



Luther Speight & Company, LLC
Certified Public Accountants and Consultants

NEW ORLEANS REDEVELOPMENT AUTHORITY

**AUDITED FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT**

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023

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Luther Speight & Company, LLC
Certified Public Accountants and Consultants

INDEPENDENT AUDITOR'S REPORT

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

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 fund information of the New Orleans Redevelopment Authority (NORA) as of and for the year ended December 31, 2023, 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 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, 2023, 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. 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. 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 generally accepted 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.

In performing an audit in accordance with generally accepted 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.

Emphasis of a Matter

As described in NOTE 3, other post-retirement benefits liability at December 31, 2023 was \$907,531. 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, 2023 could be under or overstated.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 5 through 13 and pages 71 through 76, and Schedules III (Schedule of Other Post Employment Benefit Plan) and IV (Schedule of Contributions) be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise NORA's basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to Agency Head (the schedules) are presented for purposes of additional analysis and are 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. 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 combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2024, 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 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. 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.



Luther Speight & Company, LLC
New Orleans, Louisiana
June 19, 2024

**NEW ORLEANS REDEVELOPMENT AUTHORITY
MANAGEMENT'S DISCUSSION & ANALYSIS
DECEMBER 31, 2023**

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, 2023 in comparison to December 31, 2022. 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 \$4,103,706 and \$3,655,297 for the years ended 2023 and 2022.

NORA's total net position increased on December 31, 2023, by \$303,694 prior to the effect of a prior period adjustment of \$389,066, totaling \$692,760. For 2022, net position decreased by \$178,782, prior to the effect of a prior period adjustment of (\$426,859), totaling (\$248,077). The increase in net position for the years ended December 31, 2023, and 2022 was primarily due to growth in income from sales of property and reversion activities. For the years ended December 31, 2023, and 2022, net revenues (expenses) were (\$267,408) and (\$50,965), respectively for governmental activities. Similarly, net revenues (expenses) for the business type activities were \$571,102 in 2023 and \$229,747 in 2022.

On December 31, 2023, and 2022, NORA's governmental funds reported combined fund balance of \$363,628 and \$463,273, 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 & ANALYSIS
DECEMBER 31, 2023**

Government-Wide Financial Statements

The government-wide financial statements on pages 14 through 16 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 14 and 15 presents 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.

On December 31, 2023, and 2022, NORA recorded a cumulative unfunded OPEB of \$902,749 and \$1,757,483, respectively.

Deferred inflows of resources on December 31, 2023, was \$25,485,421 and \$29,027,311 for December 31, 2022. The deferred inflows of resources represent the acquisition of funds applicable to future years.

On December 31, 2023, and 2022, NORA reported deferred inflow of resources (OPEB) of \$949,739 and \$307,480 of deferred outflows of resources (OPEB).

The Statement of Activities on page 16, 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 the 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. These services are financed primarily with grants, proceeds from sales of inventory, and other charges.

**NEW ORLEANS REDEVELOPMENT AUTHORITY
MANAGEMENT'S DISCUSSION & ANALYSIS
DECEMBER 31, 2023**

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 17 through 33 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 35 through 37 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.

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 38 through 70 of the accompanying audit report.

**NEW ORLEANS REDEVELOPMENT AUTHORITY
MANAGEMENT'S DISCUSSION & ANALYSIS
DECEMBER 31, 2023**

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 71 through 75 of this report. A Schedule of Expenditures of Federal Awards can be found on pages 76 and 78. Schedule 2 can be found on page 79. Also, the Required Supplementary Information (Scheduled 3 and 4) can be found on pages 80 and 81. 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.

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

	<u>2023</u>	<u>2022</u>	<u>\$ Change</u>
Current Assets	\$ 36,921,416	\$ 33,498,860	\$ 3,422,556
Noncurrent Assets	20,602,772	28,916,345	(8,313,573)
Deferred Outflows	167,193	239,803	(72,610)
Total Assets and Deferred Outflows of Resources	<u>57,691,381</u>	<u>62,655,008</u>	<u>(4,963,627)</u>
Current Liabilities	18,074,670	18,717,179	(642,509)
Noncurrent Liabilities	10,027,584	11,255,221	(1,227,637)
Inflows of Resources	25,485,421	29,027,311	(3,541,890)
Total Liabilities and Inflows of Resources	<u>53,587,675</u>	<u>58,999,711</u>	<u>(5,412,036)</u>
Net Position:			
Net Investment in capital assets	220,993	211,798	9,195
Unrestricted	3,882,713	3,399,499	483,214
Restricted	-	44,000	(44,000)
Total Net Position	<u>\$ 4,103,706</u>	<u>\$ 3,655,297</u>	<u>\$ 448,409</u>

**NEW ORLEANS REDEVELOPMENT AUTHORITY
MANAGEMENT'S DISCUSSION & ANALYSIS
DECEMBER 31, 2023**

NORA's net position on December 31, 2023, and 2022 were \$4,103,706 and \$3,655,297. Of these amounts, \$220,993 and \$211,798 represent the amount of investment in capital assets in 2023 and 2022, respectively. The remaining \$3,882,713 for 2023 and \$3,399,499 for 2022 represent the unrestricted net position. There was no restricted net position in 2023, while having \$44,000 in restricted net position for 2022.

NORA's net position on December 31, 2021, and 2020 were \$3,903,374 and \$3,834,041. Of these amounts, \$241,396 and \$276,359 represent 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 unrestricted net position, and restricted net position of \$44,000 for 2021 and 2020, respectively.

Current assets increased to \$36,921,416 in 2023 from \$33,498,860 in 2022. The increase in current assets relates 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 will be disposed of through various development mechanisms with the income returned to the appropriate governmental entity.

Capital assets at December 31, 2023 reflect an increase from \$211,798 in 2022 to \$220,993 in 2023 and from \$276,359 in 2020 to \$241,396 in 2021 as a result of the impact of depreciation expense.

At December 31, 2023, loans receivable net reflects a decrease of \$1,514,682 from 2022 and \$1,080,223 from 2021 due to the net impact of origination and payment of loans.

For 2023, current liabilities decreased to \$18,074,670 from \$18,717,179 in 2022. This change was due to NORA's disposition and sale activities which furthered the redevelopment of blighted and abandoned properties.

Noncurrent liabilities decreased to \$10,027,584 in 2023 from \$11,255,221 in 2022 due to a decrease in unfunded other postemployment benefits.

NORA's major source of program revenues totaling \$3,671,868 and \$2,066,956 for the years ended December 31, 2023, and 2022, represent grants and/or contributions from governmental entities, proceeds from sale of real property and fees charged for services. The increase is primarily attributable to the level of construction-related activities more specifically related phase-out of the Orleans Housing Investment Program and expense containment for the Road Home Property Disposition Program.

General revenues constitute the remaining source of total revenues totaling \$7,812,554 in 2023 and \$7,572,085 in 2022 which are primarily the result of program income.

**NEW ORLEANS REDEVELOPMENT AUTHORITY
MANAGEMENT'S DISCUSSION & ANALYSIS
DECEMBER 31, 2023**

NORA's proprietary funds' revenue (program and general) resulted from the contributions, fees and other income in the amount of \$455,360 in 2023 and \$331,752 in 2022. NORA's proprietary funds' major source of general revenues came as a result of property reversions.

Program expenses for the governmental activities were \$11,176,794 in 2023 and \$9,330,586 in 2022 for the governmental funds. For the business-type activities expenses totaled \$3,934 for 2023 to \$129,673 in 2022.

The major components of program expenses for 2023 and 2022 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

	<u>2023</u>	<u>2022</u>	<u>\$ Change</u>
Program Revenues:			
Operating Grants and Contributions	\$ 3,206,533	\$ 2,018,142	\$ 1,188,391
Sales of Inventory	242,500	20,194	222,306
Fees and Other	222,835	28,620	194,215
	<u>3,671,868</u>	<u>2,066,956</u>	<u>1,604,912</u>
General Revenues:			
Interest Income	306,794	263,219	43,575
Program Income	6,431,942	5,927,951	503,991
Other Income	1,073,818	1,380,915	(307,097)
	<u>7,812,554</u>	<u>7,572,085</u>	<u>240,469</u>
Total Revenues	11,484,422	9,639,041	1,845,381
Expenses			
General Expenses	<u>11,180,728</u>	<u>9,460,259</u>	<u>1,720,469</u>
Change in Net Position	303,694	178,782	124,912
Net Position, Beginning of Year, As Restated	<u>4,044,363</u>	<u>3,476,515</u>	<u>567,848</u>
Total Net Position	<u>\$ 4,348,057</u>	<u>\$ 3,655,297</u>	<u>\$ 692,760</u>

**NEW ORLEANS REDEVELOPMENT AUTHORITY
MANAGEMENT'S DISCUSSION & ANALYSIS
DECEMBER 31, 2023**

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.

At December 31, 2023 and 2022, NORA's governmental funds reported combined fund balance of \$363,628 and \$463,273, respectively.

Major Governmental Funds: The general fund is the chief operating fund of NORA. At December 31, 2023 and 2022, unreserved fund balance of the general fund was \$363,628 and \$463,273, respectively. Non-spendable fund balance at December 31, 2023 and 2022 was \$0.

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, 2023 and 2022 amounted to \$5,809,206 and \$5,238,104, representing an increase of \$571,102. Of the total net position, net investment in capital assets were \$220,993 in 2023 and \$211,798 in 2022.

General Fund Budgetary Highlights

The Blighted Properties Removal Program Fund's entitlement program grants' original budgets for the fiscal years 2023 and 2022 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 blighted properties.

Capital Asset and Debt Administration

At December 31, 2023 and 2022, NORA had \$220,993 and \$211,798 in investment in capital assets consisting principally of land. See NOTE 6 for detailed composition of capital assets.

At December 31, 2023 and 2022 NORA had no debt.

**NEW ORLEANS REDEVELOPMENT AUTHORITY
MANAGEMENT'S DISCUSSION & ANALYSIS
DECEMBER 31, 2023**

Economic Factors and Next Year's Budget and Rates

NORA's budget for 2024 covers multiple years. Those sources include:

Recovery Funding **\$5.4M**
(Katrina/Rita D-CDBG Funding through the State of Louisiana and City of New Orleans) - Funding for property disposition and maintenance of former Road Home properties; and commercial façade improvement financing. NORA has continued to grow as an organization and partner with the City of New Orleans by creating new programs to help realize its community development and redevelopment goals by enhancing corridors via small business assistance grants and marketing program.

Housing Construction Loan Fund **\$3.5M**
(Katrina/Rita D-CDBG Funding through the State of Louisiana and City of New Orleans) - Residential Development 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 Lower Ninth Ward, New Orleans East, Central City, and the 7th Ward neighborhoods accelerating the redevelopment of vacant and blighted properties in these areas.

Blighted Properties Removal Program Fund **\$1M**
(City of New Orleans) - Funds provided using CDBG Annual (Entitlement) to implement strategies to reduce blight such as acquisition and disposition of blighted properties, maintenance of non-Road Home properties, interim nuisance abatement, management of disposition activities, and redevelopment framework planning for city owned properties leased by NORA for further development.

Neighborhood Stabilization (NSP2) **\$.72MM**
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 single family homeownership units in Central City.

Alternative Housing Pilot Program (100 Homes in 100 Days – Pilot) **\$.75MM**
In 2024, NORA (in partnership with its non-profit affiliate New Orleans Redevelopment Unlimited, Inc) will work with a developer to test an alternative construction technology in the development of two homes to create a framework for the program and serve as proof of concept to attract additional funding for the larger 100 home effort.

**NEW ORLEANS REDEVELOPMENT AUTHORITY
MANAGEMENT'S DISCUSSION & ANALYSIS
DECEMBER 31, 2023**

Continued,

City of New Orleans Redevelopment Framework (Tulane Avenue Development) \$9M

The City has awarded HOME-ARP funding to develop 2908-34 Tulane Avenue as the next property for NORA to lease to provide permanent supportive housing to homeless populations.

Six Flags Redevelopment (CNO & IDB) \$1M

NORA acquired approximately 230 acres of former amusement park and vacant property near the intersection of Interstate 10 and Michoud Boulevard from the Industrial Development Board of the City of New Orleans in March 2023. The property was awarded to Bayou Phoenix as part of a competitive Request for Qualifications and Proposals process administered by the City of New Orleans prior to NORA's acquisition of the property. The NORA Board of Commissioners has approved a master plan for the redevelopment of the property that contemplates the development of a film and television studio, indoor and outdoor youth sports facilities, hotels, various entertainment venues, and a water park, across multiple phases. NORA leased the property to the developer in October 2023.

Real Estate Asset Landbanking Mechanism (REALM) \$5MM

Using non-federal funds, NORA implements strategies to reduce blight such as interim nuisance abatement, disposition of formerly blighted properties, management of rental units, acquisitions and disposition activities, redevelopment planning, grant application preparation, and reuse of vacant blighted properties as active outdoor space.

Although NORA has a significant budget for 2024, there are still challenges that NORA must overcome. Primarily, all funding anticipated is on a cost reimbursement basis. As expected, the State of Louisiana Office of Community Development has begun final closeout of Hurricanes Katrina and Rita Disaster Community Development Block Grants (D-CDBG). NORA does not currently anticipate any new programs or funding from the State of Louisiana and is working directly with the City to fund programs utilizing the balance of program income held by NORA. NORA's current estimate of these funds is approximately \$17 million of which \$8.9 million is outlined in the budget above.

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.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

NEW ORLEANS REDEVELOPMENT AUTHORITY
STATEMENT OF NET POSITION
DECEMBER 31, 2023

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

	Governmental Activities	Business-Type Activities	Total Primary Unit	Component Unit
Current Assets:				
Cash Unrestricted (NOTE 4)	\$ 838,706	\$ 812,017	\$ 1,650,723	\$ -
Cash Restricted (NOTE 5)	8,051,290	-	8,051,290	800,982
Amounts Receivable (NOTE 17)	28,081	1,427	29,508	61,642
Grant Receivable (NOTE 8)	2,339,046	-	2,339,046	11,411
Accrued Interest Receivable	314,382	-	314,382	-
Prepaid Items and Other Assets (NOTE 19)	93,626	512	94,138	7,315
Loan Receivable (NOTE 23)	430,761	470,748	901,509	2,794,707
Due From Funds	1,038,324	-	1,038,324	11,534
Investment Unrestricted (NOTE 20)	1,418,189	2,039,542	3,457,731	-
Investment Restricted (NOTE 21)	1,534,981	-	1,534,981	2,633,986
Land, Unimproved Land and Structures (NOTE 7)	14,967,270	2,542,514	17,509,784	2,390,931
Total Current Assets	\$ 31,054,656	\$ 5,866,760	\$ 36,921,416	\$ 8,712,508
Noncurrent Assets:				
Cash Restricted (NOTE 5)	10,292,577	-	10,292,577	-
Right-of-Use Lease Asset	1,314,334	-	1,314,334	-
Capital Assets, Net (NOTE 6)	-	220,993	220,993	-
Loans Receivable, Net (NOTE 23)	8,774,868	-	8,774,868	-
Total Noncurrent Assets	20,381,779	220,993	20,602,772	-
Total Assets	51,436,435	6,087,753	57,524,188	8,712,508
Deferred Outflows of Resources:				
Deferred Outflows OPEB (NOTE 3)	167,193	-	167,193	-
Total Assets and Deferred Outflows	\$ 51,603,628	\$ 6,087,753	\$ 57,691,381	\$ 8,712,508

The accompanying notes are an integral part of these financial statements

NEW ORLEANS REDEVELOPMENT AUTHORITY
STATEMENT OF NET POSITION
DECEMBER 31, 2023

LIABILITIES AND DEFERRED INFLOWS OF RESOURCES

	Governmental Activities	Business-Type Activities	Total Primary Unit	Component Unit
Current Liabilities:				
Amounts Payable - Vendors	\$ 1,479,527	\$ 34,934	\$ 1,514,461	\$ 3,721
Amounts Payable State of Louisiana	14,840,539	-	14,840,539	-
Due to Other Funds, net	1,038,408	-	1,038,408	12,296
Accrued Salaries, Taxes and Withholdings Payable	51,988	576	52,564	71
Compensated Absences Payable (NOTE 14)	73,413	-	73,413	-
Current Portion of Mortgage Note Payable	-	-	-	30,974
Current Portion of Lease Liability (NOTE 9)	113,675	-	113,675	-
Deposits Held for Buyers (NOTE 15)	424,970	16,640	441,610	5,802
Total Current Liabilities	18,022,520	52,150	18,074,670	52,864
Non-Current Liabilities:				
Compensated Absences Payable (NOTE 14)	161,134	-	161,134	-
Unfunded Other Post Employment Benefits (NOTE 3)	902,749	-	902,749	-
Mortgage Note Payable, Less Current Portion	-	-	-	1,043,052
Lease Liability, Less Current Portion (NOTE 9)	1,232,325	-	1,232,325	-
Revolving loan (NOTE 24)	7,731,376	-	7,731,376	6,126,721
Total Non-Current Liabilities	10,027,584	-	10,027,584	7,169,773
Total Liabilities	28,050,104	52,150	28,102,254	7,222,637
Deferred inflows of resources:				
Deferred Inflows OPEB (NOTE 3)	949,739	-	949,739	-
Deferred Grant Funds and Cost of Assets (NOTE 26)	24,064,934	470,748	24,535,682	1,134,986
Total Deferred Inflows of Resources:	25,014,673	470,748	25,485,421	1,134,986
Total Liabilities and Deferred Inflows of Resources	53,064,777	522,898	53,587,675	8,357,623
Net Position				
Net Investment in Capital Assets	-	220,993	220,993	-
Unrestricted	(1,461,149)	5,343,862	3,882,713	354,885
Restricted	-	-	-	-
Total Net Position	\$ (1,461,149)	\$ 5,564,855	\$ 4,103,706	\$ 354,885

The accompanying notes are an integral part of these financial statements

NEW ORLEANS REDEVELOPMENT AUTHORITY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

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
Governmental Activities							
Blighted Properties Removal Program:							
Nonmajor	\$ 3,425,968	\$ -	\$ 1,576,216	\$ (1,849,752)	\$ -	\$ (1,849,752)	\$ -
Disaster O.C. Haley	1,161,210	-	1,153,110	(8,100)	-	(8,100)	-
Road Home Property Disposition	2,287,153	-	-	(2,287,153)	-	(2,287,153)	-
Orleans Housing Investment Program	2,561,826	-	-	(2,561,826)	-	(2,561,826)	-
General Fund	1,740,637	-	477,207	(1,263,430)	-	(1,263,430)	-
Total Government Activities	<u>\$ 11,176,794</u>	<u>\$ -</u>	<u>\$ 3,206,533</u>	<u>\$ (7,970,261)</u>	<u>\$ -</u>	<u>\$ (7,970,261)</u>	<u>\$ -</u>
Business Type Activities							
Real Estate Acquisition and Land							
Banking Mechanism	3,934	222,835	-	-	218,901	218,901	-
Total Business Activities	<u>3,934</u>	<u>222,835</u>	<u>-</u>	<u>-</u>	<u>218,901</u>	<u>218,901</u>	<u>-</u>
Total Primary Government	<u>\$ 11,180,728</u>	<u>\$ 222,835</u>	<u>\$ 3,206,533</u>	<u>\$ (7,970,261)</u>	<u>\$ 218,901</u>	<u>\$ (7,751,360)</u>	<u>\$ -</u>
Component Units							
NORU - General Fund/Unrestricted	284,974	325,393	-	-	-	-	40,419
NORU - OHIP	1,978,937	-	1,978,937	-	-	-	-
Total Component Units	<u>2,263,911</u>	<u>325,393</u>	<u>1,978,937</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,419</u>
General Revenues							
Interest Income				205,566	101,228	306,794	151,982
Program Income				6,431,942	-	6,431,942	-
Transfers				945,130	-	945,130	-
Other Revenue				120,215	250,973	371,188	12,525
Total General Revenues				<u>7,702,853</u>	<u>352,201</u>	<u>8,055,054</u>	<u>164,507</u>
Change in Net Position				<u>(267,408)</u>	<u>571,102</u>	<u>303,694</u>	<u>204,926</u>
Net Position at the Beginning of Year				<u>(1,582,807)</u>	<u>5,238,104</u>	<u>3,655,297</u>	<u>149,959</u>
Prior Period Adjustment				<u>389,066</u>	<u>-</u>	<u>389,066</u>	<u>-</u>
Net Position, Beginning of Year, as Restated				<u>(1,193,741)</u>	<u>5,238,104</u>	<u>4,044,363</u>	<u>149,959</u>
Net Assets at the End of Year				<u>\$ (1,461,149)</u>	<u>\$ 5,809,206</u>	<u>\$ 4,348,057</u>	<u>\$ 354,885</u>

The accompanying notes are an integral part of these financial statements

FUND FINANCIAL STATEMENTS

NEW ORLEANS REDEVELOPMENT AUTHORITY
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2023

	Governmental Funds					
	General Fund	CDBG - Disaster Oretha Castle Haley Fund	Road Home Property Disposition Fund	Orleans Housing Investment Program	Nonmajor Governmental Funds	Total Governmental Funds
Cash - Unrestricted	\$ 693,303	\$ -	\$ -	\$ -	\$ 145,403	\$ 838,706
Cash - Restricted	-	2,223,130	15,898,806	-	221,931	18,343,867
Amounts Receivable, net	-	-	-	-	28,081	28,081
Accrued Interest Receivable	-	314,382	-	-	-	314,382
Prepaid Items and Other Assets	55,481	-	30,773	-	7,372	93,626
Grants Receivable	-	1,098,905	-	-	1,240,141	2,339,046
Loans Receivable, net	1,200,000	4,516,977	1,509,907	-	1,978,745	9,205,629
Due From Other Funds	1,038,324	-	-	-	-	1,038,324
Investments - Unrestricted	254,160	-	-	-	1,164,029	1,418,189
Investments - Restricted	-	-	-	-	1,534,981	1,534,981
Land, Unimproved Land and Structures	-	-	10,834,350	-	4,006,189	14,840,539
Total Assets	\$ 3,241,268	\$ 8,153,394	\$ 28,273,836	\$ -	\$ 10,326,872	\$ 49,995,370

The accompanying notes are an integral part of these financial statements

NEW ORLEANS REDEVELOPMENT AUTHORITY
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2023

	Governmental Funds					
	General Fund	CDBG - Disaster Oretha Castle Haley Fund	Road Home Property Disposition Fund	Orleans Housing Investment Program	Nonmajor Governmental Funds	Total Governmental Funds
Liabilities:						
Accounts Payable - Vendors	\$ 61,455	\$ 1,100,185	\$ 229	\$ -	\$ 317,658	\$ 1,479,527
Amounts Payable - State of Louisiana	-	-	10,834,350	-	4,006,189	14,840,539
Due To Other Funds	3,560	-	-	-	1,034,848	1,038,408
Salaries and Related Payroll Taxes Payable	9,924	-	-	-	42,064	51,988
Revolving Loans	1,200,000	4,831,376	-	-	1,700,000	7,731,376
Deposits Held for Buyers	296	-	161,674	-	263,000	424,970
Total Liabilities	<u>1,275,235</u>	<u>5,931,561</u>	<u>10,996,253</u>	<u>-</u>	<u>7,363,759</u>	<u>25,566,808</u>
Deferred Inflows of Resources:						
Deferred Grant Funds and Cost of Assets	1,602,405	2,221,833	17,277,583	-	2,963,113	24,064,934
Total Deferred Inflows of Resources:	<u>1,602,405</u>	<u>2,221,833</u>	<u>17,277,583</u>	<u>-</u>	<u>2,963,113</u>	<u>24,064,934</u>
Fund Balances:						
Nonspendable	-	-	-	-	-	-
Unassigned	363,628	-	-	-	-	363,628
Total Fund Balances:	<u>363,628</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>363,628</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 3,241,268</u>	<u>\$ 8,153,394</u>	<u>\$ 28,273,836</u>	<u>\$ -</u>	<u>\$ 10,326,872</u>	<u>\$ 49,995,370</u>

The accompanying notes are an integral part of these financial statements

NEW ORLEANS REDEVELOPMENT AUTHORITY
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2023

ASSETS

NON - MAJOR GOVERNMENTAL FUNDS

	CDBG - Annual (Entitlement)	CDBG - Target Zone	Maintenance & Disposition	Neighborhood Stabilization Program 2	Affordable Housing Pilot Program	CNO Abandoned Property Program	Page Total
Cash - Unrestricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash - Restricted	-	45,095	83,166	-	35,992	37,087	201,340
Amounts Receivable, net	-	-	-	27,867	-	-	27,867
Accrued Interest Receivable	-	-	-	-	-	-	-
Prepaid Items and Other Assets	5,671	-	-	-	-	-	5,671
Grants Receivable	1,004,086	-	-	-	-	-	1,004,086
Loans Receivable, net	-	50,866	-	1,879,140	45,313	-	1,975,319
Due from Other Funds	-	-	-	-	-	-	-
Investments - Unrestricted	-	-	-	-	-	-	-
Investments - Restricted	-	-	-	727,425	807,556	-	1,534,981
Land, Unimproved Land and Structures	603	85,000	-	-	-	54,333	139,936
Total Assets	<u>\$ 1,010,360</u>	<u>\$ 180,961</u>	<u>\$ 83,166</u>	<u>\$ 2,634,432</u>	<u>\$ 888,861</u>	<u>\$ 91,420</u>	<u>\$ 4,889,200</u>

The accompanying notes are an integral part of these financial statements

NEW ORLEANS REDEVELOPMENT AUTHORITY
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2023

ASSETS

NON - MAJOR GOVERNMENTAL FUNDS

	Housing Mitigation Grant Program	NI Grant	Façade Renew 2.0	Facade Algiers State Fund	National Disaster Resilience Competition	Strategic Acquisition Fund	Page Total
Cash - Unrestricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash - Restricted	-	-	7,805	-	-	12,786	20,591
Amounts Receivable, net	-	-	-	-	-	214	214
Accrued Interest Receivable	-	-	-	-	-	-	-
Prepaid Items and Other Assets	-	-	-	-	-	-	-
Grants Receivable	201,633	2,256	-	32,166	-	-	236,055
Loans Receivable, net	-	115	-	-	-	3,311	3,426
Due from Other Funds	-	-	-	-	-	-	-
Investments - Unrestricted	-	-	-	-	-	-	-
Investments - Restricted	-	-	-	-	-	-	-
Land, Unimproved Land and Structures	-	171,000	-	-	-	3,695,253	3,866,253
Total Assets	<u>\$ 201,633</u>	<u>\$ 173,371</u>	<u>\$ 7,805</u>	<u>\$ 32,166</u>	<u>\$ -</u>	<u>\$ 3,711,564</u>	<u>\$ 4,126,539</u>

The accompanying notes are an integral part of these financial statements

**NEW ORLEANS REDEVELOPMENT AUTHORITY
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2023**

ASSETS

NON - MAJOR GOVERNMENTAL FUNDS

	Affordable Rental Gap	Resilient Homes	Small Business Microlending	Six Flags - IDB	Six Flags - CNO	Page Total	Total Nonmajor Governmental Funds
Cash - Unrestricted	\$ -	\$ -	\$ -	\$ 85,065	\$ 60,338	\$ 145,403	\$ 145,403
Cash - Restricted	-	-	-	-	-	-	221,931
Amounts Receivable, net	-	-	-	-	-	-	28,081
Accrued Interest Receivable	-	-	-	-	-	-	-
Prepaid Items and Other Assets	-	-	-	1,701	-	1,701	7,372
Grants Receivable	-	-	-	-	-	-	1,240,141
Loans Receivable, net	-	-	-	-	-	-	1,978,745
Due from Other Funds	-	-	-	-	-	-	-
Investments - Unrestricted	-	-	-	-	1,164,029	1,164,029	1,164,029
Investments - Restricted	-	-	-	-	-	-	1,534,981
Land, Unimproved Land and Structures	-	-	-	-	-	-	4,006,189
Total Assets	\$ -	\$ -	\$ -	\$ 86,766	\$ 1,224,367	\$ 1,311,133	\$ 10,326,872

The accompanying notes are an integral part of these financial statements

NEW ORLEANS REDEVELOPMENT AUTHORITY
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2022

LIABILITIES DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES /DEFICITS

NON - MAJOR GOVERNMENTAL FUNDS

	CDBG - Annual (Entitlement)	CDBG - Target Zone	Maintenance & Disposition	Neighborhood Stabilization Program 2	Affordable Housing Pilot Program	CNO Abandoned Property Program	Page Total
Liabilities:							
Accounts Payable - Vendors	\$ 15,197	\$ -	\$ 65,565	\$ 217	\$ -	\$ 24	\$ 81,003
Amounts Payable - State of Louisiana	603	85,000	-	-	-	54,333	139,936
Due To Other Funds	984,967	-	-	8,646	-	-	993,613
Salaries and Related Payroll Taxes Payable	9,593	-	31,385	627	-	168	41,773
Revolving Loans	-	-	-	1,700,000	-	-	1,700,000
Deposits Held for Buyers	-	-	-	-	-	-	-
Total Liabilities	<u>1,010,360</u>	<u>85,000</u>	<u>96,950</u>	<u>1,709,490</u>	<u>-</u>	<u>54,525</u>	<u>2,956,325</u>
Deferred Inflows of Resources:							
Deferred Grant Funds and Cost of Assets	-	95,961	(13,784)	924,942	888,861	36,895	1,932,875
Total Deferred Inflows of Resources:	<u>-</u>	<u>95,961</u>	<u>(13,784)</u>	<u>924,942</u>	<u>888,861</u>	<u>36,895</u>	<u>1,932,875</u>
Fund Balances:							
Nonspendable	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total Fund Balances:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,010,360</u>	<u>\$ 180,961</u>	<u>\$ 83,166</u>	<u>\$ 2,634,432</u>	<u>\$ 888,861</u>	<u>\$ 91,420</u>	<u>\$ 4,889,200</u>

The accompanying notes are an integral part of these financial statements

NEW ORLEANS REDEVELOPMENT AUTHORITY
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2023

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES /DEFICITS

NON - MAJOR GOVERNMENTAL FUNDS

	Housing Mitigation Grant Program	NI Grant	Façade Renew 2.0	Facade Algiers State Fund	National Disaster Resilience Competition	Strategic Acquisition Fund	Page Total
Liabilities:							
Accounts Payable - Vendors	\$ 194,320	\$ -	\$ 7,805	\$ -	\$ -	\$ -	\$ 202,125
Amounts Payable - State of Louisiana	-	171,000	-	-	-	3,695,253	3,866,253
Due To Other Funds	7,313	1,756	-	32,166	-	-	41,235
Salaries and Related Payroll Taxes Payable	-	-	-	-	-	-	-
Revolving Loans	-	-	-	-	-	-	-
Deposits Held for Buyers	-	-	-	-	-	13,000	13,000
Total Liabilities	<u>201,633</u>	<u>172,756</u>	<u>7,805</u>	<u>32,166</u>	<u>-</u>	<u>3,708,253</u>	<u>4,122,613</u>
Deferred Inflows of Resources:							
Deferred Grant Funds and Cost of Assets	-	615	-	-	-	3,311	3,926
Total Deferred Inflows of Resources:	<u>-</u>	<u>615</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,311</u>	<u>3,926</u>
Fund Balances:							
Nonspendable	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total Fund Balances:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 201,633</u>	<u>\$ 173,371</u>	<u>\$ 7,805</u>	<u>\$ 32,166</u>	<u>\$ -</u>	<u>\$ 3,711,564</u>	<u>\$ 4,126,539</u>

The accompanying notes are an integral part of these financial statements

NEW ORLEANS REDEVELOPMENT AUTHORITY
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2023

LIABILITIES DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES /DEFICITS

NON - MAJOR GOVERNMENTAL FUNDS

	Affordable Rental Gap	Resilient Homes	Small Business Microlending	Six Flags - IDB	Six Flags - CNO	Page Total	Total Non-Major Governmental Funds
Liabilities:							
Accounts Payable - Vendors	\$ -	\$ -	\$ -	\$ 34,452	\$ 78	\$ 34,530	\$ 317,658
Amounts Payable - State of Louisiana	-	-	-	-	-	-	4,006,189
Due To Other Funds	-	-	-	-	-	-	1,034,848
Salaries and Related Payroll Taxes Payable	-	-	-	-	291	291	42,064
Revolving Loans	-	-	-	-	-	-	1,700,000
Deposits Held for Buyers	-	-	-	-	250,000	250,000	263,000
Total Liabilities	-	-	-	34,452	250,369	284,821	7,363,759
Deferred Inflows of Resources:							
Deferred Grant Funds and Cost of Assets	-	-	-	52,314	973,998	1,026,312	2,963,113
Total Deferred Inflows of Resources:	-	-	-	52,314	973,998	1,026,312	2,963,113
Fund Balances:							
Nonspendable	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total Fund Balances:	-	-	-	-	-	-	-
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ -	\$ -	\$ -	\$ 86,766	\$ 1,224,367	\$ 1,311,133	\$ 10,326,872

The accompanying notes are an integral part of these financial statements

**NEW ORLEANS REDEVELOPMENT AUTHORITY
RECONCILIATION OF THE BLANACE SHEET
OF THE GOVENREMENTAL FUNDS TO THE STATEMENT
OF NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2023**

Total Governmental Fund Balance	\$	363,628
Deferred Outflows - OPEB Related		167,193
GASB 87 Adjustments		(31,666)
Capital Assets Used in Governmental Activities are not Financial Resources and Therefore are Not Reported in the Funds, Net of Accumulated Depreciation		126,731
Long-Term Liabilities are Not Due and Payable in the Current Period and therefore are not reported in Governmental Fund Balance Sheet		
OPEB Liability		(902,749)
Compensated Absences Payable		(234,547)
Deferred Inflows - OPEB Related		(949,739)
		(949,739)
Net Position of Governmental Activities	\$	(1,461,149)

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
FOR THE YEAR ENDED DECEMBER 31, 2023**

Governmental Funds						
	General Fund	CDBG - Disaster Oretha Castle Haley Fund	Road Home Property Disposition Fund	Orleans Housing Investment Program	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:						
Grants - City of New Orleans	\$ -	\$ 1,153,110	\$ -	\$ -	\$ 1,374,530	\$ 2,527,640
Grants - Non-Governmental	477,207	-	-	-	201,686	678,893
Interest Income	28,591	8,100	115,175	-	53,700	205,566
Program Income	-	-	2,100,462	2,561,826	1,769,654	6,431,942
Other	22,301	-	71,516	-	26,398	120,215
Total Revenues	\$ 528,099	\$ 1,161,210	\$ 2,287,153	\$ 2,561,826	\$ 3,425,968	\$ 9,964,256

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
FOR THE YEAR ENDED DECEMBER 31, 2023

NON - MAJOR GOVERNMENTAL FUNDS

	CDBG - Annual (Entitlement)	CDBG - Target Zone	Maintenance & Disposition	Neighborhood Stabiliation Program 2	Affordable Housing Pilot Program	CNO Abandoned Property Program	Page Total
Revenues:							
Grants - City of New Orleans	\$ 953,719	\$ -	\$ -	\$ -	\$ -	\$ 93,592	\$ 1,047,311
Grants - Non-Governmental	-	-	-	-	-	-	-
Interest Income	-	-	-	15,001	12,844	-	27,845
Program Income	-	-	749,332	26,379	14,633	-	790,344
Other	-	-	-	3,661	-	14,337	17,998
Total Revenues	\$ 953,719	\$ -	\$ 749,332	\$ 45,041	\$ 27,477	\$ 107,929	\$ 1,883,498

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
FOR THE YEAR ENDED DECEMBER 31, 2023

NON - MAJOR GOVERNMENTAL FUNDS

	Housing Mitigation Grant Program	NI Grant	Façade Renew 2.0	Facade Algiers State Fund	National Disaster Resilience Competition	Strategic Acquisition Fund	Page Total
Revenues:							
Grants - City of New Orleans	\$ 194,321	\$ -	\$ -	\$ -	\$ 108,051	\$ -	\$ 302,372
Grants - Non-Governmental	-	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-	-
Program Income	-	-	62,822	178,973	-	480,571	722,366
Other	-	-	-	-	-	-	-
Total Revenues	\$ 194,321	\$ -	\$ 62,822	\$ 178,973	\$ 108,051	\$ 480,571	\$ 1,024,738

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
FOR THE YEAR ENDED DECEMBER 31, 2023**

NON - MAJOR GOVERNMENTAL FUNDS

	Affordable Rental Gap	Resilient Homes	Small Business Miorolending	Six Flags - IDB	Six Flags - CNO	Page Total	Total Nonmajor Governmental Funds
Revenues:							
Grants - City of New Orleans	\$ -	\$ -	\$ -	\$ -	\$ 24,847	\$ 24,847	\$ 1,374,530
Grants - Non-Governmental	-	-	-	201,686	-	201,686	201,686
Interest Income	-	-	-	-	25,855	25,855	53,700
Program Income	2,608	9,017	245,319	-	-	256,944	1,769,654
Other	-	-	-	8,400	-	8,400	26,398
Total Revenues	\$ 2,608	\$ 9,017	\$ 245,319	\$ 210,086	\$ 50,702	\$ 517,732	\$ 3,425,968

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
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Governmental Funds					
	General Fund	CDBG - Disaster Oretha Castle Haley Fund	Road Home Property Disposition Fund	Orleans Housing Investment Program	Nonmajor Governmental Funds	Total Governmental Funds
Expenditures						
Operations:						
Personnel Salaries & Wages	\$ 492,122	\$ 28,959	\$ 834,093	\$ 23,896	\$ 885,103	\$ 2,264,173
Personnel Services Employee Benefits	109,387	6,533	197,629	6,281	203,924	523,754
Purchased Professional & Technical Services	91,141	7,920	131,558	16,040	610,715	857,374
Purchased Property Services	187,882	1,741	537,069	1,177	302,602	1,030,471
Insurance	80,332	201	64,868	-	33,509	178,910
Other Purchased Services	101,094	520	15,363	530	5,825	123,332
Supplies	42,375	-	110	-	-	42,485
Property	3,078	13	702	-	399,645	403,438
Programs	451,692	1,100,000	-	2,501,258	512,436	4,565,386
Other Uses	13,769	15,323	441,318	12,644	468,309	951,363
Cost of Sales	-	-	64,443	-	3,900	68,343
Total Expenditures:	<u>1,572,872</u>	<u>1,161,210</u>	<u>2,287,153</u>	<u>2,561,826</u>	<u>3,425,968</u>	<u>11,009,029</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures:	<u>(1,044,773)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,044,773)</u>
Other financial sources (uses)						
Operating Transfers in	945,130	-	-	-	-	945,130
Operating Transfers (out)	-	-	-	-	-	-
Total other financial sources (uses)	<u>945,130</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>945,130</u>
Change in Fund Balances	(99,643)	-	-	-	-	(99,643)
Fund Balances (Deficit), as Previously Reported, Beginning of Year	463,271	-	-	-	-	463,271
Prior Period Adjustment	-	-	-	-	-	-
Fund balances (deficit), as Restated, Beginning of Year	463,271	-	-	-	-	463,271
Fund Balances (Deficit), End of Year	<u><u>\$ 363,628</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 363,628</u></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
FOR THE YEAR ENDED DECEMBER 31, 2023

NON - MAJOR GOVERNMENTAL FUNDS

	CDBG - Annual (Entitlement)	CDBG - Target Zone	Maintenance & Disposition	Neighborhood Stabilization Program 2	Affordable Housing Pilot Program	CNO Abandoned Property Program	Page Total
Expenditures							
Operations:							
Personnel Salaries & Wages	\$ 429,668	\$ -	\$ 330,462	\$ 21,877	\$ 4,412	\$ 4,751	\$ 791,170
Personnel Services Employee Benefits	100,169	-	76,126	4,692	1,113	973	183,073
Purchased Professional & Technical Services	19,481	-	41,967	2,100	1,320	91,320	156,188
Purchased Property Services	158,655	-	118,741	1,791	10,544	371	290,102
Insurance	13,939	-	6,689	2,963	3,840	-	27,431
Other Purchased Services	4,214	-	-	-	-	-	4,214
Supplies	-	-	-	-	-	-	-
Property Programs	257	-	499	43	13	8,000	8,812
Other Uses	-	-	-	-	-	-	-
Cost of Sales	227,336	-	174,848	11,575	2,335	2,514	418,608
	-	-	-	-	3,900	-	3,900
Total Expenditures:	<u>953,719</u>	<u>-</u>	<u>749,332</u>	<u>45,041</u>	<u>27,477</u>	<u>107,929</u>	<u>1,883,498</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financial sources (uses)							
Operating Transfers in	-	-	-	-	-	-	-
Operating Transfers (out)	-	-	-	-	-	-	-
Total other financial sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Fund Balances	-	-	-	-	-	-	-
Fund Balances (Deficit), as Previously Reported, Beginning of Year	-	-	-	-	-	-	-
Prior Period Adjustment	-	-	-	-	-	-	-
Fund balances (deficit), as Restated, Beginning of Year	-	-	-	-	-	-	-
Fund Balances (Deficit), End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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
FOR THE YEAR ENDED DECEMBER 31, 2023

NON - MAJOR GOVERNMENTAL FUNDS

	Housing Mitigation Grant Program	NI Grant	Facade Renew 2.0	Facade Algiers State Fund	National Disaster Resilience Competition	Strategic Acquisition Fund	Page Total
Expenditures							
Operations:							
Personnel Salaries & Wages	\$ -	\$ -	\$ 26,291	\$ 11,665	\$ 1,738	\$ 20,460	\$ 60,154
Personnel Services Employee Benefits	-	-	7,267	3,457	597	4,260	15,581
Purchased Professional & Technical Services	194,321	-	1,286	1,228	-	52,150	248,985
Purchased Property Services	-	-	1,777	746	196	1,835	4,554
Insurance	-	-	243	571	120	193	1,127
Other Purchased Services	-	-	466	87	-	107	660
Supplies	-	-	-	-	-	-	-
Property	-	-	12	15	65	390,741	390,833
Programs	-	-	11,569	155,031	104,415	-	271,015
Other Uses	-	-	13,911	6,173	920	10,825	31,829
Cost of Sales	-	-	-	-	-	-	-
Total Expenditures:	<u>194,321</u>	<u>-</u>	<u>62,822</u>	<u>178,973</u>	<u>108,051</u>	<u>480,571</u>	<u>1,024,738</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures:	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Other financial sources (uses)							
Operating Transfers in	-	-	-	-	-	-	-
Operating Transfers (out)	-	-	-	-	-	-	-
Total other financial sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Fund Balances	-	-	-	-	-	-	-
Fund Balances (Deficit), as Previously Reported, Beginning of Year	-	-	-	-	-	-	-
Prior Period Adjustment	-	-	-	-	-	-	-
Fund balances (deficit), as Restated, Beginning of Year	-	-	-	-	-	-	-
Fund Balances (Deficit), End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></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
FOR THE YEAR ENDED DECEMBER 31, 2023

NON - MAJOR GOVERNMENTAL FUNDS

	Affordable Rental Gap	Resilient Homes	Small Business Microlending	Six Flags - IDB	Six Flags - CNO	Page Total	Total Nonmajor Governmental Funds
Expenditures							
Operations:							
Personnel Salaries & Wages	\$ 1,284	\$ 1,796	\$ 1,246	\$ -	\$ 29,453	\$ 33,779	\$ 885,103
Personnel Services Employee Benefits	360	757	470	-	3,683	5,270	203,924
Purchased Professional & Technical Services	-	4,800	1,320	199,422	-	205,542	610,715
Purchased Property Services	250	511	174	5,029	1,982	7,946	302,602
Insurance	35	203	29	4,684	-	4,951	33,509
Other Purchased Services	-	-	-	951	-	951	5,825
Supplies	-	-	-	-	-	-	-
Property	-	-	-	-	-	-	399,645
Programs	-	-	241,421	-	-	241,421	512,436
Other Uses	679	950	659	-	15,584	17,872	468,309
Cost of Sales	-	-	-	-	-	-	3,900
Total Expenditures:	2,608	9,017	245,319	210,086	50,702	517,732	3,425,968
Excess (Deficiency) of Revenues Over (Under) Expenditures:	-	-	-	-	-	-	-
Other financial sources (uses)							
Operating Transfers in	-	-	-	-	-	-	-
Operating Transfers (out)	-	-	-	-	-	-	-
Total other financial sources (uses)	-	-	-	-	-	-	-
Change in Fund Balances	-	-	-	-	-	-	-
Fund Balances (Deficit), as Previously Reported, Beginning of Year	-	-	-	-	-	-	-
Prior Period Adjustment	-	-	-	-	-	-	-
Fund balances (deficit), as Restated, Beginning of Year	-	-	-	-	-	-	-
Fund Balances (Deficit), End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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, 2023**

Change in Fund Balance	\$ (99,643)
GASB 87 Adjustments	(31,666)
OPEB Expense	<u>(136,099)</u>
Change in Net Position for the Governmental Activities	<u>\$ (267,408)</u>

The accompanying notes are an integral part of these financial statements

NEW ORLEANS REDEVELOPMENT AUTHORITY
STATEMENT OF NET POSITION - PROPRIETARY FUND
DECEMBER 31, 2023

	Real Estate Acquisition and Land Banking Mechanism
Assets	
Cash	\$ 812,017
Amounts Receivable Other	1,427
Prepaid and Other Assets	512
Loan Receivable	470,748
Investments	2,039,542
Capital Assets	220,993
Land, Unimproved, and Structures	2,542,514
Total Assets	6,087,753
 Liabilities	
Amounts Payables - Vendors	34,934
Accrued Salaries, Taxes, and Withholdings	576
Security Deposits	16,640
Total Liabilities	52,150
 Deferred Inflows of Resources	
Deferred Grant Funds and Cost of Assets	470,748
Total Deferred Inflows of Resources	470,748
 Net Position	
Unrestricted Net Position	5,564,855
Total Net Position	\$ 5,564,855

The accompanying notes are an integral part of these financial statements

**NEW ORLEANS REDEVELOPMENT AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND NET POSITION - PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Real Estate Acquisition and Land Banking Mechanism
Operating Revenues	
Proceeds from Sale of Property Inventory	\$ 242,500
Cost of Sales	(119,676)
Net Gain From Sales	122,824
Rental Income	26,335
Forfeits	1,480
Investment Earnings	101,228
Other Income	6,993
Total Operating Revenues	258,860
Non-Operating Revenues	
Property Reversions	196,500
Total Non-Operating Revenues	196,500
Total Revenues	455,360
Operating Expenses	
Personnel Salaries & Wages	26,368
Personnel Services Employee Benefits	3,147
Purchased Professional & Technical Services	11,540
Purchased Property Services	51,226
Insurance	4,032
Rental of Land and Buildings	1,612
Depreciation	12,135
Property	4,566
Other Uses	8,984
Total Operating Expenses:	123,610
Operating and Non-Operating Income (Loss)	331,750
Net Position, Beginning of Year	5,233,105
Net Position, End of Year	\$ 5,564,855

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, 2023

Cash Flows Provided by Operating Activities:	
Cash Received from Customers	\$ 265,734
Payments to Vendors	(89,316)
Interest Income Received	101,228
Net Cash Provided by Operating Activities	<u>277,646</u>
Cash Flows Used by Financing Activities	
Purchases of Capital Assets	<u>(21,330)</u>
Net Cash Used by Financing Activities	(21,330)
Cash Flows Used by Investing Activities:	
Purchases of Investments	<u>(197,339)</u>
Cash Used by Investing Activities	<u>(197,339)</u>
Change in Cash	58,977
Cash, Beginning of Year	<u>753,040</u>
Cash, End of Year	<u>\$ 812,017</u>
Operating Income	\$ 331,750
Reconciliation of Operating Income to Net Cash	
Provided by Operating Activities:	
Depreciation Expense	12,135
Change in Assets and Current Liabilities:	
Increase in Amounts Receivable	(1,185)
Increase in Prepaid Items and Other Assets	(56)
Increase in Unimproved Land and Structures, Unrestricted	(92,941)
Increase in Amounts and Other Payable	28,091
Decrease in Security Deposit and Deposits Held for Buyers	(148)
Net Cash Provided by Operating Activities	<u>\$ 277,646</u>

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

NOTES TO THE FINANCIAL STATEMENTS

NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 – BACKGROUND INFORMATION

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.

As of December 31, 2023, 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);
- Road Home Property Disposition (Strategic Acquisition, Orleans Housing Investment Program, Facade Renew 2.0, Small Business Microlending Grant Program, and Affordable Rental Gap Financing Program and Resilient Homes);
- Neighborhood Stabilization Program (NSP2);
- Six Flags

NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 – BACKGROUND INFORMATION (CONTINUED)

- General Fund to include Ford Foundation and Abandoned Property Program;

NORA, 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.

A brief description of each of the programs 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 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
DECEMBER 31, 2023

NOTE 1 – BACKGROUND INFORMATION (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.

Road Home Property Maintenance and Disposition

The Road Home Property Maintenance and 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 is managed by NORA and 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
DECEMBER 31, 2023

NOTE 1 – BACKGROUND INFORMATION (CONTINUED)

Small Business Microlending Grant Program (SBMGP)

Under the SBMGP Grant, NORA 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 Facade RENEW and Commercial Corridor Technical Assistance Programs.

Affordable Rental Gap Financing Program (ARGFP)

Under this program, NORA 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.

Resilient Homes

Under this program, NORA's vision included development of three model resilient homes on NORA-owned property near educational and stormwater management sites. This project was cancelled by the State of Louisiana Office of Community Development as part of the Hurricane Katrina and Rita Disaster Community Development Block Grant (D-CDBG) final closeout. NORA expects to revamp this program and work directly with the City to fund this program in the future.

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.

NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 – BACKGROUND INFORMATION (CONTINUED)

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 Adaptation 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.

Maintenance & Disposition

As the State of Louisiana Office of Community Development prepared for final closeout of projects funded with Hurricane Katrina and Rita D-CDBG Program Income, NORA will continue to maintain a portfolio of former Road Home properties in support of its disposition strategies. This program provides interim funding for the regular mowing and debris removal; market analysis, planning, legal services, public outreach, appraisal and survey work related to returning approximately 1,060 properties to commerce.

Six Flags

In 2023, the Industrial Development Board (IDB) transferred ownership of the former Jazzland/Six Flags Amusement Park. Funding was allocated by the IDB for taking over the financial and administrative responsibility for operation and maintenance expenses. In addition, NORA received funding from the City of New Orleans to provide ownership, leasing, and redevelopment of the site.

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 predevelopment 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.

NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 – BACKGROUND INFORMATION (CONTINUED)

- Abandoned Property Program

NORA, in cooperation with the City of New Orleans, Offices of Community Development, and Community Assets and Investment, 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 2022. As of December 31, 2023, NORA acquired four additional properties and one acquisition is pending.

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 non-spendable and unassigned. The non-spendable classification is associated with amounts considered non-spendable such as capital assets, prepaid assets, etc. The unassigned classification represents amounts not restricted or committed.

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.

NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Reporting Entity, Continued

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:

NORA formed in 2004 a 501(c)(3) organization, New Orleans Redevelopment Unlimited, Inc. (NORU), 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 have 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.

NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Government-Wide and Fund Financial Statements

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
DECEMBER 31, 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements, Continued

NORA reports the following major governmental funds:

The Road Home Property Maintenance and Disposition is used to account for transfer activities and disposition of former Road Home property. Disposition activities are the source of Program Income funds that are reinvested to assist in city-wide blight reduction and neighborhood stabilization. Specifically, the objective of the project is to facilitate Residential Development, Commercial Revitalization, Land Stewardship and Strategic Redevelopment projects that revitalize neighborhoods.

The Orleans Housing Investment Program is used to account for financing provided to NORA's subrecipient, the New Orleans Redevelopment Unlimited, Inc. (NORU), for the development of single-family affordable homeownership opportunities in neighborhoods like Central city, Seventh Ward, Gentilly, New Orleans East, Lower Ninth Ward, and Pontchartrain Park.

CDBG-Disaster Fund is funded through Community Development Block Grant Disaster Recovery (CDBG-DR) Grant and Program Income, is used to account for the financing of commercial revitalization projects that eliminate blight, provide jobs to low-moderate income residents, and attract new private investment along targeted corridors throughout the City.

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 remaining programs, Ford Foundation, Six Flags, Entitlement, Target Zone, National Disaster Resilience Competition (NDRC), NSP2, Affordable Housing Pilot Program (AHHP), Housing Mitigation Grant Program, Facade, and Strategic Acquisition Fund, Abandoned Property Program, Affordable Rental GAP, Resilient Homes, and Small Business Microlending are accounted for under the non-major program.

NORA reports the following major proprietary fund:

The REALM Program accounts for non-federal funds and activities related to strategies to reduce blight such as the acquisition, disposition, rehabilitation, management of rental units, redevelopment planning, and reuse of vacant blighted properties as outdoor space.

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

NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements, Continued

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 nonexchange 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.

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 receivables 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.

NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Loans Receivable, Continued

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 an allowance for doubtful accounts at December 31, 2023 totaling \$727,262.

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

Investments

For valuing investments, NORA implemented GASB Statement No. 72, *Fair Value Measurement and Application* ("GASB 72"). As required by GASB 72, investments are reported at fair value. This statement requires a government to use valuation techniques that are appropriate under the circumstances and with sufficient data available to measure fair value. Valuation techniques are used to measure fair value and maximize the use of relevant inputs and minimize the use of unobservable inputs. This statement establishes a hierarchy of inputs to valuation techniques used to measure fair value based on three levels:

- Level 1 – Inputs are quoted prices in active markets for identical assets or liabilities
- Level 2 – Inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, whether directly or indirectly.
- Level 3 – Inputs are unobservable inputs, such as management's assumptions or investment manager assumptions that are unobservable.

GASB 72 requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques used. These disclosures are organized by type of asset.

NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

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 vests 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.

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.

NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Instruments

NORA's policy generally is to use financial derivatives to manage exposure to fluctuations in interest rates. 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.

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.

NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position (Continued)

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.

Recent Accounting Pronouncements

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 were deferred for implementation by GASB No. 95 for reporting periods beginning after June 15, 2021. GASB 87 is applicable beginning with the year ended December 31, 2022. Management has reviewed its leases as of December 31, 2023 and adopted the new standard for applicable leases in accordance with GASB 87. See NORA's lease policy and NOTE 9 for additional information on leases

Leases

With the adoption of GASB 87, NORA established a materiality policy for its leases and other long-term contracts. Individual leases or contracts with total lease payments or contract value under \$100,000 will require no evaluation for lease reporting under GASB 87. Any contract identified as a lease or as having a lease component that is below the \$100,000 threshold may be recorded in the same manner as a short-term lease with rent payments reported as expense (lessee) or revenue (lessor) on the income statement as those payments become due based on the terms of lease. Leases below the \$100,000 threshold will not be reported on the balance sheet or subject to GASB 87 disclosure requirements.

NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

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, 2023. 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.

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 2023, NORA provided benefit premiums to the State of Louisiana, Office of Group Benefits totaling \$4,279 for the retired employees. NORA will continue to provide health care and life insurance benefits for the retired employees.

**NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 – OTHER POST-RETIREMENT BENEFITS (CONTINUED)

A schedule of changes in total OPEB liability follows:

FY 2022 OPEB Liability	\$	1,762,779
Service Cost		99,934
Interest		40,561
Changes in Assumptions		(991,464)
Benefit Payments		(4,279)
Net Change		<u>(855,248)</u>
 FY 2023 OPEB Liability	 \$	 <u>907,531</u>

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 grandfathered 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 two (2) retired employees. 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
DECEMBER 31, 2023

NOTE 3 – OTHER POST-RETIREMENT BENEFITS (CONTINUED)

Funding Policy

During 2023, 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 2023 NORA's portion of health care, and life insurance benefit premiums for its retired employee totaled \$4,279. 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 2022 was \$55,031, none of which was funded because the trust had not been established.

At December 31, 2023, for the OPEB liability, OPEB expense, deferred outflows of resources and deferred inflows of resources related to OPEB, the State reported a liability of \$907,531 for NORA's proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2023. The total OPEB liability as of June 30, 2023 was determined using the roll back technique. For the year ended December 31, 2023, NORA is obligated to OPEB expense of \$136,099.

**NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 – OTHER POST-RETIREMENT BENEFITS (CONTINUED)

Required Contribution Rates (Continued)

At December 31, 2023, NORA's reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources follow:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	\$ 102,183	\$ (401,714)
Net Difference Between expected and actual experience	65,010	(548,025)
	\$ 167,193	\$ (949,739)

NORA's contributions subsequent to the measurement date of \$4,782 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

2024	\$	229,704
2025		180,706
2026		206,892
2027		165,244
Total	\$	782,546

NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 3 – OTHER POST-RETIREMENT BENEFITS (CONTINUED)

Required Contribution Rates (Continued)

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 (3.09%) or 1 percent-point higher (5.09%) than the current discount rate:

	1% Decrease 3.09%	Current Discount Rate 4.09%	1% Increase 5.09%
Sensitivity of the total OPEB liability to changes in the discount rate	<u>\$ 1,087,000</u>	<u>\$ 907,531</u>	<u>\$ 765,764</u>

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:

	1% Decrease 3.09%	Current Discount Rate 4.09%	1% Increase 5.09%
Sensitivity of the total OPEB liability to changes in the healthcare cost trend rate	<u>\$ 753,557</u>	<u>\$ 907,531</u>	<u>\$ 1,105,811</u>

NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 3 – OTHER POST-RETIREMENT BENEFITS (CONTINUED)

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 members 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. 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
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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>
2023-2024	6.75%	5.40%
2024-2025	6.50%	5.30%
2025-2026	6.25%	5.20%
2026-2027	6.00%	5.10%
2027-2028	5.75%	5.00%
2028-2029	5.50%	4.90%
2029-2030	5.25%	4.80%
2030-2031	5.00%	4.70%
2031-2032	4.75%	4.60%
Thereafter	4.50%	4.50%

NOTE 4 – CASH

At December 31, 2023 the carrying amount of NORA's total deposits restricted and unrestricted was \$19,994,590 and the cumulative bank balance was \$20,204,100. 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, 2023, 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, 2023 was \$1,650,723.

NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 5 – RESTRICTED CASH

Restricted cash at December 31, 2023 of \$18,343,867 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, 2023, capital assets, net consisted of the following:

	Balance January 1, 2023	Additions	Other	Balance December 31, 2023
Land	\$ -	-	-	\$ -
Equipment	318,073	-	-	318,073
Leasehold Improvements	67,474	21,330	-	88,804
Parking Improvements	242,703	-	-	242,703
Vehicles	163,757	-	-	163,757
Sub total	792,007	21,330	-	813,337
Less: Accumulated Depreciation	(580,209)	12,135	-	(592,344)
Total	<u>\$ 211,798</u>	<u>\$ 33,465</u>	<u>\$ -</u>	<u>\$ 220,993</u>

NOTE 7 – LAND, UNIMPROVED LAND, AND STRUCTURES

At December 31, 2023, 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.

NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 7 – LAND, UNIMPROVED LAND, AND STRUCTURES (CONTINUED)

At December 31, 2023, land, unimproved land and structures by activity follows:

	Governmental Activities (Restricted)	Business- Type Activities (Unrestricted)	Total
Beginning	\$ 16,114,465	\$ 2,449,573	\$ 18,564,038
Additions	521,273	217,830	739,103
Retirements	<u>(1,668,468)</u>	<u>(124,889)</u>	<u>(1,793,357)</u>
Ending	<u>\$ 14,967,270</u>	<u>\$ 2,542,514</u>	<u>\$ 17,509,784</u>

NOTE 8 – GRANTS RECEIVABLE

At December 31, 2023, grants receivable consisted of the following:

Program	Amount
Disaster Oretha Castle Haley Fund	\$ 1,098,905
Nonmajor Governmental Programs	<u>1,240,141</u>
	<u>\$ 2,339,046</u>

NOTE 9 – LEASES

NORA leases commercial office space and a number of parking spots from a related entity, New Orleans Redevelopment Unlimited, Inc. (NORU). The leased premises are located at 1409 Oretha Castle Haley Boulevard in New Orleans, Louisiana. The lease term commenced on January 13, 2023, and will expire on January 13, 2033. NORA has the option to extend the lease for two (s) additional sixty-month terms.

To calculate the right-of-use asset and lease liability, NORA used a discount rate of 6.25%, which is the rate implicit in the lease obtained from the Lessor’s appraisal report and calculated the present value of the future lease payments. As of December 31, 2023, the lease asset balance was \$1,314,334 which is net of accumulated depreciation of \$146,037.

NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 9 – LEASES (CONTINUED)

The following is a summary of NORA’s commercial lease balance as of December 31, 2023, including any additions and subtractions.

Lease Assets	Beginning of Year	Additions	Subtractions	End of Year	Amounts Due Within One Year
Office Space	-	1,460,371	-	1,460,371	
	-	1,460,371	-	1,460,371	
Less: Accumulated Amortization					
Office Space	-	(146,037)	-	(146,037)	
	-	(146,037)	-	(146,037)	
Total Lease Assets, net	-	1,314,334	-	1,314,334	
Lease Liabilities	-	1,444,156	(98,156)	1,346,000	113,675

Annual requirements to amortize long-term lease obligations and related interest are as follows:

December 31,	Principal	Interest	Total Payments
2024	113,675	80,905	194,580
2025	120,986	73,594	194,580
2026	128,769	65,811	194,580
2027	137,051	57,529	194,580
2028	145,867	48,713	194,580
Thereafter	699,652	94,883	794,535
Total Future Payments	1,346,000	421,435	1,767,435

Lease expense for the commercial office space totaled \$196,099 for the year ended December 31, 2023.

NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

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(6), salary deferral plan was established May I, 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-four (24) participants. For the year ended 2023, actual contributions by plan participants were \$177,922 with a \$98,318 match from NORA. Participants of the plan vest after two years of service. The 457(6) plan replaced the multi-employer defined benefit pension retirement plan operated by the State of Louisiana.

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.

**NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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.

On September 20, 2022, the Louisiana Supreme Court denied NORA’s appeal of a May 28, 2021 judgment against it in connection with default in a development agreement by a developer. As a result, 39 properties that were previously reverted back to NORA’s ownership in 2018 will be subject to seizure and sale by the Orleans Parish Sheriff’s Office to enforce a superior mortgage held by the developer’s creditor’s successor-in-interest. NORA may be entitled to recoup expenses related to maintaining these properties.

Furthermore, NORA is named in various pending suits to pursue default in a development agreement by a developer. It is legal counsel’s opinion at December 31, 2023, and June 19, 2024, 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	\$ 69,796	\$ 151,124	\$ 220,920
Addition	9,291	174,826	184,117
Deletion	<u>(5,674)</u>	<u>(164,816)</u>	<u>(170,490)</u>
Ending	<u>\$ 73,413</u>	<u>\$ 161,134</u>	<u>\$ 234,547</u>

NOTE 15 – DEPOSITS HELD FOR OTHERS

At December 31, 2023, NORA held deposits for others totaling \$441,610 which consisted of deposits held on behalf of potential buyers participating in its REALM and Road Home Disposition Program (Lot Next Door) totaling \$176,813, security deposits related to the Six Flags project totaling \$250,000 and security deposits of \$1,500 held for tenants participating on its REALM program, and \$13,297 in deposits held for others in other programs.

**NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 16 - PER DIEM FOR BOARD OF COMMISSIONERS

During the year ended December 31, 2023, no board member received per diem in his/her capacity as a Commissioner.

NOTE 17 - AMOUNTS RECEIVABLE

At December 31, 2023, amounts receivable consisted of the following:

	Neighborhood Stabilization Program 2	Strategic Acquisition Fund		Total
Other	\$ 27,867	\$ 214	\$	28,081
Total	\$ 27,867	\$ 214	\$	28,081

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 26, for additional discussion.

NOTE 19 – PREPAID ITEMS AND OTHER ASSETS

At December 31, 2023, prepaid items and other assets totaling \$94,138 consisted entirely of prepaid insurance.

NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 20 – INVESTMENTS UNRESTRICTED

At December 31, 2023, unrestricted investments consisted of the following:

<u>Description</u>	<u>Interest Rate</u>	<u>Carrying Value</u>	<u>Estimated Fair Value</u>
LAMP Investment Pool	0.09%	3,457,731	3,457,731

NOTE 21 – INVESTMENTS RESTRICTED

At December 31, 2023, 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	0.09%	1,534,981	1,534,981

NOTE 22 – FAIR VALUE OF INVESTMENTS

NORA categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. NORA has the following fair value measurements as of December 31, 2023:

<u>Asset Category</u>	<u>Total</u>	<u>Fair Value Measurements Using</u>		
		<u>Quoted Prices in Active Markets for Identical Assets</u>	<u>Significant Other Observable Inputs</u>	<u>Significant Unobservable Inputs</u>
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
LAMP Investment Pool	\$ 4,992,712	\$ -	\$ 4,992,712	\$ -
Real Estate Held for Resale	17,509,784	-	17,509,784	-
Total Assets Measured at Fair Value	\$ 22,502,496	\$ -	\$ 22,502,496	\$ -

LAMP is an investment pool established as a cooperative endeavor to enable public entities of the state of Louisiana to aggregate funds for investment. LAMP is management by Louisiana Asset Management Pool, Inc., a nonprofit corporation. The LAMP Investment Pool is valued using prices quoted by ICE Pricing Services and are based upon other observable inputs, which were obtained by LAMP, Inc.'s accountants. These investments are included in Level 2.

**NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 22 – FAIR VALUE OF INVESTMENTS (CONTINUED)

Per GASB 72, an investment is defined as a security or other asset that (a) a government holds primarily for the purpose of income or profit and (b) has a present service capacity based solely on its ability to generate cash or to be sold to generate cash. As a result, NORA’s Land, Unimproved Land, and Structures accounts (see NOTE 7) are considered investments for fair value purposes. These properties are valued at acquisition value, which is the price at the time the properties are purchased. These properties are included in Level 2 as Real Estate Available for Resale.

NOTE 23 – LOANS RECEIVABLE, NET

At December 31, 2023, forgivable and unforgivable loans receivable were as follows:

NON-FORGIVEABLE LOANS

GCHP-MLK Leverage Lender, LLC

0% Principal and Interest payments due from March 31, 2011 through March 31, 2047	\$ 1,700,000
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***St. Claude/St. Roch Revitalization LLC;
(Healing Center)***

1% interest due and payable beginning December 10, 2010 with principal due on May 1, 2030	1,279,369
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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
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Tulane Land Holdings (Crescent Club)

5% interest due in full on November 18, 2036	750,000
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**NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 23 – LOANS RECEIVABLE, NET (CONTINUED)

1436 Oretha Castle Haley, LLC

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

727,262

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.

486,869

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.

471,197

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.

469,603

Refresh Commercial (Broad Refresh)

2.5% interest per annum from April 4, 2013 until April 9, 2038.

387,618

Reconcile New Orleans

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.

164,347

**NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 23 – LOANS RECEIVABLE, NET (CONTINUED)

New Orleans Mission

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

88,436

Total 7,274,701

Less: Allowance for Doubtful Accounts (727,262)

TOTAL NON-FORGIVABLE LOANS \$ 6,547,439

FORGIVABLE LOANS

New Orleans Mission

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

375,000

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

HRI Community Resources, Inc.

Interest accrues at 0.00% per annum; entire amount of note is forgiven provided project is completed and no defaults.

450,000

NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 23 – LOANS RECEIVABLE, NET (CONTINUED)

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	<u>224,453</u>
TOTAL FORGIVABLE LOANS	<u>1,093,991</u>
TOTAL NON-FORGIVABLE AND FORGIVABLE LOANS	7,641,430
CREDIT SALES	<u>2,034,947</u>
TOTAL LOANS RECEIVABLE	<u><u>\$ 9,676,377</u></u>

NOTE 24 – REVOLVING LOANS

Revolving loans at December 31, 2023, totaling \$7,731,376 represent funds provided to NORA for revolving loans to entities aimed at the rehabilitation and redevelopment within the City of New Orleans.

NOTE 25 – RELATED PARTY TRANSACTIONS

NORA paid fees and made various reimbursements for cost incurred on NORU's behalf totaling \$351,113 for the year ended December 31, 2023 of which management fees paid was \$17,556. NORU, during the year ended December 31, 2023, continued to administer Orleans Housing Investment Program and Construction Lending Expanded with contract awards totaling \$1,978,813 for construction projects on behalf of NORA. At December 31, 2023, the total cumulative amount disbursed, net of repayments results to a total revolving loan balance of \$6,126,721.

**NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 26 – DEFERRED INFLOWS OF RESOURCES

At December 31, 2023 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	\$ 1,602,405
CDBG - Disaster Oretha Castle Haley	2,221,833
Road Home Program	17,277,583
Nonmajor and Other	2,963,113
Orleans Housing Investment Program	-
Real Estate Acquisition and Land Banking	470,748
	<u>\$ 24,535,682</u>

NOTE 27 – 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.

NOTE 28 – 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 23, for additional discussion.

NOTE 29 – PROMISSORY NOTES

At December 31, 2023, NORA executed various promissory notes and Acts of Credit sale totaling \$2,034,947 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.

NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 29 – PROMISSORY NOTES (CONTINUED)

- 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.

NOTE 30 – PRIOR PERIOD ADJUSTMENT

At December 31, 2023, NORA recorded a correction of \$389,066 in the Governmental Activities related to OPEB audit entries to correct beginning net position.

NOTE 31 – SUBSEQUENT EVENTS

Management has evaluated subsequent events as of June 19, 2024, which is the date these financial statements were available to be issued, and noted no items to report. Management did not evaluate any events after that date for inclusion in the financial statements.

SUPPLEMENTARY INFORMATION

**NEW ORLEANS REDEVELOPMENT AUTHORITY
GENERAL FUND/UNRESTRICTED
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGETED AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance - Favorable/(Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Grants - Non-Governmental	\$ -	\$ -	\$ 477,207	477,207
Interest income	5,180	5,180	28,591	23,411
Other	54,070	54,070	22,301	(31,769)
Total Revenues:	<u>59,250</u>	<u>59,250</u>	<u>528,099</u>	<u>468,849</u>
Expenditures				
Operations:				
Personnel Salaries & Wages	747,555	747,555	492,122	255,433
Personnel Services Employee Benefits	170,031	170,031	109,387	60,644
Purchased Professional & Technical Services	59,816	59,816	91,141	(31,325)
Purchased Property Services	182,314	182,314	187,882	(5,568)
Insurance	100,018	100,018	80,332	19,686
Other Purchased Services	41,809	41,809	101,094	(59,285)
Supplies	49,538	49,538	42,375	7,163
Property	3,652	3,652	3,078	574
Programs	-	-	451,692	(451,692)
Other Uses	14,024	14,024	13,769	255
Total Expenditures:	<u>1,368,757</u>	<u>1,368,757</u>	<u>1,572,872</u>	<u>(204,115)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures:	<u>(1,309,507)</u>	<u>(1,309,507)</u>	<u>(1,044,773)</u>	<u>264,734</u>
Transfers in	<u>1,309,507</u>	<u>1,309,507</u>	<u>945,130</u>	<u>(364,377)</u>
Total Transfers in:	<u>1,309,507</u>	<u>1,309,507</u>	<u>945,130</u>	<u>(364,377)</u>
Net Change in Fund Balances:	<u>-</u>	<u>-</u>	<u>(99,643)</u>	<u>(99,643)</u>
Fund Balances - Beginning	463,271	463,271	463,271	-
Fund Balances - Ending:	<u>\$ 463,271</u>	<u>\$ 463,271</u>	<u>\$ 363,628</u>	<u>\$ (99,643)</u>

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

NEW ORLEANS REDEVELOPMENT AUTHORITY
CDBG ANNUAL (ENTITLEMENT)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGETED AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
Revenues				
Grants - City of New Orleans	\$ 1,000,000	\$ 1,000,000	\$ 953,719	\$ (46,281)
Total Revenues:	<u>1,000,000</u>	<u>1,000,000</u>	<u>953,719</u>	<u>(46,281)</u>
Expenditures				
Operations:				
Personnel Salaries & Wages	410,002	410,002	429,668	(19,666)
Personnel Services Employee Benefits	99,727	99,727	100,169	(442)
Purchased Professional & Technical Services	75,018	75,018	19,481	55,537
Purchased Property Services	177,662	177,662	158,655	19,007
Insurance	20,339	20,339	13,939	6,400
Other Purchased Services	-	-	4,214	(4,214)
Property	321	321	257	64
Other Uses	216,931	216,931	227,336	(10,405)
Total Expenditures:	<u>1,000,000</u>	<u>1,000,000</u>	<u>953,719</u>	<u>46,281</u>
Net Change in Fund Balances:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Beginning	-	-	-	-
Fund Balances - Ending:	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

NEW ORLEANS REDEVELOPMENT AUTHORITY
CDBG - DISASTER COMMERCIAL CORRIDOR
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Grants - City of New Orleans	\$ 1,717,190	\$ 1,717,190	\$ 1,153,110	\$ (564,080)
Interest income	-	-	8,100	8,100
Total Revenues:	<u>1,717,190</u>	<u>1,717,190</u>	<u>1,161,210</u>	<u>(555,980)</u>
Expenditures				
Operations:				
Personnel Salaries & Wages	42,079	42,079	28,959	13,120
Personnel Services Employee Benefits	9,257	9,257	6,533	2,724
Purchased Professional & Technical Services	5,749	5,749	7,920	(2,171)
Purchased Property Services	2,747	2,747	1,741	1,006
Insurance	1,950	1,950	201	1,749
Other Purchased Services	-	-	520	(520)
Property	100	100	13	87
Programs	1,633,044	1,633,044	1,100,000	533,044
Other Uses	22,264	22,264	15,323	6,941
Total Expenditures:	<u>1,717,190</u>	<u>1,717,190</u>	<u>1,161,210</u>	<u>555,980</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures:	-	-	-	-
Fund Balances - Beginning	-	-	-	-
Fund Balances - Ending:	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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
(NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Interest income	\$ 20,601	\$ 20,601	\$ 115,175	\$ 94,574
Program income	2,914,000	2,914,000	2,100,462	(813,538)
Other	165,399	165,399	71,516	(93,883)
Total Revenues:	<u>3,100,000</u>	<u>3,100,000</u>	<u>2,287,153</u>	<u>(812,847)</u>
Expenditures				
Operations:				
Personnel Salaries & Wages	973,305	973,305	834,093	139,212
Personnel Services Employee Benefits	331,463	331,463	197,629	133,834
Purchased Professional & Technical Services	145,470	145,470	131,558	13,912
Purchased Property Services	846,755	846,755	537,069	309,686
Insurance	115,531	115,531	64,868	50,663
Other Purchased Services	5,000	5,000	15,363	(10,363)
Supplies	-	-	110	(110)
Property	3,000	3,000	702	2,298
Other Uses	514,976	514,976	441,318	73,658
Cost of Sales	164,500	164,500	64,443	100,057
Total Expenditures:	<u>3,100,000</u>	<u>3,100,000</u>	<u>2,287,153</u>	<u>812,847</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures:	-	-	-	-
Fund Balances - Beginning	-	-	-	-
Fund Balances - Ending:	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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
(NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Program income	\$ 3,500,000	\$ 3,500,000	\$ 2,561,826	\$ (938,174)
Total Revenues:	<u>3,500,000</u>	<u>3,500,000</u>	<u>2,561,826</u>	<u>(938,174)</u>
Expenditures				
Operations:				
Personnel Salaries & Wages	285,768	285,768	23,896	261,872
Personnel Services Employee Benefits	64,246	64,246	6,281	57,965
Purchased Professional & Technical Services	95,231	95,231	16,040	79,191
Purchased Property Services	8,192	8,192	1,177	7,015
Insurance	4,349	4,349	-	4,349
Other Purchased Services	376	376	530	(154)
Property Programs	472	472	-	472
Other Uses	2,890,166	2,890,166	2,501,258	388,908
Total Expenditures:	<u>151,200</u>	<u>151,200</u>	<u>12,644</u>	<u>138,556</u>
Total Expenditures:	<u>3,500,000</u>	<u>3,500,000</u>	<u>2,561,826</u>	<u>938,174</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures:	-	-	-	-
Fund Balances - Beginning	-	-	-	-
Fund Balances - Ending:	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

NEW ORLEANS REDEVELOPMENT AUTHORITY
SCHEDULE 1
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023

<u>Program Grantor/Title</u>	<u>Assistance Listing #</u>	<u>Federal Expenditures</u>
<u>PROGRAMS FUNDED BY THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>		
Direct: Neighborhood Stabilization Program 2 - Program Income	14.256	\$ 45,041
Sub-Total		45,041
<u>Pass-Through CDBG Funds as Subgrantee of the City of New Orleans</u>		
Blighted Properties Programs- Entitlement	14.218	953,719
Blighted Properties Programs- Disaster	14.218	1,161,210
Facade Renew 2.0	14.228	62,822
Land Assembly	14.228	2,296,436
Maintenance & Disposition	14.228	749,332
National Disaster Resilience Competition	14.272	108,051
Orleans Housing Investment Program	14.228	2,561,826
Small Business Microlending Program	14.228	245,319
Resilient Homes	14.228	9,017
Affordable Rental Gap	14.228	2,608
Strategic Acquisition Funds	14.228	480,571
Facade State Algiers Program	14.228	178,973
Sub-total Pass Through Funds		8,809,884

The accompanying notes are an integral part of these financial statements

NEW ORLEANS REDEVELOPMENT AUTHORITY
SCHEDULE 1
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023

PROGRAMS FUNDED BY FEDERAL
EMERGENCY MANAGEMENT ASSOCIATION

Pass-Through CDBG Funds as Subgrantee of the
State of Louisiana

Alternative Housing Pilot Program	97.087	27,477
Hazard Mitigation Program	97.039	<u>194,321</u>
Subtotal Pass-Through Funds		<u>221,798</u>
Total Federal Expenditures		<u><u>\$ 9,076,723</u></u>

The accompanying notes are an integral part of these financial statements

**NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE A – BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards includes federal grant activity of NORA, and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the *Uniform Guidance*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

NOTE B – PRESENTATION

The accompanying schedule of expenditures of federal awards covers the fiscal year ended December 31, 2023.

NOTE C – DE MINIMUS COST RATE

During the year ended December 31, 2023, NORA did not elect to use the 10% de minimis cost rate.

NOTE D – LOAN AND LOAN GURANTEES

NORA did not expend federal awards related to loans or loan guarantees during the year ended December 31, 2023. NORA had no loans outstanding at the year ended December 31, 2023.

NOTE E – FEDERAL FUNDED INSURANCE

NORA has no federally funded insurance.

NOTE F – NONCASH ASSISTANCE

NORA did not receive any federal noncash assistance for the year ended December 31, 2023.

NEW ORLEANS REDEVELOPMENT AUTHORITY
SCHEDULE 2
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER
PAYMENTS TO EXECUTIVE DIRECTOR
FOR THE YEAR ENDED DECEMBER 31, 2023

Executive Director's Name: Brenda M. Breaux

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 208,063
Benefits - insurance	13,086
Benefits - retirement	10,403
Cell Phone	636
Membership	85
Registration Fee and conference travel	895
	<hr/>
Total	\$ 233,168
	<hr/> <hr/>

See Independent Auditor's Report on Supplementary Information

REQUIRED SUPPLEMENTARY INFORMATION

NEW ORLEANS REDEVELOPMENT AUTHORITY
SCHEDULE 3
SCHEDULE OF OTHER POST EMPLOYMENT BENEFIT PLAN (OPEB)
FROM IMPLEMENTATION THROUGH
THE YEAR ENDED DECEMBER 31, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Net OPEB Liability (%)	0.0097%	0.0193%	0.0219%	0.0177%	0.0184%	0.0169%
Net OPEB Liability	907,531	1,762,779	1,641,901	1,366,186	1,521,369	1,472,569
OPEB Liability as a percentage of covered payroll	40.08%	82.07%	70.06%	58.49%	64.57%	57.77%

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 Auditor's Report

NEW ORLEANS REDEVELOPMENT AUTHORITY
SCHEDULE 4
SCHEDULE OF CONTRIBUTIONS (OPEB)
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>2023</u>	<u>2022</u>
Contractually Required Contribution	\$ 4,279	\$ 21,836
Contribution in Relation to the Contractually Required Contribution	4,279	21,836
Excess/(Deficiency)	-	-
OPEB Contribution as a percentage of covered payroll	0.19%	1.02%

See Independent Auditor's Report



Luther Speight & Company, LLC
Certified Public Accountants and Consultants

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

To the Board of 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, and the aggregate remaining fund information of New Orleans Redevelopment Authority (NORA) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise NORA's basic financial statements, and have issued our report thereon dated June 19, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered NORA's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but 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.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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Memphis Office: 1661 International Drive, Suite 441/Memphis, TN 38120/ (901)202-4688
Atlanta Office: 1201 Peachtree St. NE, Suite 200-363/Atlanta, GA 30328/ (678)971-3700

Report on 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 or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control 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.



Luther Speight & Company CPAs

New Orleans, Louisiana

June 19, 2024



Luther Speight & Company, LLC
Certified Public Accountants and Consultants

INDEPENDENT AUDITOR'S 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, 2023. 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, 2023.

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 standards and the Uniform Guidance are farther 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.

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Luther Speight & Company CPAs
New Orleans, Louisiana
June 19, 2024

**NEW ORLEANS REDEVELOPMENT AUTHORITY
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2023**

Section II – Financial Statement Findings and Questioned Costs

No financial statement findings and questioned costs were reported for the year ended December 31, 2023.

Section III- Federal Award Findings and Questioned Costs

No federal award findings and questioned costs were reported for the year ended December 31, 2023.

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

No findings or questioned costs were reported for the year ended December 31, 2022.



Luther Speight & Company, LLC
Certified Public Accountants and Consultants

NEW ORLEANS REDEVELOPMENT AUTHORITY

AGREED UPON PROCEDURES REPORT

FOR THE YEAR ENDED DECEMBER 31, 2023



Luther Speight & Company, LLC
Certified Public Accountants and Consultants

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of
New Orleans Redevelopment Authority
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2023 through December 31, 2023. New Orleans Redevelopment Authority's management is responsible for those C/C areas identified in the SAUPs.

New Orleans Redevelopment Authority has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2023 through December 31, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

Results: *The written policies and procedures appropriately address the required elements above.*

New Orleans Office: 1100 Poydras Street, Suite 1225/New Orleans, LA 70163/ (504)561-8600

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

Results: The written policies and procedures appropriately address the required elements above.

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

Results: The written policies and procedures appropriately address the required elements above.

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

Results: The written policies and procedures appropriately address the required elements above.

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

Results: The written policies and procedures appropriately address the required elements above.

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

Results: The written policies and procedures appropriately address the required elements above.

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

Results: The written policies and procedures appropriately address the required elements above.

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

Results: The written policies and procedures appropriately address the required elements above.

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

Results: The written policies and procedures appropriately address the required elements above.

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

Results: Not applicable to the Entity.

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

Results: The policies and procedures appropriately address the required elements above. We noted the Entity contracts with the City of New Orleans to provide Information Technology services, including operational and disaster recovery support. All City data sources are preserved on-site as well as at a Tier 3 offsite data center, VENYU, located near Baton Rouge, Louisiana.

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

Results: The written policies and procedures appropriately address the required elements above.

Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
- a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

Results: *The board committee meets bi-monthly. No exceptions noted.*

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

Results: *The board committee appropriately met the required elements above. No exceptions noted.*

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

Results: *Not applicable, as the general fund did not have a negative ending unassigned fund balance in the prior year audit report.*

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

Results: *Not applicable, as there were no findings in the prior year's audit report.*

Bank Reconciliations

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

Results: *List of bank accounts and management's representation were obtained. We selected the month of December 2023 for testing. We noted the Entity has over 10 bank accounts. LSC chose 5 accounts and observed the following:*

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

Results: *Per review of the 5 bank statements and bank reconciliations, we noted that all 5 had evidence of being reconciled. All reconciliations were prepared within 2 months of the statement's closing date. No exceptions noted.*

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

Results: *All reconciliations observed included proper evidence of management approval. No exceptions noted.*

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

Results: *We noted no reconciling items that have been outstanding for more than 12 months from year-end.*

- d) Review completed within 1 month of the date the reconciliation was prepared.

Results: *We noted all 5 reconciliations had evidence of management's review being completed within 1 month of the date the reconciliation was prepared. No exceptions were noted.*

Collections

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

Results: *Per management, the deposit site of New Orleans Redevelopment Authority is located at 1409 Oretha Haley Blvd., New Orleans, LA, 70113.*

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

- a) Employees responsible for cash collections do not share cash drawers/registers.
- 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.
- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

Results: *1409 Oretha Haley Blvd. is the only location, and the employees have properly segregated responsibilities related to job duties listed below. Per management, the Junior Accountant retrieves mail and collects checks/money orders then stamps and dates them. Those items are then handed to the Staff Accountant to record in the revenue collection module. At the end of the week, if there are any collections, the Junior Accountant makes the deposit no later than 5 business days of receipt. The Senior Accountant, who doesn't collect cash, performs the reconciliation.*

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

Results: *The Entity provided a copy of an insurance policy through Hiscox Insurance Company, Inc. for Commercial Crime coverage that was enforced during the fiscal year. No exceptions noted.*

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under “Bank Reconciliations” above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
 - e) Trace the actual deposit per the bank statement to the general ledger.

Results: We noted that the Entity’s collections were supported by proper documentation. No exceptions noted.

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

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

Results: All payments are processed at the office located at 1409 Oretha Castle Haley Blvd, New Orleans, LA 70113.

9. For each location selected under #3 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.

- 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.
- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
- e) Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

Results: We obtained a listing of the employees involved and reviewed the written policies and procedures relating to employee job duties. We noted that the job duties are properly segregated among the User Department, Junior Accountant, Controller, CFO, and Grants Manager. No exceptions were noted.

10. For each location selected under #3 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:

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

Results: The disbursements matched the original invoices and supporting documentation indicated deliverables included on the invoice were received by the Entity. No exceptions noted.

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

Results: Disbursement documentation includes evidence of segregation of duties. No exceptions noted.

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

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

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

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

Results: We obtained a listing of all active cards from management, including the card numbers and the names of employees to whom the cards are assigned, and management's representation that the listing is complete. The listing consists of four credit cards.

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

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

Results: There is evidence showing the statements were reviewed and approved by someone other than the authorized card holder. We noted no exceptions.

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

Results: There were no finance charges or fees assessed on the selected statements. We noted no exceptions.

14. Using the monthly statements or combined statements selected under #9 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Results: We randomly selected transactions from each statement and obtained supporting documentation for each to perform the procedures detailed above. We noted no exceptions.

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

15. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

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

Results: Reimbursements using a per diem were reimbursed at a rate that is no more than those established by the State of Louisiana. No exceptions noted.

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

Results: Reimbursements using actual costs were supported by the original itemized receipts. No exceptions noted.

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

Results: Each reimbursement was supported by documentation detailing the business purpose for the charge. No exceptions noted.

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

Results: Each reimbursement was reviewed and approved, in writing, by someone other than the person receiving the reimbursement. No exceptions noted.

Contracts

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

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

Results: We obtained a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period, and obtained management's representation that the listing is complete. We observed that each contract was bid in accordance with the Louisiana Public Bid Law as noted in the Entity's Procurement Policies and Procedures and noted no exceptions.

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

Results: Per the Entity's Procurement Policies and Procedures, the Executive Director is required to authorize and approve all contract awards. We observed this approval on each of the contracts provided by the Entity for testing and noted no exceptions.

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

Results: We reviewed the Entity's amended contracts and observed that the original contract terms provided for such amendments, and the amendments were made in compliance with the contract terms. We noted no exceptions.

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

Results: We randomly selected five payments, one from each contract, and obtained the supporting invoices, agreed them to the contract terms, and observed that the invoices and related payments agreed to the terms and conditions of the contract. We noted no exceptions.

Payroll and Personnel

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

Results: We requested and obtained paid salaries and personnel files for a selection of five (5) employees. The paid salaries agreed to the authorized salaries in each employee's personnel file. We noted no exception.

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

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

Results: Of the 5 selected employees, we noted that all 5 of their attendance and leave records were documented.

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

Results: Of the 5 selected employees, we noted that all 5 of their attendance and leave records were approved by a supervisor.

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

Results: We noted the Entity keeps track of both leave accrued and taken for all employees in the Entity's cumulative leave records.

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

Results: The rate paid to the employees or officials agree to the authorized salary/pay rate.

19. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two

employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

Results: We obtained a listing of employees that received termination payments, and management's representation that the listing was complete. We randomly selected two employees and performed the procedures above. No exceptions were noted, as the termination payments coincided with the related records and documentation for the two terminated employees.

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

Results: Management's representation obtained. All employer and employee portions of third-party payroll related amounts were paid, and forms filed by required deadlines. No exceptions were noted.

Ethics

21. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:

- a) Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

Results: We obtained ethics training certificates that demonstrate the 5 selected personnel completed one hour of ethics training during the calendar year. No exceptions noted.

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

Results: We noted no changes to the Entity's ethics policy during the fiscal period.

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

Results: The Entity has appointed its Director of Human Resources as the Ethics Designee. No exceptions noted.

Debt Service

Results: Not applicable to the Entity.

Fraud Notice

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

Results: There were no misappropriations of public funds and assets during the fiscal period.

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

Results: We noted the Entity has the required notice regarding the reporting of misappropriation, fraud, waste, or abuse of public funds posted on its website.

Information Technology Disaster Recovery/Business Continuity

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

Results: We performed the procedure and discussed the results with management. Management contracts an outside company for all IT Management Services.

- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week.

If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

Results: After reviewing the support provided by the Entity, we noted that the most recent data backup was performed on December 31, 2023. Screenshot evidence with date and time stamps were reviewed as support. No exceptions noted.

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

Results: After reviewing the support provided by the Entity, we noted that the most recent backup recovery testing was performed on December 31, 2023. Screenshot evidence with date and time stamps were reviewed as support. No exceptions noted.

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

Results: We obtained a listing of the client's computers currently in use along with their locations. All 5 selected computers have current and active antivirus software. The operating system and accounting system software in use are currently supported. No exceptions noted.

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

Results: We observed that all five of the randomly selected terminated employees were removed and disabled from the Entity's network upon termination. No exceptions noted.

27. Observed evidence that employees with access to the agency's information technology assets have received cybersecurity training as required by R.S. 42:1267.

Results: We obtained certificates that demonstrate employees with access to the Entity's information technology assets have completed cybersecurity training during the calendar year. No exceptions noted.

Sexual Harassment

28. Using the 5 randomly selected employees/officials from procedure #16 under “Payroll and Personnel” above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

Results: *We obtained sexual harassment training certificates that demonstrate the 5 selected personnel completed one hour of sexual harassment training during the calendar year. No exceptions noted.*

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

Results: *The Entity has its sexual harassment policy and complaint procedure posted on its website. No exceptions noted.*

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

Results: *We have obtained the Entity's annual sexual harassment report for the current fiscal period. No exceptions noted.*

1. Number and percentage of public servants in the agency who have completed the training requirements;

Results: *NORA employed 28 staff members in 2023 and 100% of employees completed the sexual harassment training requirements.*

2. Number of sexual harassment complaints received by the agency;

Results: *NORA did not receive any complaints of sexual harassment during the audit period.*

3. Number of complaints which resulted in a finding that sexual harassment occurred;

Results: *0*

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

Results: 0

5. Amount of time it took to resolve each complaint.

Results: *Not applicable.*

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

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

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



Luther Speight & Company CPAs
New Orleans, Louisiana
June 19, 2024