving loans	0	0	0	0	0	0
Deposits held for buyers	0	0	0	0	0	0
Total liabilities	<u>1,002,896</u>	<u>98,400</u>	<u>0</u>	<u>94,106</u>	<u>0</u>	<u>1,195,402</u>
Deferred inflows of resources:						
Deferred grant funds and cost of assets	0	136,414	0	0	0	136,414
Total deferred inflows of resources:	<u>0</u>	<u>136,414</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>136,414</u>
Fund balances:						
Nonspendable	0	0	0	0	0	0
Unassigned	0	0	0	0	0	0
Total fund balances:	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total liabilities, deferred inflows of resources, and fund balances:	<u>\$ 1,002,896</u>	<u>\$ 234,814</u>	<u>\$0</u>	<u>\$94,106</u>	<u>0</u>	<u>\$ 1,331,816</u>

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

NEW ORLEANS REDEVELOPMENT AUTHORITY
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2021

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)

	NON-MAJOR GOVERNMENTAL FUNDS				Page Total
	Construction Lending Expanded	Neighborhood Stabilization Program 2	Affordable Housing Pilot Program	Housing Mitigation Grant Program	
Liabilities:					
Accounts payable - vendors	\$0	\$ 24	\$ 38,547	0	\$ 38,571
Amounts payable - State of Louisiana	0	0	428,395	0	428,395
Due to other funds	18,269	0	0	11,643	29,912
Salaries and related payroll taxes payable	0	276	278	0	554
Revolving loans	0	1,700,000	0	0	1,700,000
Deposits held for buyers	0	0	2,004	0	2,004
Total liabilities	18,269	1,700,300	469,224	11,643	2,199,436
Deferred inflows of resources:					
Deferred grant funds and cost of assets	0	1,149,444	623,926	0	1,773,370
Total deferred inflows of resources:	0	1,149,444	623,926	0	1,773,370
Fund balances:					
Nonspendable	0	0	0	0	0
Unassigned	0	0	0	0	0
Total fund balances:	0	0	0	0	0
Total liabilities, deferred inflows of resources, and fund balances:	\$ 18,269	\$ 2,849,744	\$ 1,093,150	\$ 11,643	\$ 3,972,806

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

NEW ORLEANS REDEVELOPMENT AUTHORITY
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2021

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)

	NON-MAJOR GOVERNMENTAL FUNDS					
CNO	Façade				Small	
Abandoned	Algiers	Affordable	Resilient	Business		Page
Property	State	Rental	Homes	Microlending		Total
Program	Fund	Gap				
Liabilities:						
Accounts payable - vendors	\$ 56	\$22,518	\$ 219	\$ 202	0	\$ 22,995
Amounts payable - State of Louisiana	79,333	0	0	0	0	79,333
Due to other funds	0	37,987	0	0	0	37,987
Salaries and related payroll taxes payable	672	386	1,634	741	0	3,433
Revolving loans	0	0	0	0	0	0
Deposits held for buyers	0	0	0	0	0	0
Total liabilities	80,061	60,891	1,853	943	0	143,748
Deferred inflows of resources:						
Deferred grant funds and cost of assets	145,606	0	1,449,912	1,459,129	1,500,000	4,554,647
Total deferred inflows of resources:	145,606	0	1,449,912	1,459,129	1,500,000	4,554,647
Fund balances:						
Nonspendable	0	0	0	0	0	0
Unassigned	0	0	0	0	0	0
Total fund balances:	0	0	0	0	0	0
Total liabilities, deferred inflows of resources, and fund balances:	\$ 225,667	\$ 60,891	\$ 1,451,765	\$ 1,460,072	\$ 1,500,000	\$ 4,698,395

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

NEW ORLEANS REDEVELOPMENT AUTHORITY
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2021

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)

NON-MAJOR GOVERNMENTAL FUNDS

	Neighborhood Housing Improvement	Façade Renew	Façade Renew 2.0	Strategic Acquisition Fund	Page Total	Total Non-Major Governmental Funds
Liabilities:						
Accounts payable - vendors	\$0	\$0	\$ 6,942	\$ 6,067	\$ 13,009	\$ 93,857
Amounts payable - State of Louisiana	171,000	0	0	3,281,718	3,452,718	4,059,449
Due to other funds	1,756	15	0	0	1,771	1,129,393
Salaries and related payroll taxes payable	0	0	4,023	147	4,170	25,551
Revolving loans	0	0	0	0	0	1,700,000
Deposits held for buyers	0	0	0	0	0	2,004
Total liabilities	<u>172,756</u>	<u>15</u>	<u>10,965</u>	<u>3,287,932</u>	<u>3,471,668</u>	<u>7,010,254</u>
Deferred inflows of resources:						
Deferred grant funds and cost of assets	2,948	0	1,157,122	676,418	1,836,488	8,300,919
Total deferred inflows of resources:	<u>2,948</u>	<u>0</u>	<u>1,157,122</u>	<u>676,418</u>	<u>1,836,488</u>	<u>8,300,919</u>
Fund balances:						
Unreserved	0	0	0	0	0	0
Total fund balances:	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total liabilities, deferred inflows of resources, and fund balances:	<u>\$ 175,704</u>	<u>\$ 15</u>	<u>\$ 1,168,087</u>	<u>\$ 3,964,350</u>	<u>\$ 5,308,156</u>	<u>\$ 15,311,173</u>

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

NEW ORLEANS REDEVELOPMENT AUTHORITY
RECONCILIATION OF THE BALANCE SHEET
OF THE GOVERNMENTAL FUNDS TO THE STATEMENT
OF NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2021

Total fund balance governmental fund	\$ 459,207
Long term liability for post employment benefits are not due and payable in the current period and therefore not reported in the funds, net	(1,583,204)
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation	<u>19,014</u>
Net position of governmental activities	<u><u>\$(1,104,983)</u></u>

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

NEW ORLEANS REDEVELOPMENT AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2021

	GOVERNMENTAL FUNDS						
	General Fund	CDBG - Disaster Oretha Castle Haley Fund	Road Home Property Disposition Fund	National Disaster Resilience Competition	Orleans Housing Investment Program	Nonmajor Governmental Funds	Total
Revenues:							
Grants - State of Louisiana	\$0	\$0	\$0	\$0	\$0	\$ 2,740	\$ 2,740
Grants - City of New Orleans	0	503,318	0	1,918,352	0	163,572	2,585,242
Grants - City of New Orleans - Entitlement	0	0	0	0	0	949,257	949,257
Grants - non-governmental	0	0	0	0	0	0	0
Interest income	357	54,542	2,624	0	0	396	57,919
Program income	0	0	2,634,416	0	1,088,034	951,865	4,674,315
Other	106,021	0	150,740	0	0	61,828	318,589
	<u>106,378</u>	<u>557,860</u>	<u>2,787,780</u>	<u>1,918,352</u>	<u>1,088,034</u>	<u>2,129,658</u>	<u>8,588,062</u>
Total revenues	<u>\$ 106,378</u>	<u>\$ 557,860</u>	<u>\$ 2,787,780</u>	<u>\$ 1,918,352</u>	<u>\$ 1,088,034</u>	<u>\$ 2,129,658</u>	<u>\$ 8,588,062</u>

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

NEW ORLEANS REDEVELOPMENT AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2021

NON-MAJOR GOVERNMENTAL FUNDS

	<u>Entitlement</u>	<u>Target Zone</u>	<u>PRC Operation Comeback</u>	<u>Construction Lending Extended</u>	<u>Housing Opportunity Zone</u>	<u>Page Total</u>
Revenues:						
Grants - State of Louisiana	\$0	\$0	\$0	\$0	\$0	\$0
Grants - City of New Orleans	0	0	0	0	0	0
Grants - City of New Orleans - Entitlement	949,257	0	0	0	0	949,257
Grants - non-governmental	0	0	0	0	0	0
Interest income	0	0	0	0	0	0
Program income	0	3,695	0	0	0	3,695
Other	0	0	0	0	0	0
Total revenues	\$ 949,257	\$ 3,695	\$0	\$0	0	\$ 952,952

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

NEW ORLEANS REDEVELOPMENT AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2021

	NON-MAJOR GOVERNMENTAL FUNDS				Page Total
	Construction Lending Expanded	Neighborhood Stabilization Program 2	Affordable Housing Pilot Program	Housing Mitigation Grant Program	
Revenues:					
Grants - State of Louisiana	\$2,740	\$0	\$0	\$0	\$2,740
Grants - City of New Orleans	0	0	0	59,178	59,178
Grants - City of New Orleans - Entitlement	0	0	0	0	0
Grants - non-governmental	0	0	0	0	0
Interest income	0	0	396	0	396
Program income	0	25,901	80,095	0	105,996
Other	0	0	61,828	0	61,828
Total revenues	\$ 2,740	\$ 25,901	\$ 142,319	\$ 59,178	\$ 230,138

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

NEW ORLEANS REDEVELOPMENT AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2021

NON-MAJOR GOVERNMENTAL FUNDS						
CNO	Façade	Affordable	Resilient	Small	Page	
Abandoned	Algiers	Rental	Homes	Business	Total	
Property	State	Gap		Microlending		
Program	Fund					
Revenues:						
Grants - State of Louisiana	\$0	0	\$0	\$0	\$0	\$0
Grants - City of New Orleans	104,394	0	0	0	0	104,394
Grants - City of New Orleans - Entitlement	0	0	0	0	0	0
Grants - non-governmental	0	0	0	0	0	0
Interest income	0	0	0	0	0	0
Program income	0	60,891	50,088	40,871	0	151,850
Other	0	0	0	0	0	0
Total revenues	\$ 104,394	\$ 60,891	\$ 50,088	\$ 40,871	0	\$ 256,244

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

NEW ORLEANS REDEVELOPMENT AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2021

NON-MAJOR GOVERNMENTAL FUNDS						Total Non-Major Governmental Funds
Revenues:	Neighborhood Housing Improvement	Façade Renew	Façade Renew 2.0	Strategic Acquisition Fund	Page Total	
Grants - State of Louisiana	\$0	\$0	\$0	\$0	\$0	\$ 2,740
Grants - City of New Orleans	0	0	0	0	0	163,572
Grants - City of New Orleans - Entitlement	0	0	0	0	0	949,257
Grants - non-governmental	0	0	0	0	0	0
Interest income	0	0	0	0	0	396
Program income	0	0	194,070	496,254	690,324	951,865
Other	0	0	0	0	0	61,828
Total revenues	\$0	\$0	\$ 194,070	\$ 496,254	\$ 690,324	\$ 2,129,658

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

NEW ORLEANS REDEVELOPMENT AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES—GOVERNMENTAL FUNDS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2021

	GOVERNMENTAL FUNDS						Total Governmental Funds
	General Fund	CDBG - Disaster Orretha Castle Haley Fund	Road Home Property Disposition Fund	National Disaster Resilience Competition	Orleans Housing Investment Program	Nonmajor Governmental Funds	
Expenditures:							
Operations:							
Personnel salaries & wages	\$ 515,729	\$ 56,480	\$ 942,844	\$ 30,805	\$ 12,151	\$ 627,340	\$ 2,185,349
Personnel services employee benefits	117,304	14,551	230,137	8,204	3,171	141,905	515,272
Purchased professional & technical services	37,875	2,814	130,778	19,650	6,890	102,158	300,165
Purchased property services	161,491	3,485	681,806	2,542	644	246,469	1,096,437
Insurance	69,000	612	103,862	260	0	27,886	201,620
Other purchased services	28,844	0	0	0	201	104	29,149
Supplies	34,176	0	0	0	0	0	34,176
Property	2,518	33	1,717	10	0	518,617	522,895
Program	0	450,000	0	1,840,583	1,058,546	116,757	3,465,886
Other uses	6,213	0	0	0	0	0	6,213
Cost of sales	0	0	197,778	0	0	29,731	227,509
Bad debt expense	0	0	0	0	0	3,391	3,391
	<u>973,150</u>	<u>527,975</u>	<u>2,288,922</u>	<u>1,902,054</u>	<u>1,081,603</u>	<u>1,814,358</u>	<u>8,588,062</u>
Total expenditures:							
Excess (deficiency) of revenues over (under) expenditures:	<u>(866,772)</u>	<u>29,885</u>	<u>498,858</u>	<u>16,298</u>	<u>6,431</u>	<u>315,300</u>	<u>0</u>
Other financial sources (uses)							
Operating transfers in	869,037	0	0	0	0	3,391	872,428
Operating transfers (out)	<u>(3,391)</u>	<u>(29,885)</u>	<u>(498,858)</u>	<u>(16,298)</u>	<u>(6,431)</u>	<u>(318,691)</u>	<u>(873,554)</u>
Total other financial sources (uses)	<u>865,646</u>	<u>(29,885)</u>	<u>(498,858)</u>	<u>(16,298)</u>	<u>(6,431)</u>	<u>(315,300)</u>	<u>(1,126)</u>
Change in fund balances	<u>(1,126)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(1,126)</u>
Fund balances (deficit), as previously reported beginning of year	<u>397,373</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>397,373</u>
Prior period adjustment	<u>62,960</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>62,960</u>
Fund balances (deficit), as restated beginning of year	<u>460,333</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>460,333</u>
Fund balances (deficit), end of year	<u>\$ 459,207</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$ 459,207</u>

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

NEW ORLEANS REDEVELOPMENT AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES--GOVERNMENTAL FUNDS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2021

	NON-MAJOR GOVERNMENTAL FUNDS					
	Entitlement	Target Zone	PRC Operation Comeback	Construction Lending Extended	Housing Opportunity Zone	Page Total
Expenditures:						
Operations:						
Personnel salaries & wages	\$ 427,635		\$0	\$0	\$0	\$ 427,635
Personnel services employee benefits	94,949		0	0	0	94,949
Purchased professional & technical services	12,154		0	0	0	12,154
Purchased property services	168,647		0	0	0	168,647
Insurance	19,307		0	0	0	19,307
Other purchased services	0		0	0	0	0
Supplies	0		0	0	0	0
Property	305		0	0	0	305
Program	0		0	0	0	0
Other uses	0		0	0	0	0
Cost of sales	0	3,695	0	0	0	3,695
Bad debt expense	0	0	0	0	3,391	3,391
	<u>722,997</u>	<u>3,695</u>	<u>0</u>	<u>0</u>	<u>3,391</u>	<u>730,083</u>
Total expenditures:						
Excess (deficiency) of revenues over (under) expenditures:	<u>226,260</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(3,391)</u>	<u>222,869</u>
Other financial sources (uses)						
Operating transfers in	0	0	0	0	3,391	3,391
Operating transfers (out)	<u>(226,260)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(226,260)</u>
Total other financial sources (uses)	<u>(226,260)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,391</u>	<u>(222,869)</u>
Change in fund balances	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balances (deficit), as previously reported beginning of year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Prior period adjustment	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balances (deficit), as restated beginning of year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balances (deficit), end of year	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

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

NEW ORLEANS REDEVELOPMENT AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES--GOVERNMENTAL FUNDS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2021

	NON-MAJOR GOVERNMENTAL FUNDS				Page Total
	Construction Lending Expanded	Neighborhood Stabilization Program 2	Affordable Housing Pilot Program	Housing Mitigation Grant Program	
Expenditures:					
Operations:					
Personnel salaries & wages	\$0	\$ 13,404	\$ 24,286	\$ 25,002	\$ 62,692
Personnel services employee benefits	0	2,915	6,469	7,041	16,425
Purchased professional & technical services	0	55	527	27,135	27,717
Purchased property services	0	1,845	59,034	0	60,879
Insurance	0	531	6,109	0	6,640
Other purchased services	0	0	0	0	0
Supplies	0	0	0	0	0
Property	0	60	7,008	0	7,068
Program	2,740	0	0	0	2,740
Other uses	0	0	0	0	0
Cost of sales	0	0	26,036	0	26,036
Bad debt expense	0	0	0	0	0
	<u>2,740</u>	<u>18,810</u>	<u>129,469</u>	<u>59,178</u>	<u>210,197</u>
Total expenditures:					
Excess (deficiency) of revenues over (under) expenditures:	<u>0</u>	<u>7,091</u>	<u>12,850</u>	<u>0</u>	<u>19,941</u>
Other financial sources (uses)					
Operating transfers in	0	0	0	0	0
Operating transfers (out)	<u>0</u>	<u>(7,091)</u>	<u>(12,850)</u>	<u>0</u>	<u>(19,941)</u>
Total other financial sources (uses)	<u>0</u>	<u>(7,091)</u>	<u>(12,850)</u>	<u>0</u>	<u>(19,941)</u>
Change in fund balances	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balances (deficit), as previously reported beginning of year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Prior period adjustment	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balances (deficit), as restated beginning of year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balances (deficit), end of year	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

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

NEW ORLEANS REDEVELOPMENT AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES--GOVERNMENTAL FUNDS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2021

	NON-MAJOR GOVERNMENTAL FUNDS					
	CNO Abandoned Property Program	Façade Algiers State Fund	Affordable Rental Gap	Resilient Homes	Small Business Microlending	Page Total
Expenditures:						
Operations:						
Personnel salaries & wages	\$ 13,929	\$21,244	\$ 27,288	\$ 22,075	0	\$ 84,536
Personnel services employee benefits	2,757	4,492	6,182	5,150	0	18,581
Purchased professional & technical services	0	22,453	0	0	0	22,453
Purchased property services	1,005	1,441	1,740	1,540	0	5,726
Insurance	0	16	331	318	0	665
Other purchased services	0	0	0	0	0	0
Supplies	0	0	0	0	0	0
Property	79,333	7	110	108	0	79,558
Program	0	0	0	0	0	0
Other uses	0	0	0	0	0	0
Cost of sales	0	0	0	0	0	0
Bad debt expense	0	0	0	0	0	0
Total expenditures:	97,024	49,653	35,651	29,191	0	211,519
Excess (deficiency) of revenues over (under) expenditures:	7,370	11,238	14,437	11,680	0	44,725
Other financial sources (uses)						
Operating transfers in	0	0	0	0	0	0
Operating transfers (out)	(7,370)	(11,238)	(14,437)	(11,680)	0	(44,725)
Total other financial sources (uses)	(7,370)	(11,238)	(14,437)	(11,680)	0	(44,725)
Change in fund balances	0	0	0	0	0	0
Fund balances (deficit), as previously reported beginning of year	0	0	0	0	0	0
Prior period adjustment	0	0	0	0	0	0
Fund balances (deficit), as restated beginning of year	0	0	0	0	0	0
Fund balances (deficit), end of year	\$0	\$0	\$0	\$0	\$0	\$0

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

NEW ORLEANS REDEVELOPMENT AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES--GOVERNMENTAL FUNDS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>NON-MAJOR GOVERNMENTAL FUNDS</u>					Total
	<u>Neighborhood Housing Improvement</u>	<u>Façade Renew</u>	<u>Façade Renew 2.0</u>	<u>Strategic Acquisition Fund</u>	<u>Page Total</u>	<u>Non-Major Governmental Funds</u>
Expenditures:						
Operations:						
Personnel salaries & wages	\$0	\$0	\$ 37,413	\$ 15,064	\$ 52,477	\$ 627,340
Personnel services employee benefits	0	0	8,687	3,263	11,950	141,905
Purchased professional & technical services	0	0	10,552	29,282	39,834	102,158
Purchased property services	0	0	2,795	8,422	11,217	246,469
Insurance	0	0	744	530	1,274	27,886
Other purchased services	0	0	0	104	104	104
Supplies	0	0	0	0	0	0
Property	0	0	67	431,619	431,686	518,617
Program	0	0	114,017	0	114,017	116,757
Other uses	0	0	0	0	0	0
Cost of sales	0	0	0	0	0	29,731
Bad debt expense	0	0	0	0	0	3,391
	<u>0</u>	<u>0</u>	<u>174,275</u>	<u>488,284</u>	<u>662,559</u>	<u>1,814,358</u>
Total expenditures:						
Excess (deficiency) of revenues over (under) expenditures:	<u>0</u>	<u>0</u>	<u>19,795</u>	<u>7,970</u>	<u>27,765</u>	<u>360,025</u>
Other financial sources (uses)						
Operating transfers in	0	0	0	0	0	3,391
Operating transfers (out)	<u>0</u>	<u>0</u>	<u>(19,795)</u>	<u>(7,970)</u>	<u>(27,765)</u>	<u>(318,691)</u>
Total other financial sources (uses)	<u>0</u>	<u>0</u>	<u>(19,795)</u>	<u>(7,970)</u>	<u>(27,765)</u>	<u>(315,300)</u>
Change in fund balances	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balances (deficit), as previously reported beginning of year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Prior period adjustment	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balances (deficit), as restated beginning of year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balances (deficit), end of year	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

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

NEW ORLEANS REDEVELOPMENT AUTHORITY
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES,
AND
CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

Change in fund balance	\$ (1,126)
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation	(14,955)
Other	<u>- 0-</u>
Change in net position for the governmental activities	\$ <u>16,081</u>

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

NEW ORLEANS REDEVELOPMENT AUTHORITY
STATEMENT OF NET POSITION--PROPRIETARY FUND
DECEMBER 31, 2021

ASSETS

		Real Estate Acquisition and Land Banking Mechanism
Assets:		
Cash	\$	1,207,163
Amounts receivable		30,984
Prepaid items and other assets		399
Loans receivable, net		538,204
Investments		1,311,422
Unimproved land and structures, unrestricted		2,258,633
Capital assets, net		222,382
Total assets		5,569,187

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION

Liabilities:		
Amounts and other payable		4,954
Security deposits and deposits held for buyers		17,672
Total liabilities		22,626
Deferred Inflows of Resources:		
Grant funds and cost of assets		538,204
Total deferred inflow of resources		538,204
Total liabilities and deferred inflows of resources		560,830
Net Position:		
Net investments in capital assets		222,382
Unrestricted net position		4,741,975
Restricted net position		44,000
Total net position		\$5,008,357

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

NEW ORLEANS REDEVELOPMENT AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
FUND NET POSITION-PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	Real Estate Acquisition and Land Banking Mechanism
Operating Revenues:	
Proceeds from sale of property inventory	\$ 758,080
Cost of sales	<u>312,292</u>
Net gain from sales	445,788
Rental income	32,580
Forfeits	32,670
Other income	<u>4,397</u>
Total operating revenues	<u>515,435</u>
Non-Operating Revenues:	
Property reversions	<u>20,900</u>
Total non-operating revenues	<u>20,900</u>
Total operating and non-operating revenues	<u>536,335</u>
Operating Expenses:	
Personnel Salaries, Wages and Benefits	78,031
Purchased Professional, Tech Services and Property services	25,969
Insurance	769
Settlement costs	83,270
Property Taxes	5,027
Depreciation expense	18,906
Other	<u>39,053</u>
Total operating expenses	<u>251,025</u>
Total operating and non-operating income	<u>285,310</u>
Change in net position	<u>285,310</u>
Net position, beginning of year	4,922,943
Prior period adjustment	<u>(199,896)</u>
Net position, beginning of year as restated	<u>4,723,047</u>
Net position, end of year	<u>\$5,008,357</u>

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

NEW ORLEANS REDEVELOPMENT AUTHORITY
STATEMENT OF CASH FLOWS--PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

Cash Flows Provided by Operating Activities:	
Cash received from customers	\$ 754,691
Payments to vendors	(143,240)
Interest income received	<u>813</u>
Net cash provided by operating activities	<u>612,264</u>
Cash Flows Used in Investing Activities:	
Purchase of investment	(605)
Cash used in investing activities	<u>(605)</u>
Increase in cash	611,659
Cash, beginning of year	<u>595,504</u>
Cash, end of year	<u>\$ 1,207,163</u>
Operating income	\$ 285,310
Reconciliation of operating income to net cash provided by operating activities:	
Depreciation expense	18,883
Changes in assets and current liabilities:	
Increase in amounts receivable	(39,564)
Increase in prepaid items and other assets	(28)
Decrease in unimproved land and structures, unrestricted	336,825
Increase in amounts and other payable	16,847
Decrease in security deposit and deposits held for buyers	<u>(6,009)</u>
Net cash provided by operating activities	<u>\$ 612,264</u>

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

NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - Background and General Data:

Background

The **New Orleans Redevelopment Authority (NORA)** exists under the authority contained in Act No. 170, as amended, as passed by the Louisiana Legislature in 1968. **NORA** was formulated as a program by the City of New Orleans for the utilization of appropriate private and public resources to eliminate and prevent the development or spread of slums; to provide decent, safe and sanitary dwellings for families of low income; to allow the creation and organization of a community improvement agency; to allow the rehabilitation, clearance and redevelopment of slums and blighted areas in the City of New Orleans in accordance with community improvement plans or projects approved by the governing body of the City of New Orleans; to define the duties, liabilities, exemptions, authority and functions of such community improvement agency, including the acquisition of property by negotiation, gift or expropriation, the disposition of property by sale or lease, the issuance of bonds, borrowing of money and giving of security therefore and to allow bonds issued to be legal investments for banks and fiduciaries; to provide for notice and hearing; to authorize entering into agreements to secure Federal aid; to authorize public bodies to furnish funds, services, facilities and property in aid of community improvement projects and related activities hereunder; and to provide that securities issued and properties, while held by the **New Orleans Redevelopment Authority**, shall be exempt from taxation.

On July 7, 1994, the Louisiana Legislature passed Act No. 65 which amended Act No. 170 that created the **New Orleans Redevelopment Authority**. Act No. 65 effectively changed the name of the Community Improvement Agency to **New Orleans Redevelopment Authority**. In addition, the Board of Commissioners also adopted a resolution approving the name change.

NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - Background and General Data, Continued:

General

As of December 31, 2021, **NORA** was primarily engaged in the following programs:

- Blighted Properties Removal Program (Entitlement, Target Zone, Disaster Consolidated Corridors, Affordable Housing Pilot Program Katrina Cottages, Hazard Mitigation Grant Program, Facade Renew, and Facade Renew 2.0, National Disaster Resilience Competition Adoption Program);
Real Estate Acquisition and Land Banking Mechanism (REALM);
Louisiana Recovery Authority (Housing Opportunity Zone/Construction Lending Extended/Expanded);
Road Home Property Disposition (Strategic Acquisition, Orleans Housing Investment Program, Facade Renew 2.0);
Neighborhood Stabilization Program (NSP2);
General Fund to include Ford Foundation and Enterprise Community Partners Abandoned Property Program;
Small Business Microlending Grant Program;
Affordable Rental Gap Financing Program; and
Resilient Homes

New Orleans Redevelopment Authority under a contract with the City of New Orleans is a key partner in the revitalization of New Orleans neighborhoods implementing housing development, commercial revitalization and land stewardship projects. **NORA** provides technical assistance in connection with other redevelopment, renewal, rehabilitation, urban beautification and/or other improvements where physical conditions render them detrimental to the safety and welfare of the public at large.

Further, through various grants and cooperative agreements, from Federal, State and private sources, **NORA** manages rehabilitation, demolition and removal activities.

NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - Background and General Data, Continued:

General, Continued

A brief description of each program follows:

- Blighted Properties Removal Program

The Blighted Properties Removal Program under the Entitlement, Target Zone, Disaster, Consolidated Corridors are designed to provide for the rehabilitation and/or demolition and removal of buildings and other improvements whose physical conditions render them detrimental to the safety and welfare of the public at large, and whose existence directly threatens the physical, social and economic stability of the surrounding neighborhood facilities and jeopardizes the well-being of the entire community.

These programs provide for technical assistance and/or financial assistance for rehabilitation, acquisition and redevelopment for blight reduction and alternative land use. The program is administered by **NORA** under contract with the City of New Orleans.

- Affordable Housing Pilot Program (Katrina Cottages) (AHPP)

The Louisiana Katrina Cottage Program resulted in the construction of forty (40) housing units on **NORA** controlled properties intended for home ownership units. Funding for the program is made available under Federal Emergency Management Agency (FEMA).

- Hazard Mitigation Grant Program (HMGP)

The HMGP provides grants to assist in the implementation of long-term hazard mitigation measures after a major disaster declaration.

NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - Background and General Data, Continued:

General, Continued

- Facade Renew and Facade Renew 2.0

Launched in January 2014, Facade Renew is a CDBG-DR funded program to support strategic investments in targeted commercial corridors. The program includes grants to property and small business owners to revitalize storefronts and building facades, as well as placemaking grants to main street organizations. Starting during 2018, Facade Renew 2.0 began accepting and approving applications for facade improvements grants on six new corridors including two in Algiers. Facade Renew 2.0 is funded by locally held program income derived from the sale of former Road Home properties.

- Real Estate Acquisition and Land Banking Mechanism (REALM)

The REALM program is designed to provide a mechanism for the rehabilitation and/or demolition and removal of buildings and other improvements through acquisition and disposition of property to allow for a greater impact on blight and community redevelopment.

Under the REALM program, NORA works with other City agencies to acquire blighted properties in a strategic fashion and then bundles those properties for sale and/or donation.

NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - Background and General Data, Continued:

General, Continued

- Louisiana Recovery Authority

The Louisiana Recovery Authority (LRA) program managed by **NORA** focuses on redevelopment through economic development efforts within the New Orleans area. Further, **NORA** has established a housing construction loan fund to assist developers in accelerating redevelopment.

- Road Home Property Disposition

The Road Home Property Disposition program's mission is to finance, own, lease as lessee or lessor, sell, exchange, donate otherwise hold or transfer a property interest in housing stock damaged by Hurricane Katrina or Rita.

- Neighborhood Stabilization Program (NSP2)

The NSP2 program managed by **NORA**, focuses on a comprehensive neighborhood development strategy to address the challenges of blight and vacancy throughout the City.

- Strategic Acquisition Fund

This project assists in citywide reduction and neighborhood stabilization through strategic, targeted redevelopment initiatives, including acquisition of blighted, vacant and/or abandoned properties for the purpose of redevelopment into housing, retail/commercial, mixed-use and/or green space projects. This Fund will allow **NORA** to work with the City of New Orleans for the purpose of reducing blight and supporting new developments around those investments.

NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - Background and General Data, Continued:

- Abandoned Property Program

NORA in cooperation with the City of New Orleans Offices of Community Development and Community Assets and Investment have initiated the APP program to facilitate the disposition and development of tax adjudicated and code lien foreclosure sales through Sheriff sales. **NORA** began implementation of the program within the Lower Ninth Ward Opportunity Zone as a pilot in 2021. As of December 2021, three properties have been acquired through APP, and five acquisitions are pending.

- Small Business Microlending Grant Program (SBMGP)

NORA under SBMGP grant will fund recoverable grants up to \$25,000 and up to 50 new business enterprises that occupy vacant storefronts on target corridors in Low to Moderate Income areas. The program will prevent vacancies along corridors affected by Hurricanes Katrina or Rita that have also been negatively impacted by business interruptions associated with COVID-19 and /or Hurricane IDA. The program is designed to layer with **NORA**'s existing Façade RENEW and Commercial Corridor Technical Assistance Programs.

- Affordable Rental Gap Financing Program (ARGFP)

NORA under this program will make a rental loan product available as permanent secondary long-term financing for affordable rental projects, especially those being developed on scattered sites **NORA** properties or located within designated **NORA** Commercial Corridor Gap Financing geographies. The program is designed to leverage Low Income Housing Tax Credits, HOME, and/or Community Development Block Grant funds from the City of New Orleans and the Louisiana Housing Corporation, as well as Project-Based Vouchers (PBV) from the Housing Authority of New Orleans (HANO). The program is also designed to leverage 4% Low Income Housing Tax Credits from Finance New Orleans.

NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - Background and General Data, Continued:

- Resilient Homes

NORA will under this program, develop three model resilient homes on **NORA**-owned property near educational and stormwater management sites. The homes will primarily feature traditional architectural styles but also exhibit best practices in hazard resilience, energy efficiency, and stormwater management. The homes will be built in the Gentilly Resilience District and modeled on the LaHouse project on the Louisiana State University campus in Baton Rouge.

General, Continued

- Orleans Housing Investment Program (OHIP)

OHIP, the newest phase of **NORA**'s Residential Construction Lending program, is funded program income derived from sale of former Road Home properties. **NORA** has awarded properties and financing to New Orleans Redevelopment Unlimited (NORU) for the development of single-family affordable home ownership opportunities in Central City, Seventh Ward, Gentilly, and New Orleans East neighborhoods.

- Housing Opportunity Zone

This program uses State CDBG funds to finance the development of affordable housing on **NORA**-owned property located in the nine City designated Housing Opportunity Zones.

- National Disaster Resilience Competition/Community Adaptation Program

Funded through a portion of the \$143 million National Disaster Resilience Competition award to the City of New Orleans. **NORA** has established the Community Adaption Program to fund improvements to manage stormwater and prevent flooding on previously developed properties owned by low to moderate income homeowners within the Gentilly Resilience District.

NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - Background and General Data, Continued:

- Construction Lending Extended/Expanded

Funds are used for housing construction loans to provide financial assistance to developers.

General Fund

The general fund is used by **NORA's** as its primary operating fund which includes the following:

- Ford Foundation

This private grant will be used to support the acquisition and pre-development costs of key commercial and multifamily properties to catalyze redevelopment and reinvestment. These funds may also serve as a complementary financing source for projects seeking funding from **NORA's** Commercial Corridor Gap Financing Program.

NOTE 2 - Summary of Significant Accounting Policies:

General Fund

The general fund is used by **NORA** to account for all financial activities or resources, except those required to be accounted for in other funds.

Pursuant to the requirements of GASB Statement No. 54 (Fund Balance Reporting and Government Fund Type Definitions), fund balance is reported as nonspendable and unassigned. The nonspendable classification is associated with amounts considered nonspendable such as capital assets, prepaid assets, etc. The unassigned classification represents amounts not restricted or committed.

NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - Summary of Significant Accounting Policies, Continued:

Financial Reporting Entity

NORA exists under the Authority contained in Act No. 170, as amended, as passed by the Louisiana Legislature in 1968 and subsequently amended by Act No. 65, passed in 1994. **NORA** has the power to sue and be sued, and make rules and regulations for its own government consistent with the laws of the State of Louisiana and the City of New Orleans.

Government Accounting Standards Board (GASB) Statement No. 14, "*The Financial Reporting Entity*" established standards for defining and reporting on the financial entity.

GASB 14 and its related amendment GASB 39 indicate that the focal point for identifying the financial reporting entity is the primary government, which is considered to be any state government or general purpose local government or a special-purpose government that meets all of the following criteria: a) has a separately elected governing body; b) is legally separate; and c) is fiscally independent of other state and local governments.

NORA was established as a separate legal entity with a governing board which is separate and independent of any other governmental "reporting entity" as defined by GASB 14. Accordingly, management has concluded that **NORA** is a financial reporting entity within the meaning of the provisions of GASB 14.

Based on the requirements of GASB's 14 and 39, **NORA** has included the following component unit in the financial reporting entity:

NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - Summary of Significant Accounting Policies, Continued:

Financial Reporting Entity, Continued

NORA formed in 2004 a 501(c)(3) organization, New Orleans Redevelopment Unlimited, Inc. to utilize appropriate private and public resources to eliminate and prevent the development or spread of slums; to provide decent, safe and sanitary dwellings for families of low income; to 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; and to acquire property by negotiation, or gift, and the disposition of property by sale, lease, or gift; and to own real estate, to buy or sell, develop or lease, and generally handle, movable and immovable property of every nature and kind.

The component unit's financial statements has been included in **NORA's** financial statements in a discrete presentation.

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 expenditures during the reporting period. Actual results could differ from those estimated.

Basis of Presentation

NORA's basic financial statements consist of the government-wide statements of the primary government and its component unit and the fund financial statements (individual major funds and combined nonmajor funds). The statements are prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units.

NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - Summary of Significant Accounting Policies, Continued:

Government-Wide and Fund Financial Statements, Continued

The government-wide financial statements (i.e. the statement of net assets and the statement of activities) report information on all of the activities of **NORA**. The effect of interfund activity has been removed from these statements.

NORA's statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who use or directly benefit from services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items are properly included among program revenues or reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. "Measurable" means the amount of the transaction can be determined. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - Summary of Significant Accounting Policies, Continued:

Government-Wide and Fund Financial Statements, Continued

NORA reports the following major governmental funds:

CBDG-Disaster Oretha Castle Haley Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Blighted Properties Program Fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes regarding the rehabilitation and/or demolition and removal and gap financing of blight in the City of New Orleans.

The Road Home Property Disposition is used to account for transfers activities and disposition of Road Home property. Specifically the objective of the project is to facilitate the rehabilitation of blight in various neighborhoods in the City of New Orleans.

National Disaster Resilience Competition is funded through a portion of the \$143 million National Disaster Resilience Competition award to the City of New Orleans. **NORA** has established the Community Adaption Program to fund improvements to manage stormwater and prevent flooding on previously developed properties owned by low to moderate income homeowners within the Gentilly Resilience District.

The remaining programs, Entitlement, Target Zone, PRC Operation Comeback, Construction Lending, Housing Opportunity Zone, Orleans Housing Investment Program, NSP2, Affordable Housing Pilot Program, Housing Mitigation Grant Program, Facade, and Strategic Acquisition Fund, Abandoned Property Program, Affordable Rental GAP, and Resilient Homes etc. are accounted for under the non-major program.

NORA reports the following major proprietary fund:

The REALM Program accounts for activities related to the rehabilitation and/or demolition and removal of buildings and other improvements through acquisition and disposition of property.

NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - Summary of Significant Accounting Policies, Continued:

Government-Wide and Fund Financial Statements, Continued

As a general rule, the effect of interfund activity has been eliminated at the government-wide financial statements level.

Amounts reported as program revenues include 1) charges to customers or applicants for services or privileges provided; 2) operating grants and contributions; and 3) capital grants and contributions.

The proprietary fund distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a propriety fund's principal ongoing operations. The principal operating revenues of **NORA's** enterprise fund are charges to customers for services and sales of inventory of land. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Under the provisions of GASB 33 Standards (Accounting and Financial Reporting for Non-Exchange Transactions), **NORA** recognizes assets, liabilities, revenues and expenditures under its government-mandated and voluntary non-exchange transactions as follows:

- **NORA** recognizes assets and liabilities when all applicable eligibility requirements are met or resources received, whichever is first;
- Revenue and expenditures are recognized when all applicable eligibility requirements are met; and
- Transactions with time requirements, resources received prior to the satisfaction of the time requirement(s), are recorded by **NORA** as deferred revenue upon award.

NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - Summary of Significant Accounting Policies, Continued:

Statement of Cash Flows

For purposes of the statement of cash flows, the proprietary fund type 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 loan program is used primarily to support economic and rehabilitation development activities funded with CDBG, LRA and NSP2 grants. The interest rates on the loans range from zero to four (4) percent. Repayment range of the loans are required within established timelines.

Also, included in loans receivable are non-interest bearing forgivable mortgage loans secured by real estate. No payments are required unless the borrower fails to maintain ownership of the property as his/her principal residency.

In the event the borrower ceases to occupy the property, the entire amount of the loan, less any portion earned by the borrower, will be due and payable.

The borrower will earn a portion of the loan for each month that he/she owns and resides in the property as his/her principal place of residency. The borrower will earn the loan on a pro-rata basis for each month of ownership and occupancy as measured against the period of affordability.

NORA records the earned portion on a straight-line basis as amortization in the statement of activities. Management has recorded no allowance for doubtful accounts at December 31, 2021.

Further, **NORA** uses the allowance method (based on prior year's experience and analysis payment status of the loan, the financial condition of the project and other factors) to determine uncollectibility of loans receivable.

NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - Summary of Significant Accounting Policies, Continued:

Capital Assets

Capital assets include, land and equipment and are recorded at cost when the individual cost exceeds \$5,000 and have a useful life of greater than one year. When no historical records are available, land and equipment are valued at estimated historical cost. When assets are retired or otherwise disposed of, any resulting gain or loss is reflected in income for the period. In addition, costs associated with certain property acquired with CDBG funds received from the City of New Orleans and other sources are reflected as program costs to the respective programs. A property inventory is accounted for by the City of New Orleans for acquisition of non-expandable property that vest with the City of New Orleans.

The cost of normal maintenance and repairs that do not add to the value of an asset or materially extend the asset's life are not included in or capitalized in the proprietary fund. Equipment in the proprietary fund of **NORA** is recorded at cost.

Capital assets are depreciated in the proprietary fund of **NORA** using the straight-line method over a five (5) year estimated useful life.

Land, Unimproved Land and Structures

Land, unimproved land and structures are recorded at cost and represent cost incurred in the acquisition of blighted properties. Donated properties are also included at the estimated fair value at point of donation. Gain or loss resulting from the sale of the related properties is reflected in income in the period of sale.

Compensated Absences

NORA has adopted its own policies based on the Louisiana Civil Service regulations for accumulated annual and sick leave. Under those regulations, employees may accumulate up to three hundred (300) hours of annual leave which may be received upon termination or retirement. Sick leave hours accumulate, but the employee is not paid for them if not used by his/her retirement or termination date.

NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

0NOTE 2 - Summary of Significant Accounting Policies, Continued:

Compensated Absence, Continued

The cost of current leave privileges computed in accordance with GASB Codification Section C60, is recognized as a current-year expenditure in the governmental funds when leave is actually taken or when employees (or heirs) are paid for accrued leave upon retirement or death. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements.

Financial Instruments

NORA's policy generally is to use financial derivatives to manage exposure to fluctuations in interest rate. **NORA** does not hold or issue derivative financial instruments for trading purposes.

Gains and losses realized and premiums paid on interest rate hedges, are deferred and amortized to interest expense over the life of the underlying instrument.

Long-term Obligations

NORA reports its long-term obligations as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. All applicable premium and discount costs, as well as origination costs are deferred and amortized over the life of the obligations.

Budgetary Data

NORA does not formally adopt or utilize a budget for its General Fund. Budgetary data for its Blighted Properties Removal program is submitted to and approved annually by the applicable funding sources of **NORA**.

NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - Summary of Significant Accounting Policies, Continued:

Prepaid Items and Other Assets

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Net Position

NORA has implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This standard provides guidance for reporting the financial statement elements of deferred outflows of resources and deferred inflows of resources. Deferred outflows represent the consumption of **NORA's** net position that is applicable to a future reporting period. A deferred inflow represents the acquisition of net position that is applicable to a future reporting period.

Because deferred outflows and deferred inflows are, by definition, neither assets nor liabilities, the statement of net assets, title is now referred to as the statement of net position. The statement of net position reports net position as the difference between all other elements in a statement of net position and should be displayed in three components: net investment in capital assets, restricted net position (distinguishing between major categories of restrictions), and unrestricted net position.

Revenue from Contracts with Customers

NORA has adopted the requirements of the Financial Accounting Standards Board's Accounting Standards Update No. 2014-09 (Topic 606): *Revenue from Contracts with Customers*, which affects contracts with customers to transfer goods or services and contracts for the transfer of non-financial assets (unless those contracts are within the scope of other standards). The core of principle of this update is that **NORA** should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which **NORA** expects to be entitled in exchange for the goods or services.

NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - Summary of Significant Accounting Policies, Continued:

Recent Accounting Pronouncements

In January 2017, GASB issued Statement No. 84. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. **NORA** has implemented the requirements of GASB 84 where applicable to its operations.

In June 2017, GASB issued Statement No. 87 (Leases). It establishes a single model for lease accounting based on the foundational principle that leases are financing of the right to use an underlying asset. The requirements of this Statement has been deferred for implementation by GASB No. 95 for reporting periods beginning after June 15, 2021.

NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - Summary of Significant Accounting Policies, Continued:

Restricted and Unrestricted Resources

It is **NORA's** practice to first apply restricted resources when expenses are incurred for the restricted purpose.

Reversions or Quit Claims of Properties

All properties previously sold at auction and subsequently reverted or quitclaimed, are added back to **NORA's** property inventory and recorded in its REALM fund.

NOTE 3 - Other Post-retirement Benefits:

In 2018, **NORA** implemented the requirements of GASB 75, (Accounting and Financial Reporting for Postemployment Benefits Other than Pensions (OPEB), which replaces Statement No. 45, Accounting and Financial Reporting by Employees for Postemployment Benefits Other than Pensions. As a result of its implementation, **NORA** is reporting a net OPEB liability.

For the purpose of measuring the OPEB, the State of Louisiana completed an actuarial valuation report which provides information for the State of Louisiana Postretirement Benefits Plan ("Plan") for the fiscal year ended June 30, 2020. Small variations in the approximations and estimates in the State's report may lead to significant changes in actuarial measurements. An analysis of the potential range of such future differences other than the required disclosures related to the sensitivity to discount rate and healthcare cost trend rate assumptions is beyond the scope of this report.

NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 3 - Other Post-retirement Benefits, Continued:

NORA is a member of the cost-sharing employees of the plan sponsored by the State of Louisiana. In the financial statements, a cost-sharing employer is required to recognize a liability for its proportionate share of the net OPEB liability.

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, and additions/deletions to net position have been determined on the same basis as they are reported by the State of Louisiana.

Also, in 2021, **NORA** provided benefit premiums to the State of Louisiana, Office of Group Benefits totaling \$1,860 for a retired employee. **NORA** will continue to provide health care and life insurance benefits for the retired employee.

A schedule of changes in total OPEB liability follows:

Reported 2020 OPEB liability	<u>\$1,366,186</u>
Service cost	79,641
Interest	40,313
Changes in assumption	157,621
Benefit payments	<u>(1,860)</u>
Net change	<u>275,715</u>
OPEB liability at December 31, 2021	<u>\$1,641,901</u>

NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 3 - Other Post-retirement Benefits, Continued:

Plan Description

NORA in February of 2008 terminated its participation in the defined benefit plan operated by Louisiana State Employees' Retirement System (LASERS) for all current employees except for the one retired employee who is grand-fathered into the LASERS plan. The termination included the refunding of all prior contributions made to the plan by current employees. **NORA's** contributions made to the plan during its years of participation, do not carryover with its termination.

Currently **NORA** provides other postemployment benefits for one (1) retired employee. This postemployment benefits plan, an agent multiple-employer defined benefit plan, provides the retiree with a choice of participating in one of four medical insurance plans, each with varying benefits: preferred provider organization (PPO), exclusive provider organization (EPO), managed care option (MCO), or health maintenance organization (HMO). LSA-R.S. 42:801 - 859 assigns the authority to establish benefit plans and premium rates and negotiate contracts to the Office of Group Benefits under the direction of the Commissioner of Administration. The Office of Group Benefits issues a separate financial report which may be obtained by contacting them at:

Office of Group Benefits
State of Louisiana
7389 Florida Blvd. -Suite 400
Baton Rouge, Louisiana 70806
Phone: (800) 272-8451
Website: www.groupbenefits.org

NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 3 - Other Post-retirement Benefits, Continued:

Funding Policy

During 2021 **NORA** recognized the cost of providing these benefits (**NORA's** portion of premiums) as an expense when the benefit premiums were due and thus financed the cost of postemployment benefits on a pay-as-you-go basis. It implemented Governmental Accounting Standards Board (GASB) Statement Number 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*. Further, in 2021 **NORA's** portion of health care, and life insurance benefit premiums for its retired employee totaled \$1,860. **NORA** began the planning process of establishing a trust whose assets will be dedicated to providing other postemployment benefits to the retired employee and her beneficiary and which is legally protected from creditors. It is the intent of **NORA**, once the trust is established, to contribute its portion of postemployment benefits to the trust on a regular basis.

Required Contribution Rates

As determined by the Office of Group Benefits and approved by the Louisiana Legislature in 2007, the employer paid 75% of the premium cost for postemployment benefits for retired employees and their families, and the retirees paid 25% of the premium cost; monthly premium cost for retired employees ranged from \$268 for a single retiree in the HMO plan to \$2,116 for a family in the PPO plan.

NORA's annual medical and life postemployment benefits cost (expense) is calculated based on the annual required contribution of the employer, an amount actuarially determined. **NORA's** annual required contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize the unfunded actuarial liability (or funding excess) over a period of thirty (30) years for health and life insurance. The total OPEB for 2021 was \$30,668, none of which was funded because the trust had not been established.

NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 3 - Other Post-retirement Benefits, Continued:

Required Contribution Rates, Continued

At December 31, 2021, for the OPEB liability, OPEB expense, deferred outflows of resources and deferred inflows of resources related to OPEB, the State reported a liability of \$1,641,901 for NORA's proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2021. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2021. The total OPEB liability as of June 30, 2021 was determine using the roll back technique. For the year ended December 31, 2021, NORA is obligated to OPEB expense of \$30,668.

At December 31, 2021, NORA's reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources follow:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in assumptions	\$-0-	\$(183,445)
Net difference between expected and actual experience	<u>-0-</u>	<u>(109,158)</u>
	<u>\$-0-</u>	<u>\$(292,603)</u>

NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 3 - Other Post-retirement Benefits, Continued:

NORA's contributions subsequent to the measurement date of \$1,860 are reported as deferred outflows of resources and will be recognized as a reduction of the net OPEB liability in the year ending December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31:

2022	\$89,285
2023	69,617
2024	22,727
2025	<u>(26,270)</u>
 Total	 <u>\$155,359</u>

The following presents the sensitivity of NORA's proportionate share of net OPEB liability to changes in the discount rate. NORA's proportionate share of the net OPEB liability calculated using the discount rate that is 1-percent-point lower (2.13%) or 1 percent-point higher (4.13%) than the current discount rate:

	1% Decrease	Current Discount Rate	1% Increase
	<u>2.13%</u>	<u>3.13%</u>	<u>4.13%</u>
Sensitivity of the total OPEB liability to changes in the discount rate	<u>\$2,045,561</u>	<u>\$1,641,901</u>	<u>\$1,335,260</u>

NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 3 - Other Post-retirement Benefits, Continued:

The sensitivity of **NORA's** proportionate share of the net OPEB liability to changes in the healthcare cost trend rates follows.

NORA's proportionate share of the net OPEB liability, as well as what **NORA's** proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend that are 1-percentage-point lower or 1-percent-point higher than the current healthcare cost trend rates follow:

	<u>1%</u> <u>Decrease</u>	<u>Current Trend</u> <u>Rate</u>	<u>1%</u> <u>Increase</u>
Sensitivity of the total OPEB liability to changes in the healthcare cost trend rate	<u>\$1,301,458</u>	<u>\$1,641,901</u>	<u>\$2,102,393</u>

Actuarial Methods and Assumptions

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarial valuation for other postemployment benefits includes estimates and assumptions regarding (1) turnover rate; (2) retirement rate; (3) healthcare cost trend rate; (4) mortality rate; (5) discount rate (investment return assumption); and (6) the period to which the costs apply (past, current, or future years of service by employees). Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan at the time of the valuation and on the pattern of sharing costs between **NORA** and its plan member to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between **NORA** and plan member in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 3 - Other Post-retirement Benefits, Continued:

Actuarial Methods and Assumptions, Continued

The amount of the current employer portion of the healthcare premiums for the retiree coverage has been used as the basis for calculating the actuarial present value of benefits to be paid.

Actuarial Cost Method

The annual required contribution is determined using the Unit Credit Cost method, a method under which the benefits of each individual in an actuarial valuation are allocated by a consistent formula to valuation years, and actuarial gains or losses reduce or increase the unfunded actuarial accrued liability as they occur. The employer portion of the premiums for retiree medical care in each future year is determined by projecting the current premium levels using the health care cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality, and turnover rates.

Actuarial Value of Plan Assets

Since this is the first actuarial valuation, there are not any assets to be actuarially valued; however, it is anticipated that future valuations of actuarial assets will be based on Actuarial Standards Board Actuarial Standard of Practice Number 6, *Measuring Retiree Group Benefit Obligations*, which is applicable to postemployment benefits plans and generally requires valuing dedicated plan assets using a method that takes into account market value.

NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 3 - Other Post-retirement Benefits, Continued:

Healthcare Cost Trend Rates

Assumed Trend

The combined effect of price inflation and utilization on gross eligible medical and prescription drug charges is according to the table below. The initial trend rate was developed using our National Health Care Trend Survey. The survey gathers information of trend expectations for the coming year from various insurers and pharmacy benefit managers. These trends are broken out by drug and medical, as well as type of coverage (e.g., PPO, HO, POS). We selected plans that most closely match The State of Louisiana's benefits to set the initial trend. The ultimate trend is developed based on a building block approach which considers CPI, CDP, and Technology growth. The healthcare cost trend rates are shown below:

<u>Year</u>	<u>Medical and Drug Pre-65</u>	<u>Medical and Drug Post-65</u>
2021-2022	6.50%	5.00%
2022-2023	6.25%	4.75%
2023-2024	6.00%	4.50%
2024-2025	5.75%	4.50%
2025-2026	5.50%	4.50%
2026-2027	5.25%	4.50%
2027-2028	5.00%	4.50%
2028-2029	4.75%	4.50%
2029-2030	4.50%	4.50%
2030 +	4.50%	4.50%

NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 4 - Cash:

At December 31, 2021 the carrying amount of **NORA's** total deposits restricted and unrestricted was \$29,686,623 and the cumulative bank balance was \$29,677,225. The cumulative collected bank balance is covered by federal depository insurance and the pledge of securities. Custodial credit risk, is the risk that in the event of a failure by the financial institution, **NORA's** deposits may not be returned to it. **NORA** has no deposit policy for custodial credit risk; however, at December 31, 2021, none of **NORA's** bank balances were exposed to custodial risk. Under state laws, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent. These securities are held by the fiscal agent bank in the name of **NORA**.

Unrestricted cash at December 31, 2021 was \$2,082,397.

NOTE 5 - Restricted Cash:

Restricted cash at December 31, 2021 of \$27,604,226 represents the cash portion of program income funds held for the benefit of operational cost in connection with the land assembly program through the State of Louisiana and the cooperative agreement between the City of New Orleans, **NORA**, and the State of Louisiana.

NOTE 6 - Capital Assets, Net:

As of December 31, 2021, capital assets, net consisted of the following:

	Balance January 1, <u>2021</u>	<u>Addition</u>	<u>Other</u>	Balance December 31, <u>2021</u>
Land	\$ 34,360	\$ -0-	\$ -0-	\$ 34,360
Equipment	283,185	-0-	605	283,790
Leasehold improvements	67,474	-0-	-0-	67,474
Parking lot improvements	242,703	-0-	-0-	242,703
Vehicles	<u>163,757</u>	<u>-0-</u>	<u>-0-</u>	<u>163,757</u>
Sub-total	791,479	-0-	605	792,084
Less: accumulated depreciation	<u>(515,120)</u>	<u>(35,568)</u>	<u>-0-</u>	<u>(550,688)</u>
Total	<u>\$ 276,359</u>	<u>\$(35,568)</u>	<u>\$605</u>	<u>\$ 241,396</u>

NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 7 - Land, Unimproved Land and Structures:

At December 31, 2021, **NORA's** land, unimproved land and structures purpose restricted and unrestricted consisted of costs associated with the acquisition of property by expropriation and held for resale and/or donation in accordance with **NORA's** goal to rehabilitate, clear, and redevelop slum and blighted areas.

Restrictions are dictated through executed Cooperative Endeavor Agreements and/or contracts for the Road Home Property Disposition, Strategic Acquisition, Target Zone, Affordable Housing Pilot and Neighborhood Housing Improvement Programs.

For the REALM program, the unrestricted inventory of properties are held pursuant to **NORA's** goal to rehabilitate, clear and redevelop slum and blighted areas.

At December 31, 2021, land, unimproved land and structures by activity follows:

	Governmental Activities <u>(Restricted)</u>	Business-Type Activities <u>(Unrestricted)</u>	<u>Total</u>
Beginning	\$20,898,063	\$2,550,025	\$23,448,088
Addition	598,675	114,633	713,308
Retirement	<u>(3,485,539)</u>	<u>(406,025)</u>	<u>(3,891,564)</u>
Ending	<u>\$18,011,199</u>	<u>\$2,258,633</u>	<u>\$20,269,832</u>

NOTE 8 - Grants Receivable:

At December 31, 2021, grants receivable consisted of the following:

<u>PROGRAM</u>	<u>AMOUNT</u>
General Fund	\$ 274,154
National Disaster Resilience Competition	479,567
Nonmajor Governmental Program	<u>1,166,498</u>
	<u>\$1,920,219</u>

NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 9 - Leases:

NORA leases equipment, and commercial office space under operating leases. On December 31, 2009, **NORA** executed a ten (10) year lease agreement for commercial office space effective July 1, 2012. The lease provides for a purchase option in the seventh year at the appraised value of the building. The lease expires on July 1, 2022. Total cost of such leases was \$217,139 for the year ended December 31, 2021. Per the lease agreement **NORA** is currently exploring its option to purchase its leased property. See Note 23 for additional discussion.

NOTE 10 - Retirement System:

Plan Description

Currently, **NORA** participates in a defined contribution plan administered by a third-party administrator (Fox-Everett). The qualified, IRS 457(b), salary deferral plan was established May 1, 2008, and was amended in 2009, for eligible employees of **NORA**. Plan provisions and contribution requirements are established or amended by **NORA's** Board of Commissioners. This plan provides that the employee may voluntarily contribute to the **NORA** plan, and **NORA** will match employee contributions up to 5% of the employees' annual salary. The **NORA** plan includes twenty-nine (29) participants. For the year ended 2021, actual contributions by plan participants were \$149,472 with a \$82,642 match from **NORA**. Participants of the plan vest after two years of service. The 457(b) plan replaced the multi-employer defined benefit pension retirement plan operated by the State of Louisiana.

NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 10 - Retirement System, Continued:

Plan Description, Continued

Information on the plan can be obtained at the following address and contact number:

John Hancock
P. O. Box 600
Buffalo, NY 14201-0600
Telephone: (800) 395-1113

NOTE 11 - Risk Management:

NORA is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets for which **NORA** 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 12 - Concentration of Credit Risk:

NORA receives primarily all of its revenues from the City of New Orleans, the State of Louisiana as a pass-through grant from the U.S. Department of Housing and Urban Development and directly from the U.S. Department of Housing and Urban Development (HUD). If the amount of revenues received from the City of New Orleans, the State and HUD falls below contract levels, **NORA's** operating results could be adversely affected.

NOTE 13 - Contingencies:

NORA is subject to possible examinations by regulatory agencies who determine compliance with laws and regulations governing grants provided to **NORA**. These examinations may result in required refunds by **NORA** to agencies and/or program beneficiaries.

NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 13 - Contingencies, Continued:

On May 28, 2021, **NORA** received a judgment against it in connection with default in a development agreement by a developer. **NORA** intends to appeal.

Further, **NORA** is named in various pending suits to include default in a development agreement by a developer. It is legal counsel's opinion at December 31, 2021 and June 30, 2022, that outcomes of these outstanding matters will not have an adverse effect on the financial condition of **NORA**.

NOTE 14- Compensated Absences Payable:

An analysis of compensated absences payable follows:

	<u>Current</u>	<u>Non-current</u>	<u>Total</u>
Beginning	\$ 94,379	\$ 160,862	\$ 255,241
Addition	127,441	52,561	180,002
Deletion	<u>(141,362)</u>	<u>(19,727)</u>	<u>(161,089)</u>
Ending	<u>\$ 80,458</u>	<u>\$193,696</u>	<u>\$ 274,154</u>

The noncurrent portion due within a year is \$-0-.

NOTE 15 - Deposits Held for Others:

At December 31, 2021, **NORA** held deposits for others totaling \$97,615 which consisted of deposits held on behalf of potential buyers participating in its REALM and Road Home Disposition Program (Lot Next Door) for \$95,615 and security deposits of \$2,000 held for tenants participating on its REALM and AHPP programs respectively.

NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 16 - Per Diem for Board of Commissioners:

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

NOTE 17 - Amounts Receivable

At December 31, 2021, amounts receivable consisted of the following:

	<u>Property General Fund</u>	<u>Road Home Nonmajor Disposition Program</u>	<u>Governmental Funds</u>	<u>Real Estate Acquisition and Land Banking</u>	<u>Total</u>
Other	\$0	\$14,650	\$31,634	\$30,984	\$77,268
Total	\$0	\$14,650	\$31,634	\$30,984	\$77,268

NOTE 18 - Ford Foundation Grant:

NORA previously received a recoverable grant from the Ford Foundation in the amount of \$500,000. The original purpose of the grant was to provide collateral for a revolving line-of-credit that was to supply capital for acquisition and resale of vacant and abandoned properties for effective reuse.

During 2020, the grant was modified to dedicate the balance of \$473,892 in support of long term affordable residential development of **NORA's** recent acquisition of properties located at the intersection of St. Bernard and North Claiborne Avenues. See NOTE 27, for additional discussion.

NOTE 19 - Prepaid Items and Other Assets:

At December 31, 2021, prepaid items and other assets totaling \$148,650 consisted of prepaid insurance of \$116,650 and \$32,000 deposits on unimproved land and structures.

NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 20 - Investments Unrestricted:

At December 31, 2021, unrestricted investment consisted of the following:

<u>Description</u>	<u>Interest Rate</u>	<u>Carrying Value</u>	<u>Estimated Fair Value</u>
LAMP Investment Pool	.09%	<u>\$1,547,155</u>	<u>\$1,547,155</u>

NOTE 21 - Investments Restricted:

At December 31, 2021, restricted investments consisted of the following:

<u>Description</u>	<u>Interest Rate</u>	<u>Carrying Value</u>	<u>Estimated Fair Value</u>
LAMP Investment Pool	.09%	<u>\$192,725</u>	<u>\$192,725</u>

NOTE 22 - Rent Reserve:

At December 31, 2021, **NORA** had and continues to maintain a reserve for its office rent equal to six (6) months pursuant to its executed lease agreement.

NOTE 23 - Subsequent Events:

Subsequent to year-end, **NORA** has been awarded and/or received commitments from the City of New Orleans and other sources (both public and private) for funding.

NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 23 - Subsequent Events, Continued:

NORA's major sources of funding for 2022 consist primarily of the following:

City of New Orleans \$13.4M

Funding from the City of New Orleans for administrative and program delivery costs, acquisition, disposition, residential and commercial redevelopment for blight reduction, management of disposition activities, redevelopment planning, and reuse of vacant blighted properties into active outdoor space. NORA has continued to grow as an organization and partner with the City of New Orleans to help realize its community development and redevelopment goals via affordable rental gap financing, development of model resilient homes, and small business assistance grants.

Housing Construction Loan Fund

(through City of New Orleans and State of Louisiana) \$5.8M

Funding has been established for Housing Construction Loan Fund through **NORA's** non-profit subsidiary, New Orleans Redevelopment Unlimited, Inc. (NORU), to financially assist developers in the Gentilly Woods, Lower Ninth Ward, Pontchartrain Park, and New Orleans East neighborhoods in accelerating the redevelopment of vacant and blighted properties in these areas.

National Disaster Resilience Competition (NDRC) \$1.3M

Funds provided by the City of New Orleans with CDBG National Disaster Resilience (CDBG-NDR) awarded under the National Disaster Resilience Competition for the purpose of designing and implementing a program that offers new storm water management interventions on privately owned property and benefits low/moderate income residents. The green infrastructure interventions will promote best practices in diverting stormwater away from the public drainage system.

Neighborhood Stabilization 2 (NSP2) \$.75M

In February 2010, **NORA** was awarded \$29.7 million from the U.S. Department of Housing and Urban Development to fund the Neighborhood Stabilization 2 (NSP2) Program. **NORA** generated program income from the sale of homes it developed and repayment of homebuyer subsidy when homes are resold to non-qualified households. This Program Income has been retained and will be used to develop new affordable rental or homeownership units or provide homebuyer assistance on units qualified census tracts.

NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 23 - Subsequent Events, Continued:

Ford Foundation \$.47M

NORA has secured approval from the Ford Foundation to dedicate the balance of this recoverable grant in support of long-term affordability for a portion of the 56 planned residential units at 1429-31 St. Bernard Avenue.

FEMA \$.05M

FEMA Hazard Mitigation funding, NORA is authorized to complete construction administration of a storm water management project on 45 NORA owned properties in Pontchartrain Park and Gentilly Woods. This project will reduce flood risk for existing residents and make the area more attractive for new housing investments.

Further, NORU's Board of Directors approved on June 28, 2022 to initiate negotiations with NORA for the 1409 Oretha Castle Haley Boulevard, building which currently has (NORA) headquarters as it's anchor tenant. If NORU is successful in acquiring the location, NORU would negotiate a long-term lease with NORA.

Also, NORA is in discussions with the City of New Orleans administration regarding coordination of a planned redevelopment of the Six Flag site and what role NORA would play in the redevelopment.

NOTE 24 - Loans Receivable, Net:

At December 31, 2021, forgivable and unforgivable loans receivable were as follows:

Non-forgivable Loans

1626 OCH, LLC

Interest accrues at 2.5% per annum, payable in monthly installments on the 15th day of each month following receipt. Principal payments beginning after completion date

	\$ 485,197
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2700 Bohn Motor, LLC

Interest accrues at 2.5% per annum, payable in quarterly installments of principal and interest on the 1st day of January, April, July and October following disbursement

	486,704
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NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 24 - Loans Receivable, Net, Continued:

Non-forgivable Loans, Continued

<i>Tulane Land Holdings (Crescent Club)</i>	
5% interest due in full on November 18, 2036	\$750,000
<i>St. Claude/St. Roch Revitalization LLC; (Healing Center)</i>	
1% interest due and payable beginning December 10, 2010 with principal due on May 1, 2030	1,279,369
<i>GCHP-MLK Leverage Lender, LLC</i>	
0% principal and interest payments due from March 31, 2011 through March 31, 2047	1,700,000
<i>GCHP MLK Leverage Lender, LLC</i>	
0.5% interest due March 2011 until the option date. Beginning on the option date, interest will accrue at the prime rate plus 1% adjusted monthly	2,000,000
<i>Reconcile New Orleans</i>	
Interest accrues at 2.5% per annum; interest payments commence one year following receipt of temporary or final certificate of occupancy entire principal is payable on maturity	205,836
<i>The Good Work Network - Franz Building, LLC</i>	
Interest accrues at 2.5% per annum, payable in monthly installments commence one year following receipt of temporary or final certificate of occupancy	84,300
<i>Providence Community Housing</i>	
0% interest; principle due upon sale of each property	27,720
<i>Refresh Commercial (Broad Refresh)</i>	
2.5% interest per annum from April 4, 2013 until April 9, 2038	454,587

NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 24 - Loans Receivable, Net, Continued:

Non-forgivable Loans, Continued

MBS Parent, LLC - Alembic Myrtle Banks

Interest accrues at 2.50% per annum from date of disbursement, thereafter interest is payable monthly in arrears on the 15th day of each month. Principal is amortized over a 13-year period and payments commence beginning on May 17, 2020

\$ 727,262

1436 Oretha Castle Haley, LLC

Interest accrues 2.5% per annum; interest payment commence one year following receipt of temporary or final certificate of occupancy entire principal is payable on maturity

727,262

BTC Leverage Lender, LLC

Interest accrues at 2.5% per annum, payable in monthly installments on the 15th day of each month following receipt. Principal payments beginning on June 25, 2024

750,000

New Orleans Mission

Interest accrues at 1.5% per annum, payable in monthly installments on the 1st day of each month following receipt. Principal payments beginning after occupancy date.

103,882

1800 Onzaga, LLC

Interest accrues at 2.0% per annum, payable in monthly installments on the 1st day of the calendar month immediately following date of receipt of final certificate of occupancy.

394,418

Total non-forgivable loans

9,449,275

NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 24 - Loans Receivable, Net, Continued:

Forgivable Loans, Continued

Forgivable Loans

Reconcile New Orleans

Interest accrues at 2.5% per annum; entire amount of note is forgiven provided project is completed and no defaults. 44,538

South Broad Community Health

Center (Community Green)
 1% interest to accrue from April 10, 2012 until February 4, 2022 \$ 600,000

New Orleans Mission

Interest accrues at 1.5% per annum; provided entire amount of note is forgiven provided project is completed and no defaults 375,000

Alternative Housing and Neighborhood Stabilization Programs (home buyer assistance) mortgage with varying amounts executed starting in 2016 and expiring on varying dates through July 29, 2031 420,567

Total forgivable loans 1,440,105

Credit sales 1,500,498

Total loans 12,389,878

Less: allowance for doubtful accounts 730,000

Current loans 538,204

Noncurrent loans \$12,198,082

NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 25 - Revolving Loans:

Revolving loans at December 31, 2021, totaling \$9,957,127 represent funds provided to **NORA** for revolving loans to entities aimed at the rehabilitation and redevelopment within the City of New Orleans.

NOTE 26 - 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.

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 27 - Deferred Inflow of Resources:

At December 31, 2021 deferred inflow of resources represent grant funds and acquisitions that **NORA** must satisfy grant conditions prior to the recognition of revenue:

Program/Funded By

General Fund	\$ 2,505,674
CBDG - Disaster Oretha Castle Haley	1,994,771
Road Home Program	13,122,583
Nonmajor and other	8,517,937
Orleans Housing Investment Program	6,017,141
Real Estate Acquisition and Land Banking	<u>538,204</u>
Total	<u>\$32,696,310</u>

NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 28 - Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:

At December 31, 2021, **NORA** reported deferred outflows of resources related to OPEB from the following sources:

	<u>Deferred Outflow Of Resources</u>
Differences between expected and actual experience	\$ -0-
Contributions	<u>275,715</u>
	<u>\$275,715</u>

NOTE 29 - Restricted Net Assets:

Real property held by **NORA** is subject to specific future use and/or disposition pursuant to the requirements of CDBG funded activities.

NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 30 - Promissory Notes:

At December 31, 2021, **NORA** has executed, various promissory notes and Acts of Credit sale totaling \$1,440,105 at varying interest rates. These loans are subject to a waiver at the point of sale under the following conditions:

- (a) Purchaser sells the property to a purchaser with a family income which is less than or equal to 120% for the Area Median Income (AMI), calculated in accordance with 24 CFR Part 92.
- (b) The family income of the third party purchaser of the specific property is less than or equal to 120% for the Area Median Income (AMI), the Improvements on the property meet or exceed Builder's Challenge Standard, Enterprise Green Communities and **NORA's** Hazard Resilience Standards and have a HERS Index score of no greater than 70 or 50, as applicable. Improvements may also qualify if they are to meet comparable standards such as LEED or the National Home Builders.
- (c) Purchaser has provided sufficient information to seller to determine that the requirements above have been satisfied, and that purchaser has met its obligations under this Act of Credit Sale, including without limitation, completion of the work.
- (d) Seller determines that the benefits to the third party purchaser are commensurate with the amount waived.

NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 31 - Prior Period Adjustment:

At December 31, 2021, **NORA** recorded a correction of \$199,896 in the REALM program to correctly state amounts previously charged in error to deposits held for others.

NOTE 32 - GAP Financing:

In pursuant of its mission, **NORA** issues below market interest rate loans to developers and other organizations. These loans have varying repayment terms to include compliance with lending and regulatory agreements. See NOTE 24, for additional discussion.

SUPPLEMENTARY INFORMATION

**INDEPENDENT AUDITORS' REPORT
ON
SUPPLEMENTARY INFORMATION**

To the Board of Commissioners
New Orleans Redevelopment Authority
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 Authority (NORA)** 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 those financial statements. 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 purposes of additional analysis as required by *the Uniform Guidance*, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from the underlying accounting and other records used to prepare the basic financial statements. The information in the Schedule of Expenditures of Federal Awards has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, Schedule I is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

**INDEPENDENT AUDITORS' REPORT
ON
SUPPLEMENTARY INFORMATION**

Other Matters, Continued

Other Supplementary Information

The supplementary information comprised of the Schedule of Compensation, Benefits and Other Payments to Executive Director (Schedule II), is presented for the purpose of additional analysis and is not a required part of the basic 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 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Bruno & Tervalon LLP

BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS
New Orleans, Louisiana

June 30, 2022

NEW ORLEANS REDEVELOPMENT AUTHORITY
GENERAL FUND/UNRESTRICTED
STATEMENT OF REVENUES, EXPENDITURES
AND
CHANGES IN FUND BALANCE--BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2021

	Budgeted Amount			Variance Favorable (Unfavorable)
	Original	Final	Actual	
Revenues				
Interest Income	\$ 12,000	\$ 357	\$ 357	\$ -
Other	\$ 38,000	\$ 106,021	\$ 106,021	\$ -
Total revenues	\$ 50,000	\$ 106,378	\$ 106,378	\$ -
Expenditures				
Personnel Salaries & Wage	\$ 818,688	\$ 515,729	\$ 515,729	\$ -
Personnel Services Employee Benefit	\$ 183,950	\$ 117,304	\$ 117,304	\$ -
Purchased Professional & Technical Service	\$ 60,320	\$ 37,875	\$ 37,875	\$ -
Purchased Property Services	\$ 140,090	\$ 161,491	\$ 161,491	\$ -
Insurance	\$ 162,302	\$ 69,000	\$ 69,000	\$ -
Other Purchased Services	\$ 50,000	\$ 28,844	\$ 28,844	\$ -
Supplies	\$ 60,639	\$ 34,176	\$ 34,176	\$ -
Property	\$ 20,000	\$ 2,518	\$ 2,518	\$ -
Programs	\$ 450,000	\$ -	\$ -	\$ -
Other Uses	\$ 115,060	\$ 6,213	\$ 6,213	\$ -
Indirect Cost	\$ 7,138	\$ -	\$ -	\$ -
Total expenditures	\$ 2,068,187	\$ 973,150	\$ 973,150	\$ -
Excess (deficiency) of revenues over (under)	\$ (2,018,187)	\$ (866,772)	\$ (866,772)	\$ -
Other Financing Sources (uses)				
Operating Transfer In	1,544,295	903,445	903,445	-
Total other financing sources (uses)	1,544,295	903,445	903,445	-
Net Change in Fund Balance	-	96,673	36,673	-
Fund Balance (deficit), beginning of year	\$ 397,374	397,374	397,374	-
Fund Balance (deficit), end of year	397,374	434,047	434,047	-

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

NEW ORLEANS REDEVELOPMENT AUTHORITY
BLIGHTED PROPERTIES REMOVAL PROGRAM FUND -
ENTITLEMENT
STATEMENT OF REVENUES, EXPENDITURES
AND
CHANGES IN FUND BALANCE
BUDGETED AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original Budget	Final		
Revenues				
Grants	\$ 1,000,000	\$ 1,000,000	\$ 949,257	\$ (50,743)
Total revenues	\$ 1,000,000	\$ 1,000,000	\$ 949,257	\$ (50,743)
Expenditures				
Operations:				
Personnel Salaries & Wages	\$ 423,990	\$ 423,990	\$ 427,635	\$ (3,645)
Personnel Services Employee Benefits	\$ 92,105	\$ 92,105	\$ 94,949	\$ (2,844)
Purchased Professional & Technical Services	\$ 32,713	\$ 32,713	\$ 12,154	\$ 20,559
Purchased Property Services	\$ 207,458	\$ 207,458	\$ 168,647	\$ 38,811
Insurance	\$ 17,381	\$ 17,381	\$ 19,307	\$ (1,926)
Other Purchased Services	\$ 1,616	\$ 1,616	\$ -	\$ 1,616
Supplies	\$ -	\$ -	\$ -	\$ -
Property	\$ 404	\$ 404	\$ 305	\$ 99
Indirect Cost	\$ 224,333	\$ 224,333	\$ 226,262	\$ (1,929)
Total expenditures	\$ 1,000,000	\$ 1,000,000	\$ 949,257	\$ 50,743
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -
Transfer In				
Operating Transfer in	\$ -	\$ -	\$ -	\$ -
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, beginning of year			\$ -	
Fund balance, end of year			\$ -	

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

NEW ORLEANS REDEVELOPMENT AUTHORITY
 FACADE RENEW
 STATEMENT OF REVENUES, EXPENDITURES
 AND
 CHANGES IN FUND BALANCE
 BUDGETED AND ACTUAL
 (NON-GAAP BUDGETARY BASIS)
 FOR THE YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original Budget	Final		
Revenues				
Program Income	\$ 1,541,372	\$ 194,070	\$ 194,070	\$ -
Program Income - State of Louisiana	\$ 369,540	\$ 60,891	\$ 60,891	\$ -
Total revenues	\$ 1,910,912	\$ 254,961	\$ 254,961	\$ -
Expenditures				
Operations:				
Personnel Salaries & Wages	\$ 80,205	\$ 58,657	\$ 58,657	\$ -
Personnel Services Employee Benefits	\$ 22,978	\$ 13,179	\$ 13,179	\$ -
Purchased Professional & Technical Services	\$ 206,463	\$ 33,004	\$ 33,004	\$ -
Purchased Property Services	\$ 17,447	\$ 4,237	\$ 4,237	\$ -
Insurance	\$ 1,100	\$ 760	\$ 760	\$ -
Other Purchased Services	\$ 565	\$ -	\$ -	\$ -
Property	\$ 210	\$ 73	\$ 73	\$ -
Programs	\$ 1,539,508	\$ 114,017	\$ 114,017	\$ -
Indirect Cost	\$ 1,910,912	\$ 254,961	\$ 254,961	\$ -
Total expenditures	\$ 3,779,388	\$ 478,887	\$ 478,887	\$ -
Excess (deficiency) of revenues over (under) expenditures	\$ 1,868,476	\$ 223,926	\$ 223,926	\$ -
Transfer In				
Operating Transfer in	\$ -	\$ -	\$ -	\$ -
Net change in fund balance	\$ (1,868,476)	\$ (223,926)	\$ (223,926)	\$ -

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

NEW ORLEANS REDEVELOPMENT AUTHORITY
COMMUNITY DEVELOPMENT BLOCK GRANT - DISASTER COMMERCIAL CORRIDOR
STATEMENT OF REVENUES, EXPENDITURES
AND
CHANGES IN FUND BALANCE
BUDGETED AND ACTUAL
COMMUNITY DEVELOPMENT BLOCK GRANT - LOUISIANA RECOVERY AUTHORITY
STATE OF LOUISIANA
(NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original Budget	Final		
Revenues				
Grants	\$ 1,500,655	\$ 503,318	\$ 503,318	\$ 1
Interest Income	\$ 90,000	\$ 54,542	\$ 54,542	\$ -
Total revenues	\$ 1,590,655	\$ 557,860	\$ 557,860	\$ -
Expenditures				
Operations:				
Personnel Salaries & Wages	\$ 125,176	\$ 56,480	\$ 56,480	\$ -
Personnel Services Employee Benefits	\$ 81,545	\$ 14,551	\$ 14,551	\$ -
Purchased Professional & Technical Services	\$ 23,153	\$ 2,814	\$ 2,814	\$ -
Purchased Property Services	\$ 7,910	\$ 3,485	\$ 3,485	\$ -
Insurance	\$ 1,495	\$ 612	\$ 612	\$ -
Property	\$ 168	\$ 33	\$ 33	\$ -
Programs	\$ 1,284,977	\$ 450,001	\$ 450,001	\$ -
Indirect Cost	\$ 66,231	\$ 29,884	\$ 29,884	\$ -
Total expenditures	\$ 1,590,655	\$ 557,860	\$ 557,860	\$ -
Excess (deficiency) of revenues over (under)	\$ -	\$ (0)	\$ (0)	\$ -
Transfer In				
Operating Transfer in	\$ -	\$ -	\$ -	\$ -
Net change in fund balance	\$ -	\$ (0)	\$ (0)	\$ -
Fund balance, beginning of year			\$ (0)	
Fund balance, end of year			\$ (0)	

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

NEW ORLEANS REDEVELOPMENT AUTHORITY
ROAD HOME PROPERTY DISPOSITION
STATEMENT OF REVENUES, EXPENDITURES
AND
CHANGES IN FUND BALANCE
BUDGETED AND ACTUAL
COMMUNITY DEVELOPMENT BLOCK GRANT - LOUISIANA RECOVERY AUTHORITY
STATE OF LOUISIANA
(NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original Budget	Final		
Revenues				
Program Income	\$ 3,033,631	\$ 2,634,416	\$ 2,634,416	\$ -
Interest Income	\$ 65,000	\$ 2,624	\$ 2,624	\$ -
Other	\$ 210,000	\$ 150,740	\$ 150,740	\$ -
Total revenues	\$ 3,308,631	\$ 2,787,780	\$ 2,787,780	\$ -
Expenditures				
Operations:				
Personnel Salaries & Wages	\$ 1,056,091	\$ 942,844	\$ 942,844	\$ -
Personnel Services Employee Benefits	\$ 232,340	\$ 230,137	\$ 230,137	\$ -
Purchased Professional & Technical Services	\$ 199,000	\$ 130,778	\$ 130,778	\$ -
Purchased Property Services	\$ 918,466	\$ 681,806	\$ 681,806	\$ -
Insurance	\$ 142,839	\$ 103,862	\$ 103,862	\$ -
Other Purchased Services	\$ 884	\$ -	\$ -	\$ -
Property	\$ 6,459	\$ 1,717	\$ 1,717	\$ -
Indirect Cost	\$ 558,778	\$ 498,859	\$ 498,859	\$ -
Cost of Sales	\$ 193,774	\$ 197,778	\$ 197,778	\$ -
Total expenditures	\$ 3,308,631	\$ 2,787,780	\$ 2,787,780	\$ -
Excess (deficiency) of revenues over (under)	\$ -	\$ (0)	\$ (0)	\$ -
Transfer In				
Operating Transfer in	\$ -	\$ -	\$ -	\$ -
Net change in fund balance	\$ -	\$ (0)	\$ (0)	\$ -
Fund balance, beginning of year			\$ (0)	
Fund balance, end of year			\$ (0)	

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

NEW ORLEANS REDEVELOPMENT AUTHORITY
ORLEANS HOUSING INVESTMENT PROGRAM
STATEMENT OF REVENUES, EXPENDITURES
AND
CHANGES IN FUND BALANCE
BUDGETED AND ACTUAL
COMMUNITY DEVELOPMENT BLOCK GRANT
STATE OF LOUISIANA
(NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original Budget	Final		
Revenues				
Program Income	\$ 7,012,797	\$ 1,088,034	\$ 1,088,034	\$ -
Total revenues	\$ 7,012,797	\$ 1,088,034	\$ 1,088,034	\$ -
Expenditures				
Operations:				
Personnel Salaries & Wages	\$ 394,048	\$ 12,151	\$ 12,151	\$ -
Personnel Services Employee Benefits	\$ 86,945	\$ 3,171	\$ 3,171	\$ -
Purchased Professional & Technical Services	\$ 106,940	\$ 6,890	\$ 6,890	\$ -
Purchased Property Services	\$ 8,517	\$ 644	\$ 644	\$ -
Insurance	\$ 7,439	\$ -	\$ -	\$ -
Other Purchased Services	\$ 15,014	\$ 201	\$ 201	\$ -
Property	\$ 766	\$ -	\$ -	\$ -
Programs	\$ 6,185,900	\$ 1,058,546	\$ 1,058,546	\$ -
Indirect Cost	\$ 207,228	\$ 6,429	\$ 6,429	\$ -
Total expenditures	\$ 7,012,797	\$ 1,088,034	\$ 1,088,034	\$ -
Excess (deficiency) of revenues over (under)	\$ -	\$ -	\$ -	\$ -
Transfer In				
Operating Transfer in	\$ -	\$ -	\$ -	\$ -
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, beginning of year			\$ -	
Fund balance, end of year			\$ -	

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

NEW ORLEANS REDEVELOPMENT AUTHORITY
STRATEGIC ACQUISITION FUND
STATEMENT OF REVENUES, EXPENDITURES
AND
CHANGES IN FUND BALANCE
BUDGETED AND ACTUAL
COMMUNITY DEVELOPMENT BLOCK GRANT
STATE OF LOUISIANA
(NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original Budget	Final		
Revenues				
Program Income	\$ 1,154,916	\$ 496,254	\$ 496,254	\$ -
Total revenues	<u>\$ 1,154,916</u>	<u>\$ 496,254</u>	<u>\$ 496,254</u>	<u>\$ -</u>
Expenditures				
Operations:				
Personnel Salaries & Wages	\$ 33,935	\$ 15,064	\$ 15,064	\$ -
Personnel Services Employee Benefits	\$ 7,669	\$ 3,263	\$ 3,263	\$ -
Purchased Professional & Technical Services	\$ 31,051	\$ 29,282	\$ 29,282	\$ -
Purchased Property Services	\$ 50,000	\$ 8,422	\$ 8,422	\$ -
Insurance	\$ 1,550	\$ 530	\$ 530	\$ -
Other Uses	\$ 10,000	\$ 104	\$ 104	\$ -
Property	\$ 1,002,756	\$ 431,619	\$ 431,619	\$ -
Other Uses	\$ -	\$ -	\$ -	\$ -
Indirect Cost	\$ 17,955	\$ 7,970	\$ 7,970	\$ -
Costs of Sales	\$ -	\$ -	\$ -	\$ -
Total expenditures	<u>\$ 1,154,916</u>	<u>\$ 496,254</u>	<u>\$ 496,254</u>	<u>\$ -</u>
Excess (deficiency) of revenues over (under)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Transfer In				
Operating Transfer In	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning of year			<u>\$ -</u>	
Fund balance, end of year			<u>\$ -</u>	

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

NEW ORLEANS REDEVELOPMENT AUTHORITY
 BLIGHTED PROPERTIES REMOVAL PROGRAM FUND -
 NATIONAL DISASTER RESILIENCE GRANT
 STATEMENT OF REVENUES, EXPENDITURES
 AND
 CHANGES IN FUND BALANCE
 BUDGETED AND ACTUAL
 (NON-GAAP BUDGETARY BASIS)
 FOR THE YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original Budget	Final		
Revenues				
Grants	\$ 3,731,496	\$ 3,731,496	\$ 1,918,352	\$ (1,813,144)
Total revenues	\$ 3,731,496	\$ 3,731,496	\$ 1,918,352	\$ (1,813,144)
Expenditures				
Operations:				
Personnel Salaries & Wages	\$ 52,765	\$ 52,765	\$ 30,805	\$ 21,960
Personnel Services Employee Benefits	\$ 11,540	\$ 11,540	\$ 8,204	\$ 3,336
Purchased Professional & Technical Services	\$ 34,141	\$ 34,141	\$ 19,650	\$ 14,491
Purchased Property Services	\$ 3,883	\$ 3,883	\$ 2,542	\$ 1,341
Insurance	\$ 6,465	\$ 6,465	\$ 260	\$ 6,205
Other Purchased Services	\$ 2,869	\$ 2,869	\$ -	\$ 2,869
Property	\$ 400	\$ 400	\$ 10	\$ 390
Programs	\$ 3,591,516	\$ 3,591,516	\$ 1,840,583	\$ 1,750,933
Indirect Cost	\$ 27,917	\$ 27,917	\$ 16,299	\$ 11,618
Total expenditures	\$ 3,731,496	\$ 3,731,496	\$ 1,918,352	\$ 1,813,144
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -
Transfer In				
Operating Transfer in	\$ -	\$ -	\$ -	\$ -
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, beginning of year			\$ -	
Fund balance, end of year			\$ -	

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

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

<u>Program Grantor/Title</u>	<u>CFDA Number</u>	<u>Federal Expenditures</u>
<u>PROGRAMS FUNDED BY THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:</u>		
Neighborhood Stabilization Program 2 - Program Income	14.256	\$ <u>25,901</u>
Sub-total		<u>25,901</u>
<u>Pass Through CDBG Funds as Subgrantee of the State of Louisiana:</u>		
Construction Lending - Expanded	14.228	<u>2,740</u>
Sub-total pass through funds		<u>2,740</u>
<u>Pass Through CDBG Funds as Subgrantee of the City of New Orleans:</u>		
Blighted Properties Program - Entitlement	14.218	949,257
Blighted Properties Program - Disaster	14.218	557,859
Facade Renew 2.0	14.228	194,070
National Disaster Resilience Competition	14.272	1,918,352
Orleans Housing Investment Program	14.228	1,088,034
Target Zone	14.218	<u>3,695</u>
Sub-total pass through funds		<u>4,711,267</u>
<u>Pass Through CBDG Funds as Subgrantee of the State of Louisiana/City of New Orleans:</u>		
Land Assembly - 4 Party CEA	14.228	2,786,887
Strategic Acquisition Fund	14.228	<u>496,254</u>
Sub-total pass through funds		<u>3,283,141</u>
Page total		<u>8,023,049</u>

See Independent Auditors' Report on Supplementary Information.

NEW ORLEANS REDEVELOPMENT AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020

<u>Program Grantor/Title</u>	<u>CFDA Number</u>	<u>Federal Expenditures</u>
PROGRAMS FUNDED BY		
<u>FEDERAL EMERGENCY MANAGEMENT ASSOCIATION</u>		
Pass Through Funds as Subgrantee of		
<u>State of Louisiana:</u>		
Alternative Housing Pilot Program Income	97.087	\$ <u>142,318</u>
Sub-total pass through funds		<u>142,318</u>
Pass Through Funds as Subgrantee of		
<u>the City of New Orleans</u>		
Hazard Mitigation Program	97.039	<u>59,178</u>
Sub-total pass through funds		<u>59,178</u>
Total all programs		<u>\$8,224,545</u>

NOTE: Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes all Federal activity of **NORA** 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: **NORA** has not elected to use the 10% de minimis indirect cost rate.

See Independent Auditors' Report on Supplementary Information.

SCHEDULE II

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

Executive Director Name: Brenda M. Breaux

<u>Purpose</u>	<u>Amount</u>
Salary	\$183,881
Benefits - insurance	11,760
Benefits - retirement	9,194
Cell phone	474
Memberships	280
Registration fee and conference travel	<u>960</u>
	<u>\$206,549</u>

See Independent Auditors' Report on Supplementary Information.

**REQUIRED
SUPPLEMENTARY INFORMATION**

SCHEDULE III

NEW ORLEANS REDEVELOPMENT AUTHORITY
SCHEDULE OF OTHER POST EMPLOYMENT BENEFIT PLAN (OPEB)
FROM IMPLEMENTATION THROUGH
THE YEAR ENDED DECEMBER 31, 2021

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Net OPEB liability (%)	<u>.0169%</u>	<u>.0184%</u>	<u>.0177%</u>	<u>.0219%</u>
Net OPEB liability	<u>\$1,472,569</u>	<u>\$1,521,369</u>	<u>\$1,366,186</u>	<u>\$1,641,901</u>
OPEB liability as a percentage of covered payroll	<u>57.77%</u>	<u>64.57%</u>	<u>58.49%</u>	<u>70.06%</u>

NOTE: This schedule reflects information from implementation of OPEB in 2018.

NOTE: The Plan is financed on an as you go pay basis under which the contributions to the plan and payments from the plan are generally made at about the same time as benefit payments become due.

See Independent Auditors' Report on Supplementary Information.

SCHEDULE IV

NEW ORLEANS REDEVELOPMENT AUTHORITY
SCHEDULE OF CONTRIBUTION - OPEB
FOR THE YEAR ENDED DECEMBER 31, 2021

Contractually required contribution	\$ 1,860
Contribution in relation to the contractually required contribution	<u>(1,860)</u>
Excess (deficiency)	\$ <u>-0-</u>
Covered payroll	
OPEB contribution as a percentage of covered payroll	<u>.079%</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 Commissioners
New Orleans Redevelopment Authority
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 the governmental activities, the business type activities, each major fund, the discretely presented component unit information, and the aggregate remaining funds of **New Orleans Redevelopment Authority (NORA)** as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise **NORA's** basic 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 **NORA's** internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of **NORA's** internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of **NORA'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 may exist that have not been 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 **NORA'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 **NORA'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 which 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)

NORA's Response to Finding(s)

NORA's response to the internal control over compliance findings identified in our audit is described in the accompanying Summary Schedule of Findings and Questioned Costs under the caption "Management's Response and Planned Corrective Action" and/or "Current Status". NORA's response was not subject to the auditing procedures applied in the audit of compliance and accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of NORA'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 NORA'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 Commissioners
New Orleans Redevelopment Authority
New Orleans, Louisiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited New Orleans Redevelopment Authority's (NORA) 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 each of NORA's major federal programs for the year ended December 31, 2021. NORA's major federal programs are identified in the Summary of Auditors' Results section of the accompanying Summary Schedule of Findings and Questioned Costs.

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

Basis for Opinion on Each Major Federal Program

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

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 Each Major Federal Program, Continued

standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of **NORA** and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of **NORA's** compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements previously referred to 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 **NORA** federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements previously referred to occurred, whether due to fraud or error, and express an opinion on **NORA's** compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements 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 **NORA's** compliance with the requirements of each major federal program as a whole.

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding **NORA** compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of **NORA** 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 **NORA** internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness

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 (Continued)

in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of *the Uniform Guidance*. Accordingly, this report is not suitable for any other purpose. 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

NEW ORLEANS REDEVELOPMENT AUTHORITY
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2021

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> ?	Yes

NEW ORLEANS REDEVELOPMENT AUTHORITY
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2021

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>
14.218	Community Development Block Grant: Entitlement
14.272	National Disaster Resilience Competition
Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

NEW ORLEANS REDEVELOPMENT AUTHORITY
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2021

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.

NEW ORLEANS REDEVELOPMENT AUTHORITY
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2021

Section IV – Status of Prior Year’s Findings and Questioned Costs

Reference Number

2020-001

Federal Award Program

See Schedule of Expenditures of Federal Awards

Criteria

Louisiana Revised Statute requires all civil servants to receive the annual ethics training and certification on the Code of Governmental Ethics by no later than December 31st of each calendar year

Condition

For a sample of ten (10) employees tested, we noted where two (2) employees’ failed to receive the State of Louisiana annual ethics training and certification required for all public servants on the Code of Governmental Ethics for Public Servants, on or before December 31, 2020.

Context

Total number of employees eligible to obtain the annual ethics certification were thirty-four (34).

Effect or Potential Effect

Noncompliance with State of Louisiana Statute regarding annual ethics training and certification.

NEW ORLEANS REDEVELOPMENT AUTHORITY
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2021

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

Reference Number, Continued

2020-001

Cause

Level of oversight at the respective supervisory levels.

Recommendation

Management should enhance its monitoring of all required training to ensure compliance within the established timeline.

Current Status

Resolved

NEW ORLEANS REDEVELOPMENT AUTHORITY
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2021

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

Reference Number

2020-002

Federal Award Program

National Disaster Resilience Competition (See Schedule of Expenditures for Federal Awards).

Criteria

An excerpt from **NORA's** executed Cooperative Agreement with the City of New Orleans states as follows:

Article VI - (Monitoring of Subrecipients Performance) Section B under reporting requires the submission of quarterly progress and financial reports to the City of New Orleans.

Condition

Our review of reports and supporting documents provided to us by **NORA** in reference to Article VI Section B; reporting of various measurement factors listed, revealed variances between the data as reflected in the filed report and related supporting documents.

Context

Total expenses for the National Disaster Resilience Competition program for the year ended December 31, 2020 were \$2,252,038.

Effect or Potential Effect

Lack of alignment and retention of supporting documents to all filed reports.

NEW ORLEANS REDEVELOPMENT AUTHORITY
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2021

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

Reference Number, Continued

2020-002

Cause

Lack of "real-time" records retention for all external submitted reports for the reporting period.

Recommendation

We recommend that management revisit with its record filing and retention procedures to ensure the retention of all supporting documents for filed reports.

Current Status

Resolved

NEW ORLEANS REDEVELOPMENT AUTHORITY

EXIT CONFERENCE

Exit conferences were held with representatives of **NORA**. 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 the various discussions:

NEW ORLEANS REDEVELOPMENT AUTHORITY

Kristyna Jones	-- Chairperson (Finance Committee)
*Brenda M. Breaux	-- Executive Director
Derrick A. Muse	-- Chief Financial Officer
Tiffany Lawson	-- Controller

BRUNO & TERVALON LLP, CERTIFIED PUBLIC ACCOUNTANTS

Paul K. Andoh, Sr., CPA, MBA, CGFM, CGMA	-- Partner
Jamia Steptore	-- In-Charge
Joseph Nguyen	-- Staff Accountant

*Primary responsible party for the corrective action plans

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

Ms. Brenda Breaux, Executive Director
New Orleans Redevelopment Authority
New Orleans, Louisiana

Management of **New Orleans Redevelopment Authority (NORA)** is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit of the financial statements of **NORA** 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 **NORA'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 **NORA's** internal control. Accordingly, we do not express an opinion on the effectiveness of **NORA's** internal control.

During our audit, we became aware of other matter to provide an opportunity for **NORA** to strengthen its internal control and operating efficiency.

We previously reported on **NORA'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 **NORA**.

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

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

Current Year's Other Matter, Continued
2021

Our discussion of current year's other matter follows:

Reference Number
OM 2021-001

Criteria

Management must establish internal control objectives to provide reasonable assurance regarding the achievement of operations, reliability of financial reporting and compliance with applicable contracts, laws, regulations.

Condition

Our review of NORA's internal control system over financial reporting revealed the following conditions:

- o Need for documented alignment and enhanced coordination between the Human Resources department, (initial employee data input, data changes etc.) and processing from the enrollment, during employment to employee termination phase with the Finance department;
- o Lack of documented review and the completeness of planned periodic reassessments and documentation of oversight procedures performed over the completeness of payroll and related employee benefits. Such documentation should include authorized deductions such as healthcare, retirement, etc. Further, such assessment and oversight procedures performed, should include mandatory deductions; and
- o Compliance with Board policies and procedures involving payroll and related processes.

Questioned Costs

None.

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

Current Year's Other Matter, Continued
2021

Reference Number, Continued

OM 2021-001

Context

Total payroll and related expenses totaled \$2,700,621 for the year ended December 31, 2021.

Effect of Potential Effect

Ensure compliance with Board policies and completeness in financial reporting.

Cause

Lack of enhanced levels of oversight and coordination between the Human Resources and Finance departments, specifically in the area of all payroll and benefit related transactions.

Recommendation

Management of NORA should revisit with its current payroll processing procedures and oversight. Such a reassessment should facilitate the maintenance of payroll operations aimed at the reliability of financial reporting and compliance with Board policy.

Management's Response and Planned Corrective Action

Management will enhance its level of oversight coordination between Human Resources and Finance Departments ensuring compensation, benefits and labor relations compliance in accordance with the Board approved policies and procedures. In addition, further procedures will document the coordination between these two departments.

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

Prior Year's Other Matters, Continued
2020

Our discussion of prior year's other matters follows:

Reference Number

OM 2020-001

Criteria

Management must establish internal control objectives to provide reasonable assurance regarding the achievement of operations, reliability of financial reporting and compliance with applicable contracts, laws, regulations.

Condition

The Governmental Accounting Standards Board (GASB) issued in June 2017 GASB Statement No 87 on leases. The implementation date was postponed due to the COVID-19 pandemic to fiscal years beginning after June 15, 2021.

The statement primary addresses reporting for certain lease liabilities currently not reported.

Questioned Costs

None.

Context

Total amount of lease obligations for the year ended December 31, 2020 were \$197,429.

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

Current Year's Other Matters, Continued
2020

Reference Number

OM 2020-001

Effect of Potential Effect

Enhance the usefulness of NORA's financial statements.

Cause

None.

Recommendation

Management of NORA should initiate the planning process for the implementation of reporting requirements of GASB Statement No. 87 on leases.

Current Status

Resolved.

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

Prior Year's Other Matters, Continued
2020

Reference Number

OM 2019-001

Criteria

Management must establish internal control objectives to provide reasonable assurance regarding the achievement of operations, reliability of financial reporting and compliance with applicable contracts, laws and regulations.

Condition

Our testing of selected internal control attributes for cash receipts and disbursements to include credit card transactions revealed the following conditions:

- In two (2) of eleven (11) cash receipt transactions tested, we noted the untimely deposit of funds within the five (5) business days as dictated by NORA's policy.
- One (1) of five (5) employees travel reimbursement transactions tested revealed a reimbursement for both mileage and gasoline purchased for the same conference related travel. Pursuant to NORA's policy, "personal vehicle reimbursement may not exceed a maximum of 99 miles per round trip and/or day".
- In another instance of the five (5) employees tested, we were unable to evidence air fare travel documentation as dictated by policy. NORA's policy states that "at least three (3) direct price quotes from commercial airlines must also be obtained for coach, economy or business class flights and included with the "Credit Card Approval and Employee Travel and Training Authorization Form".

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

Prior Year's Other Matters, Continued
2020

Reference Number, Continued

OM 2019-001

Condition, Continued

This condition is similar to a prior year's other matters reference numbers OM 2017-001 and 2017-002.

Questioned Costs

None.

Context

Total amount of revenues and expenses for the year ended December 31, 2019 were \$11,844,571 and \$11,677,244.

Effect or Potential Effect

The potential effect of the referenced condition includes incomplete financial statements from which management and the board will rely on to make informed decisions.

Cause

Oversight of NORA policy regarding timely deposit of funds collected and requirements as dictated by NORA's travel policy.

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

Prior Year's Other Matters, Continued
2020

Reference Number, Continued

OM 2019-001

Recommendation

Management of NORA should continue and provide the necessary level of oversight of its operations aimed at the complete documentation of required processes and procedures to ensure the compliance with board dictated policy.

Current Status

Resolved.

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

NORA's response to the other matters identified in our audit is described in the accompanying report under the caption "Management's Response and Planned Corrective Action" and/or "Current Status". We did not audit NORA's response and, accordingly, we express no opinion on it.

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 Board of Commissioners, management, the City of New Orleans, Legislative Auditor for the State of Louisiana, and is not intended to be and should not be used by anyone other than those specified parties. Under Louisiana Revised State 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

NEW ORLEANS REDEVELOPMENT AUTHORITY
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**

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

We have performed the procedures enumerated below, which were agreed to by **New Orleans Redevelopment Authority (NORA)** 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. **NORA'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)**

Written Policies and Procedures

1. Procedures

We obtained NORA's written policies and procedures and reported whether those written policies and procedures 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.

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

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

Written Policies and Procedures, Continued

1. Procedures, Continued

Finding

No exceptions noted.

- e) ***Payroll/Personnel***, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked, (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.

Finding

No exceptions noted.

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

Finding

Noted no exceptions.

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

Finding

No exceptions noted.

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

Written Policies and Procedures, Continued

1. Procedures, Continued

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

Finding

No exceptions noted.

- i) *Ethics*, including (1) prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, are notified of any changes to NORA's ethics policy.

Finding

No exceptions noted.

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

Finding

No exceptions noted.

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

Written Policies and Procedures, Continued

1. Procedures, Continued

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

Finding

No exceptions noted.

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

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 included monthly budget-to-actual comparisons on the General Fund, quarterly budget-to-actual at a minimum, on proprietary funds, and semi-annual budget-to-actual at a minimum, on all special revenue funds.

Finding

No exceptions noted.

- c) We obtained the prior year audit report and observed the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, we observed that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

Finding

No exceptions noted.

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

Bank Reconciliations

3. Procedures

We obtained a listing of NORA's bank accounts 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 NORA's main operating and randomly selected four (4) additional accounts. For each of the bank accounts selected, we obtained bank statements and reconciliations for one month in the fiscal period and observed that:

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

Finding

No exceptions noted.

- b) Bank reconciliations include 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; and

Finding

No exceptions noted.

- 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.

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

Collections

5. Procedures

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 NORA's only cash collection location. For the cash collection location selected, we observed that job duties are properly segregated to the collection location such that:

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

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.

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

Collections, Continued

6. Procedures, Continued

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee official is responsible for reconciling ledger 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 and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

Finding

No exceptions noted.

7. Procedures

We obtained from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. We 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 deposit dates for each of the 5 bank accounts selected for procedure #4 under "Bank Reconciliations". We obtained supporting documentation for each of the 10 deposits and:

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

Collections, Continued

8. Procedures, Continued

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

Finding

No exceptions noted.

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

Finding

No exceptions noted.

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

Finding

No exceptions noted.

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

Finding

No exceptions noted within NORA's deposit policy.

- e) 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)

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 NORA's only location.

Finding

No exceptions noted.

10. Procedures

For the location selected under #9 above, we obtained a listing of those employees involved with non-payroll purchasing 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 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 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.

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)

10. Procedures, Continued

- d) 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 NORA'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, obtained supporting documentation for each transactions and:

- a) We observed that the disbursement matched the related original invoice/billing statement and supporting documentation indicates deliverables included on the invoice were received by NORA.

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.

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

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

12. Procedures

We obtained from management a listing of all active credit cards for the year ended December 31, 2021, including the card numbers and the names of the persons who maintained possession of the cards. We obtained management's representation that the listing is complete.

Finding

No exceptions noted.

13. Procedures

Using the listing prepared by management, we randomly selected all two (2) cards that were used during the year ended December 31, 2021. We randomly selected one monthly statement or combined statement for each card, obtained supporting documentation, and:

- a) We observed that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit card purchases), were reviewed and approved in writing, by someone other than the authorized card holder.

Finding

No exceptions noted.

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

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

Credit Cards/Debit Cards/Fuel Cards/P-Cards, Continued

13. Procedures, Continued

Finding

We noted the payment of a late fee.

Management's Response

Management will continue to monitor for the timing in receipt of invoices from vendors to eliminate the payment of late fees.

14. Procedures

Using the monthly statements or combined statements selected under #13, we randomly selected 10 transactions (or all transactions if less than 10) from each statement, and obtained supporting documentation for the transactions. For each transaction, we observed that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

Finding

No exceptions noted.

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

Travel and Travel-Related Expense Reimbursement

15. Procedures

We obtained from management a listing of all travel and travel-related expense reimbursements during the year ended December 31, 2021 and management's representation that the listing or general ledger is complete. We randomly selected five (5) reimbursements, obtained the related expense reimbursement forms/prepaid expense documentation, etc. of each selected reimbursement, as well as the supporting documentation. For each of the five (5) reimbursements selected:

- a) If reimbursed using a per diem, we agreed the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

Finding

No exceptions noted.

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

Finding

No exceptions noted.

- c) We observed that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observed that the documentation includes the names of those individuals participating) and other documentation required by written policy at Section #1h of this report.

Finding

No exceptions noted.

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

Travel and Travel-Related Expense Reimbursement, Continued

15. Procedures, Continued

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

Finding

No exceptions noted.

Contracts

16. Procedures

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

- 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.

- b) Observed whether the contract was approved by the governing body's board, if required by policy.

Finding

No exceptions noted.

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

Contracts, Continued

16. Procedures, Continued

- c) If the contract was amended (e.g. change order), we observed 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 5 contracts, obtained the supporting invoice, agreed the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

Finding

We noted an instance where the rate invoiced by a contractor was less by \$5/ unit of service than the revised contract amount.

Management

The amount billed incorrectly by the contractor was isolated to one month's service whereas the previous contract terminated, and a new contract was executed simultaneously with the issuance of the vendor's invoice.

Payroll and Personnel

17. Procedures

We obtained a listing of employees employed during the year ended December 31, 2021 and management's representation that the listing is complete. We randomly selected five (5) employees, obtained related paid salaries and personnel files, and agreed paid salaries to authorized salaries/pay rates in the personnel files.

Finding

No exceptions noted.

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

Payroll and Personnel, Continued

18. Procedures

We randomly selected one pay period during the year ended December 31, 2021. For the five (5) employees selected under #17, we obtained attendance records and leave documentation for the pay period, and:

- a) We observed that all selected employees documented their daily attendance and leave (e.g., vacation, sick, compensatory).

Finding

No exceptions noted.

- b) We observed that supervisors approved the attendance and leave of the selected employees.

Finding

No exceptions noted.

- c) We observed that any leave accrued or taken during the pay period is reflected in NORA's cumulative leave records.

Finding

No exceptions noted.

- d) We observed that the rate paid to the employee agreed to the authorized salary pay rate found within the personnel file.

Finding

No exceptions noted.

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

Payroll and Personnel, Continued

19. Procedures

We obtained a listing of those employees that received termination payments during the year ended December 31, 2021 and management's representation that the list is complete. We randomly selected two (2) employees, obtained related documentation of the hours and pay rates used in management's termination payment calculations, agreed the hours to the employee cumulative leave records, agreed the pay rates to the employee authorized pay rates in the employee's personnel files and NORA's termination payment policy.

Finding

No exceptions noted.

20. Procedures

We obtained management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Finding

No exceptions noted.

Ethics

21. Procedures

Using the five (5) randomly selected employees from procedure #17 under "Payroll and Personnel" we obtained ethics documents from management, and:

- a) Observed that the documentation demonstrates each employee completed one hour of ethics training during the year ended December 31, 2021.

Finding

No exceptions noted.

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

Ethics, Continued

21. Procedures, Continued

- b) We observed that the documentation demonstrates each employee attested through signature verification that he or she has read NORA's ethics policy during the year ended December 31, 2021.

Finding

No exceptions noted.

Fraud Notice

22. Procedures

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 NORA reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which NORA is domiciled.

Finding

No exceptions noted.

23. Procedures

We observed that NORA 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.

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

Information Technology Disaster Recovery/Business Continuity

24. Procedures

We performed the following procedures, and verbally discussed the results with management.

- a) We obtained and inspected NORA's most recent documentation that it has backed up its critical data and observed that such backup occurred within the past week. If backups are stored on a physical medium (e.g. tapes, CDs), we observed evidence that backups are encrypted before being transported.
- b) We obtained and inspected NORA's most recent documentation that it has tested and verified that its backups can be restored and observed evidence that the test/verification was successfully performed within the past 3 months.
- c) We obtained a listing of the NORA'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 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.

Sexual Harassment

25. Procedures

Using the five (5) randomly selected employees for procedure #17 under "Payroll and Personnel", we obtained sexual harassment training documentation from management, and observed the documentation demonstrates each employee completed at least one hour of sexual harassment training during the calendar year.

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

Sexual Harassment, Continued

26. Procedures, Continued

Finding

No exceptions noted.

We observed that NORA has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on NORA's premises if NORA does not have a website).

Finding

No exceptions noted.

27. Procedures

We obtained NORA's annual sexual harassment report for the current fiscal period, observed that the report was dated on or before February 1, and observed that it includes the applicable requirements of R.S. 42:344:

- a) Number and percentage of public servants in NORA who have completed the training requirements.
- b) Number of sexual harassment complaints received by NORA.
- c) Number of complaints which resulted in a finding that sexual harassment occurred.
- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- e) Amount of time it took to resolve each complaint.

Finding

No exceptions noted.

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

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