EAST BATON ROUGE REDEVELOPMENT AUTHORITY
D/B/A BUILD EBR

(A COMPONENT UNIT OF THE CITY OF BATON ROUGE – PARISH OF EAST BATON ROUGE)

BATON ROUGE, LOUISIANA

FOR THE FISCAL YEAR ENDED

DECEMBER 31, 2025

ERICKSEN KRENTEL LLP
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

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ERICKSEN KRENTEL LLP
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS
8550 United Plaza Boulevard, Suite 600
Baton Rouge, LA 70809
ericksenkrentel.com

INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners and Management
East Baton Rouge Redevelopment Authority d/b/a Build EBR
Baton Rouge, Louisiana

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the East Baton Rouge Redevelopment Authority d/b/a Build EBR (a component unit of the City of Baton Rouge – Parish of East Baton Rouge) ("the Authority"), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Authority'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, and the aggregate remaining fund information of the Authority, as of December 31, 2025, 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, the *Louisiana Governmental Audit Guide*, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority, 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority'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.

To the Board of Commissioners and Management
East Baton Rouge Redevelopment Authority d/b/a Build EBR
Baton Rouge, Louisiana

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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority'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 the Authority'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.

ERICKSEN KRENTEL LLP
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

To the Board of Commissioners and Management
East Baton Rouge Redevelopment Authority d/b/a Build EBR
Baton Rouge, Louisiana

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison and other information on pages 4-10 and pages 36-37, respectively, 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 the Authority's basic financial statements. The schedule of compensation, benefits, and other payments to the agency head on page 38 is 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 schedule of compensation, benefits, and other payments to the agency head is fairly stated, in all material respects, in relation to the basic 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 18, 2026, on our consideration of the Authority'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 the Authority'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 Authority's internal control over financial reporting and compliance.

June 18, 2026
Baton Rouge, Louisiana

Certified Public Accountants

REQUIRED SUPPLEMENTARY INFORMATION – PART I

Our analysis of the East Baton Rouge Redevelopment Authority D/B/A Build Baton Rouge (the Authority) financial performance provides an overview of the Authority's financial activities for the year ended December 31, 2025. The Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes, and currently known facts. This MD&A should be read in conjunction with the financial statements.

FINANCIAL HIGHLIGHTS

In 2025, the Authority's governmental revenues remained similar to the prior year at $1.5 million and the governmental expenses increased by 33% from the prior year. The increase in expenses was driven by funds spent on executive search services and increases in payroll. The business-type revenues decreased 85% from the prior year, and the business-type expenses decreased by 97% due to n cost of goods cold related to the Smiley Heights sale and the inventory transfer in the year 2024.

The major financial highlights for 2025 are as follows:

- The Authority's total net position at year-end for the primary government was $4.4 million.
- During 2025, revenues exceeded expenses which resulted in an increase to net position of approximately $201,000 for the primary government, which was primarily due normal operations.
- The Authority's General Fund operations reported an excess of revenues over expenditures of approximately $151,000 for 2025. The General Fund's fund balance was approximately $1.3 million as of December 31, 2025.

USING THIS ANNUAL REPORT

The Authority's financial statements focus on the government as a whole and on major individual funds. Both government-wide and fund perspectives allow the reader to address relevant questions, broaden a basis for comparison from year to year, and enhance the Authority's accountability.

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 11 and 12) provide information about the activities of the Authority as a whole and present a longer-term view of the Authority's finances.

Fund financial statements start on page 13. For governmental activities, these statements depict how services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Authority's operations in more detail than the government-wide statements by providing information about the Authority's most significant funds.

The Authority's auditor has provided assurance in their independent auditors' report, located immediately preceding this MD&A, that the financial statements are fairly presented in all material respects. Varying degrees of assurance are being provided by the auditor regarding the Required Supplementary Information. A user of this report should read the independent auditors' report carefully to ascertain the level of assurance being provided for each part of this report.

Reporting on the Authority as a Whole

The financial statements of the Authority as a whole begin on page 11. The Statement of Net Position and the Statement of Activities report information about the Authority as a whole and its activities in a way to determine if the Authority is in better condition, compared to the prior year. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to accounting methods used by most private-sector companies. All of the current year's revenues and expenses are reported regardless of when cash is received or paid. Thus, revenues and expenses are reported in these statements for some items that will only result in cash flows in future fiscal periods.

These two statements report the Authority's net position and related changes. The Authority's financial health, or financial position, can be measured by its net position-the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Over time, increases or decreases in the Authority's net position are one indicator of whether its financial health is improving or deteriorating.

In the Statement of Net Position and the Statement of Activities, the Authority's operations are divided into two kinds of activities:

Governmental activities - consist of the General Fund and special revenue funds. The General Fund accounts for unrestricted revenue sources as well as general operational expenses. The special revenue funds account for receipts and expenditures of grant programs funds which are restricted for certain programs or project. These are considered governmental funds because the activities are funded through public sources such as taxes and grants.

Business-type activities - consist of the Land Acquisition Program and the Community Development Entity, LLC Funds which accounts for the activities of acquiring property and placing that property into viable development. At December 31, 2025, the Authority's net position was over $2.7 million, for business-type activities.

The analysis of the primary government focuses on the net position and change in net position of the Authority's governmental activities and business-type activities is as follows:

Statement of Net Position
December 31, 2025 and 2024
(in thousands)

	Governmental Activities		Business-Type Activities		Total Government	
	2025	2024	2025	2024	2025	2024
Current and other assets	$ 2,247	$ 2,218	$ 3,159	$ 3,076	$ 5,406	$ 5,294
Loans receivable, net	249	294	-	-	249	294
Capital assets	81	127	-	-	81	127
Total assets	2,577	2,639	3,159	3,076	5,736	5,715
Current and other liabilities	900	1,022	28	15	928	1,037
Long-term liabilities	40	96	394	410	434	506
Total liabilities	940	1,118	422	425	1,362	1,543
Net investment in capital assets	-	31	-	-	-	31
Restricted	-	-	-	-	-	-
Unrestricted	1,637	1,490	2,737	2,651	4,374	4,141
Total net position	$ 1,637	$ 1,521	$ 2,737	$ 2,651	$ 4,374	$ 4,172

As indicated in the table above, the assets of the Authority's governmental activities consist primarily of cash, loans receivable, and capital assets. While the loans and capital assets offer longer-term value to the Authority, they do not provide a source of readily available liquidity. The business-type activities' assets include land acquisition inventory which, when transferred or sold, can be recycled into other redevelopment activities, or used for operations, depending on the assets' initial funding source constraints.

Net position of the Authority is a result of the accumulation of revenues in excess of expenses. The unrestricted portion of the net position represents amounts available to meet future obligations of the Authority. Restricted net position represents those net resources that are constrained for use according to the terms of the resource providers.

Net position of the Authority's governmental activities increased by 8%, or $115,000 during 2025. Unrestricted net position represents the part of net position that can be used to finance day-to-day operations without constraints established by legislation or other legal requirements. The $1.6 million in unrestricted net position of governmental activities represents the cumulative results of operations since the Authority's inception. The net position of the Authority's business activities increased by $86,000 during 2025.

The results of 2025 and 2024 operations for the primary government as reported in the Statement of Activities, are as follows:

Statement of Activities
December 31, 2025 and 2024
(in thousands)

	Governmental Activities		Business-Type Activities		Total Government	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program revenues:						
Charges for services	$ 156	$ 98	$ 126	$ 1,276	$ 282	$ 1,374
Grants and contributions	1,169	935	75	75	1,244	1,010
General revenues:						
Other	113	140	-	-	113	140
Total revenues	1,438	1,173	201	1,351	1,639	2,524
Program expenses:						
Community development	1,323	1,029	115	3,746	1,438	4,775
Total expenses	1,323	1,029	115	3,746	1,438	4,775
Change in net position before transfers	115	144	86	(2,395)	201	(2,251)
Transfers	-	(59)	-	59	-	-
Change in net position	115	85	86	(2,336)	201	(2,251)
Net position beginning	1,522	1,436	2,651	4,987	4,173	6,423
Net position ending	$ 1,637	$ 1,521	$ 2,737	$ 2,651	$ 4,374	$ 4,172

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 statement presentation more familiar. The focus is on major funds, rather than generic fund types.

Reporting the Authority's Most Significant Funds

The fund financial statements provide more detailed information about the Authority's most significant funds. Funds are accounting devices that the Authority uses to keep track of specific sources of funding and spending for particular purposes. Some funds may be required by state law or by bond covenants.

The Authority currently has five funds among two broad categories of fund types:

Governmental Fund Types

- General Fund accounts for unrestricted revenue sources and as well as general operational expenditures. This fund is considered to be a governmental fund type, meaning the cost of its activities are funded through public sources such as taxes, grants, and general fee assessments.

- The Mortgage Finance Authority (MFA) and Office of Community Development (OCD) funds are considered to be special revenue funds, and account for the receipt and expenditures of grant programs funds which are restricted for certain programs or projects.

Proprietary Fund Types

- Land Acquisition Program Fund - an enterprise fund which accounts for all of the activity of acquiring property and placing that property into viable developments. This fund is considered to be a proprietary fund type, meaning, the cost of its activities are funded through rental income and grant revenues.

- Community Development Entity, LLC (CDE) - an enterprise funds which accounts for all the activity of the CDE, a blended component unit of the Authority. This funds is considered to be a proprietary fund type.

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.

Other information - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning original and final budgetary comparisons to actual results for the year for the Authority's budgetary funds.

GOVERNMENTAL BUDGETARY HIGHLIGHTS

Governmental fund balances represent the net available resources for spending and General Fund balances often serve as a government's operating reserves. As the Authority completed 2025, its General Fund reported a fund balance of $1.3 million.

The General Fund experienced a net increase in fund balance of approximately $151,000 in 2025. Revenues of the governmental funds did slightly increase compared to the 2024 fiscal year as revenues related to private grant monies earned from the Advancing Cities grant were received in 2025, as well as funding received from the City-Parish of East Baton Rouge. While revenue increased; expenses also increased due to increased personnel and hiring costs.

The General Fund's operating results compared to budget are presented on page 36. Budgets were adjusted throughout the year to appropriately reflect revenues, and to adjust expenditures as needed. Although variances exist between actual and budgeted amounts, the budgetary comparison schedules show the Authority operated within its available means.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The Authority's capital assets primarily consist of computer equipment, office furniture and fixtures, and right-of-use assets. At the end of 2025, the Authority's capital asset balance totaled $81,000 compared to $127,400 as of December 31, 2024.

Capital and Right-of-Use Assets, Net of Depreciation and Amortization
December 31, 2025 and 2024
(in thousands)

	Governmental Activities		Business-Type Activities		Total Government	
	2025	2024	2025	2024	2025	2024
Furniture & equipment	$ 45	$ 36	$ -	$ -	$ 45	$ 36
Computer software	-	-	-	-	-	-
Right-of-use assets	36	91	-	-	36	91
Total capital assets, net	$ 81	$ 127	$ -	$ -	$ 81	$ 127

Debt

At year-end, the Authority's debt consisted of a note payable to a financial institution used to finance the acquisition of certain parcels of land and lease liabilities. Total debt outstanding at year end was $434,000, as shown below:

Long-term Debt
December 31, 2025 and 2024
(in thousands)

	Governmental Activities		Business-Type Activities		Total Government	
	2025	2024	2025	2024	2025	2024
Note payable	$ -	$ -	$ 394	$ 410	$ 394	$ 410
Lease liability	40	96	-	-	40	96
Total long-term debt	$ 40	$ 96	$ 394	$ 410	$ 434	$ 506

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The Authority has been instrumental in the furtherance of significant development projects and programs in previous years through the issuance of New Markets Tax Credits, gap-financing loans, affordable rental loans, and land-banking activities. Additionally, the Authority has and is continuing to identify more stable and long-term sources of revenue to fund operating costs. Programs and projects will progress through a variety of secured funding sources, including intergovernmental grants and self-generating revenues.

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide citizens, clients, and grantors with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the funds it receives. If you have questions about this report or need additional financial information, contact Deidre Robert, President and CEO, at 725 Main Street, Baton Rouge, Louisiana 70801.

BASIC FINANCIAL STATEMENTS

EAST BATON ROUGE REDEVELOPMENT AUTHORITY D/B/A BUILD EBR
STATEMENT OF NET POSITION
DECEMBER 31, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and cash equivalents	$ 2,041,644	$ 312,929	$ 2,354,573
Due from governments	7,654	-	7,654
Internal balances	180,872	(180,872)	-
Loans receivable, net	248,559	-	248,559
Prepaids and other assets	17,063	18,014	35,077
Inventory - land acquisitions	-	3,009,355	3,009,355
Capital assets:			
Depreciable, net	45,361	-	45,361
Right-of-use leased asset, net	35,972	-	35,972
Total assets	$ 2,577,125	$ 3,159,426	$ 5,736,551
LIABILITIES:			
Accounts payable and accrued expenses	$ 29,421	$ 28,451	$ 57,872
Unearned grant revenue	870,698	-	870,698
Long-term liabilities:			
Due within one year	39,512	393,895	433,407
Due in more than one year	-	-	-
Total liabilities	939,631	422,346	1,361,977
NET POSITION:			
Net investment in capital assets	41,821	-	41,821
Restricted for community development	-	341	341
Unrestricted	1,595,673	2,736,739	4,332,412
Total net position	1,637,494	2,737,080	4,374,574
Total liabilities and net position	$ 2,577,125	$ 3,159,426	$ 5,736,551

EAST BATON ROUGE REDEVELOPMENT AUTHORITY D/B/A BUILD EBR
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025

		Program Revenues		Net Revenue (Expenses) and Changes in Net Position — Primary Government		
Funactions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
PRIMARY GOVERNMENT:						
Governmental activities:						
Community development	$ 1,322,639	$ 155,942	$ 1,168,760	$ 2,063	$ -	$ 2,063
Business-type activities:						
Real estate acquisition and land banking	115,381	126,854	75,000	-	86,473	86,473
Total primary government	$ 1,438,020	$ 282,796	$ 1,243,760	2,063	86,473	88,536
General revenues:						
Interest income				113,822	-	113,822
Total general revenues				113,822	-	113,822
Change in net position				115,885	86,473	202,358
Net position - beginning of year				1,521,609	2,650,607	4,172,216
Net position - end of year				$ 1,637,494	$ 2,737,080	$ 4,374,574

See accompanying **NOTES TO FINANCIAL STATEMENTS**

EAST BATON ROUGE REDEVELOPMENT AUTHORITY D/B/A BUILD EBR
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2025

	Major Funds		Non-Major Fund	Total
	General Fund	OCD Fund	MFA Fund	Governmental Funds
ASSETS:				
Cash and cash equivalents	$ 1,552,813	$ 482,518	$ 6,313	$ 2,041,644
Due from governments and other receivables	7,654	-	-	7,654
Due from other funds	669,703	-	-	669,703
Prepaids and other	17,063	-	-	17,063
Total assets	$ 2,247,233	$ 482,518	$ 6,313	$ 2,736,064
LIABILITIES:				
Accounts payable and accrued liabilities	$ 29,421	$ -	$ -	$ 29,421
Due to other funds	-	482,518	6,313	488,831
Unearned grant revenue	870,698	-	-	870,698
Total liabilities	900,119	482,518	6,313	1,388,950
FUND BALANCE:				
Nonspendable	17,063	-	-	17,063
Unassigned	1,330,051	-	-	1,330,051
Total fund balance	1,347,114	-	-	1,347,114
Total liabilities and fund balance	$ 2,247,233	$ 482,518	$ 6,313	$ 2,736,064

EAST BATON ROUGE REDEVELOPMENT AUTHORITY D/B/A BUILD EBR
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2025

Total net position reported for governmental activities in the statement of net position is different because:

Total fund balance - governmental funds	$	1,347,114
Loans receivables, net of allowance, are not reported on the fund basis.		248,559
Capital assets used in governmental activities that are not financial resources and, therefore, are not reported in the governmental funds, net of accumulated depreciation and amortization.		81,333
Long-term liabilities, are not due and payable in the current period and, therefore, are not reported in the governmental funds:		
Lease liability		(39,512)
Net position of governmental activities	$	1,637,494

See accompanying NOTES TO FININCIAL STATEMENTS

EAST BATON ROUGE REDEVELOPMENT AUTHORITY D/B/A BUILD EBR
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Major Funds		Non-Major Fund	Total
	General Fund	OCD Fund	MFA Fund	Governmental Funds
REVENUES:				
Intergovernmental grants	$ 845,000	$ -	$ -	$ 845,000
Private grants	323,760	-	-	323,760
Charges for services	155,942	-	-	155,942
Loan repayments - principal and interest	-	-	28,169	28,169
Total revenues	1,324,702	-	28,169	1,352,871
EXPENDITURES:				
Current:				
Community development:				
Salaries and benefits	693,549	-	-	693,549
Legal and professional	312,932	-	-	312,932
Supplies and other operating	93,724	-	-	93,724
Rent and utilities	2,710	-	-	2,710
Travel and meetings	12,017	-	-	12,017
Debt service:				
Principal	56,718	-	-	56,718
Interest	3,012	-	-	3,012
Capital outlay	27,212	-	-	27,212
Total expenditures	1,201,874	-	-	1,201,874
Excess of revenues over expenditures	122,828	-	28,169	150,997
OTHER FINANCING SOURCES (USES):				
Transfers in	28,169	-	-	28,169
Proceeds from right-of-use asset	-	-	-	-
Transfers out	-	-	(28,169)	(28,169)
Total other financing sources (uses), net	28,169	-	(28,169)	-
Net change in fund balances	150,997	-	-	150,997
Fund balances, beginning of year	1,196,117	-	-	1,196,117
Fund balances, end of year	$ 1,347,114	$ -	$ -	$ 1,347,114

See accompanying NOTES TO FININCIAL STATEMENTS

EAST BATON ROUGE REDEVELOPMENT AUTHORITY D/B/A BUILD EBR
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025

The change in net position reported for governmental activities in the statement of activities is different because:

Net change in fund balance - total governmental funds		$ 150,997
Governmental funds report loan principal repayments as revenues. However, in the statement of activities, the repayments are reported as a reduction in the outstanding receivable.		(12,911)
The governmental fund reports capital and right of use assets as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation and amortization expense.		
Capital outlay	$ 27,212	
Depreciation and amortization expense	(60,670)	
		(33,458)
The issuance of long-term debt (e.g. leases) provides current financial resources to governmental funds. In the statement of net position, however, issuing debt increase long-term liabilities and does not effect the statement of activities. Similarly, payment of principal is an expenditure in the government funds but reduces the liability in the statement of activities.		
Principal payments on lease liabilities		56,718
Governmental funds do not report the changes in the provision for loan losses or recovery of amounts previously allowed for receivables.		(131,454)
Governmental funds do not report interest income for loan balances. Difference between interest income reported on statement of activities and interest payments received and reported as revenue within the governmental funds related to loans receivable.		85,993
Change in net position of governmental activities		$ 115,885

See accompanying NOTES TO FININCIAL STATEMENTS

EAST BATON ROUGE REDEVELOPMENT AUTHORITY D/B/A BUILD EBR
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2025

	Land Acquisition Program	East Baton Rouge Community Development Entity, LLC	Total
ASSETS:			
Current assets:			
Cash and cash equivalents	$ 312,588	$ 341	$ 312,929
Due from other funds	225,284	-	225,284
Inventory - land acquisitions	3,009,355	-	3,009,355
Prepaids and other assets	18,014	-	18,014
Total assets	$ 3,565,241	$ 341	$ 3,565,582
LIABILITIES:			
Current liabilities:			
Accounts payable and accrued liabilities	$ 28,451	$ -	$ 28,451
Due to other funds	406,156	-	406,156
Long-term liabilities - due within one year	393,895	-	393,895
Total current liabilities	828,502	-	828,502
Long-term liabilities - due in more than one year	-	-	-
Total liabilities	828,502	-	828,502
NET POSITION:			
Restricted for community development	-	341	341
Unrestricted	2,736,739	-	2,736,739
Total net position	2,736,739	341	2,737,080
Total liabilities and net position	$ 3,565,241	$ 341	$ 3,565,582

See accompanying NOTES TO FININCIAL STATEMENTS

EAST BATON ROUGE REDEVELOPMENT AUTHORITY D/B/A BUILD EBR
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Land Acquisition Program	East Baton Rouge Community Development Entity, LLC	Total
OPERATING REVENUES:			
Rental income	$ 124,010	$ -	$ 124,010
Other income	2,844	-	2,844
Total operating revenues	126,854	-	126,854
OPERATING EXPENSES:			
Professional and legal services	50,101	-	50,101
Supplies and other operating	65,280	-	65,280
Total operating expenses	115,381	-	115,381
Operating income	11,473	-	11,473
NONOPERATING REVENUES (EXPENSES):			
Grant revenue	75,000	-	75,000
Total nonoperating revenues (expenses)	75,000	-	75,000
Change in net position	86,473	-	86,473
Net position - beginning of the year	2,650,266	341	2,650,607
Net position - end of the year	$ 2,736,739	$ 341	$ 2,737,080

See accompanying NOTES TO FININCIAL STATEMENTS

EAST BATON ROUGE REDEVELOPMENT AUTHORITY D/B/A BUILD EBR
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Land Acquisition Program	East Baton Rouge Community Development Entity, LLC	Total
CASH FLOW FROM OPERATING ACTIVITIES:			
Receipts from customers	$ 124,010	$ -	$ 124,010
Receipts for land acquisition sales	7,523	-	7,523
Payments for operations	(102,629)	-	(102,629)
Net cash provided by (used in) operating activities	28,904	-	28,904
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES:			
Operating grants	75,000	-	75,000
Payments on note payable	(15,852)	-	(15,852)
Net cash from (used by) noncapital and related financing activities	59,148	-	59,148
Net increase in cash and cash equivalents	88,052	-	88,052
Cash and cash equivalents, beginning of year	224,536	341	224,877
Cash and cash equivalents, end of year	$ 312,588	$ 341	$ 312,929
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating income	$ 11,473	$ -	$ 11,473
Adjustments to reconcile operating loss to net cash provided by operating activities:			
Change in operating assets and liabilities:			
Decrease in inventory - land acquisitions	4,677	-	4,677
Decrease in prepaid expenses	34	-	34
Increase in accounts payable and accrued expense	12,720	-	12,720
Net cash provided by operating activities	$ 28,904	$ -	$ 28,904

See accompanying NOTES TO FININCIAL STATEMENTS

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of activities

The East Baton Rouge Redevelopment Authority d/b/a Build EBR (the Authority) was created through a series of Acts of the 2007 and 2009 Louisiana Legislative sessions. It is governed by a five-member Board of Commissioners appointed by the Mayor-President of East Baton Rouge Parish, Baton Rouge Area Foundation, and Baton Rouge Area Chamber. The Authority's goals are to transform the quality of life for all citizens; foster redevelopment in disinvested areas; facilitate partnerships; create a vibrant, competitive community; and preserve and enhance a sense of place.

The Authority accomplishes these goals through funding obtained through various avenues including cooperative endeavors, grants, public-private partnerships, joint ventures, and equity participation structures with nonprofit organizations and private enterprises. Programs of the Authority include Small Business Facade, Gap Financing, Affordable Rental Housing, Land Banking, Community Health, Economic Revitalization, and the Tax Sale Certificate Purchase Program. These programs are also funded from the issuance of new market tax credits issued through the East Baton Rouge Community Development Entity, LLC (CDE).

The accounting and reporting practices of the East Baton Rouge Redevelopment Authority conform to accounting principles generally accepted in the United States of America as applicable to governmental entities.

Reporting Entity

Governmental Accounting Standards Board (GASB) Statement No. 14, as amended by Statement No. 61, establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Although the Authority is a legally separate entity possessing the right to levy taxes, approve its own budget and issue debt, under provisions of this Statement, the Authority is considered a component unit of the City-Parish government of East Baton Rouge (City-Parish), the primary government, since a level of control is maintained by the City-Parish through appointment of a majority of the Authority's Board and through fiscal interdependency. As a component unit, the Authority's financial statements are discretely presented in the City-Parish's financial statements.

The Authority, as in previous years, received a significant amount of funding from the East Baton Rouge Mortgage Finance Authority (EBRMFA), which is considered to be a related organization to the City-Parish as defined by GASB Statement No. 14, as amended through Statement No. 61, due to the City-Parish appointing a majority of its Board of Directors. No presentation is required of the EBRMFA within these financial statements.

The CDE did not have any activity during the 2025 fiscal year.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation

The Authority's financial statements are prepared in accordance with U.S. generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. The more significant accounting policies established in GAAP and used by the Authority are discussed below.

The accompanying basic financial statements have been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, issued in June 1999, as amended by GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*.

The Authority's basic financial statements include both government-wide (reporting the Authority as a whole) and fund financial statements (reporting the Authority's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The Authority's activities and related general administrative services are classified as governmental activities. The Authority does not have any business-type activities.

Basic Financial Statements - Government-Wide Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities which report information on all of the non-fiduciary activities of the primary government and its component unit. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The 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 within a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, 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. Taxes and other items not properly included among program revenues are reported instead as general revenues.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basic Financial Statements - Government-Wide Financial Statements (Continued)

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resource measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

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. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Authority considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

The fund financial statements are very similar to the traditional government fund statements as prepared by governments prior to the issuance of GASB No. 34. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The governmental fund financial statements provide information about the Authority's governmental funds. The emphasis of fund financial statements is on the major governmental funds.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

As of December 31, 2025, the Authority has two major governmental funds and one non-major fund as follows:

- General Fund - accounts for the general operations of the Authority that are funded through unrestricted funding sources. The General Fund is always a major fund.

- Office of Community Development (OCD) CDBG HOME Fund - accounts for the charges for services to the City of Baton Rouge and Parish of East Baton Rouge for the administration of the Community Planning and Development grant programs from the U.S. Department of Housing and Urban Development. The OCD fund is reported as a major special revenue fund.

- MFA Fund - accounts for the grant funding obtained from the East Baton Rouge Parish Mortgage Finance Authority. The MFA fund is reported as a non-major special revenue fund.

Enterprise Funds - Enterprise funds are presented using the economic resources measurement focus and the accrual basis of accounting. They are used to account for operations: (a) that are financed and operated similarly to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. Enterprise funds are presented in the business-type activities column in government-wide financial statements and the major funds section of the basic financial statements.

The enterprise fund reported as two major funds in the fund financial statements is as follows:

- The Land Acquisition Program Fund accounts for the operation of the Land Acquisition Program in which property is obtained for viable developments.

- The East Baton Rouge Community Development Entity Fund, LLC (the CDE), a blended component unit, accounts for the operations of the CDE.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The CDE was formed on February 23, 2009, under the laws of the State of Louisiana. The CDE is a qualified Community Development Entity (CDE) that holds new market tax credits (NMTC) allocation authority to be used for investment in Qualified Active Low Income Community Businesses (QALICB) pursuant to Section 45D of the Internal Revenue Code (IRC). The CDE was granted a seventh-round allocation of $60,000,000 of NMTC authority from the U.S. Treasury's Community Development Financial Institutions Fund (CDFI Fund) under an Allocation Agreement dated October 30, 2009. In general, under Section 45D of the IRC, a qualified investor in a CDE can receive the NMTC to be used to reduce Federal taxes otherwise due in each year of a seven-year period.

Under the CDE's Allocation Agreement with CDFI Fund, Redevelopment Authority Fund I, LLC (Fund I), Redevelopment Authority Fund II, LLC (Fund II), Redevelopment Authority Fund III, LLC (Fund III), Redevelopment Authority Fund IV, LLC (Fund IV), and Redevelopment Authority Fund V, LLC (Fund V) have become approved "Subsidiary Allocatees" of the CDE, the managing member of the Subsidiary Allocatees. An allocation agreement places restriction on the CDE's operations, including, but not limited to, a specific geographical area of the low-income communities the CDE must serve. The CDE has been approved to serve low-income communities in East Baton Rouge Parish, Louisiana. As of December 31, 2016, the CDE has allocated its seventh round NMTC authority of $60,000,000 to Fund I, Fund II, Fund III, Fund IV, and Fund V.

In accordance with the CDE's operating agreement, profits, losses and cash flows (subject to special allocations) are allocated 49% to East Baton Rouge Redevelopment Authority and 51% to the City-Parish.

Cash and Cash Equivalents

Cash and cash equivalents include investments in highly liquid debt instruments with an original maturity of three months or less.

Loans Receivable

Loans receivable represent loans advanced for programmatic and development purposes whose repayment terms are evidenced through promissory notes. The notes are carried at their outstanding principal balance less an allowance for amounts estimated to be uncollectible or forgiven. Management determines the estimated loan losses based upon the payment status of the loan, the financial condition of the project, and other economic factors.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Purchased or constructed capital assets are recorded at cost. Donated capital assets are recorded at their acquisition value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Life
Furniture and equipment	3-10
Computer software	3-5

Right-of-Use Assets

Right of use assets are a result of leases in which the Authority has entered into a contract with a lessor that conveys control of the right to use the lessor's nonfinancial asset as specified by the contract for a period of time in an exchange-like transaction. Such assets are reported as operating or finance lease assets and liabilities on the statement of net position, net of amortization. Right of use assets are amortized at the lesser of the useful life or lease term.

Equity Classifications

Government-wide and proprietary fund net position is divided into three components:

- Net investment in capital assets – is the historical cost of capital assets less accumulated depreciation and related debt to acquire those assets.

- Restricted net position – is the net position that is restricted by the Authority's creditors (for example, through debt covenants), grantors (both federal and state), and other contributors.

- Unrestricted – all other net position is reported in this category.

In the government-wide and proprietary fund statements, restricted resources available for use will be depleted prior to use of unrestricted resources.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity Classifications (Continued)

In the governmental fund financial statements, fund balances are classified as follows:

- Nonspendable – amounts that cannot be spent because they are either in a nonspendable form or they are legally or contractually required to be maintained intact. Management has classified prepaid expenditures as being nonspendable as this item is not expected to be converted to cash.

- Restricted – amounts that can be spent only for specific purposes externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions of enabling legislations. The Authority did not have any restricted fund balances as of December 31, 2025.

- Committed – amounts that can only be used for specific purposes determined by formal action of the Authority's board of directors, which is the Authority's highest level of decision-making authority. The Authority did not have any committed fund balance as of December 31, 2025.

- Assigned – amounts that are designated by the Authority for a particular purpose but are not spendable until a budget ordinance is passed or there is a majority vote approval (for capital projects or debt services) by the Authority's President and Chief Executive Officer. The Authority did not have any assigned fund balance at December 31, 2025.

- Unassigned – all amounts not included in other spendable classifications.

Use of Restricted Resources

When an expenditure is incurred in governmental funds that can be paid using either restricted or unrestricted resources (fund balance), the Authority's policy is to apply the expenditure in the following priority: (1) restricted fund balance, (2) committed fund balance, (3) assigned fund balance, and (4) unassigned fund balance.

When an expense is incurred in government activities that can be paid using either restricted or unrestricted resources (net position), the Authority's policy is to first apply the expense to the restricted net position before unrestricted net position is utilized.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budget Policy and Budgetary Accounting

General Budget Practices

The Authority follows these procedures in establishing the budgetary data reflected in the financial statements:

- State statute requires budgets to be adopted in public session for the General Fund and all special revenue funds.

- Prior to the beginning of its fiscal year, the Chief Executive Officer submits to the Board a proposed annual budget for the General Fund and special revenue funds. Public hearings are conducted prior to the Authority's approval to obtain comments. The operating budgets include proposed expenditures and the means of financing them.

- Appropriations (unexpended budget balances) lapse at December 31st of each year.

- Formal budget integration (within the accounting records) is employed as a management control device. Budget amounts included in the accompanying financial statements consist of those presented in the original budget adopted by the Board and as amended by the Board.

Budgeting Basis

All governmental funds' budgets are prepared on the modified accrual basis of accounting, a basis consistent with accounting principles generally accepted in the United States of America (GAAP). Budgeted amounts are originally adopted and subsequently amended by the Board. Legally, the Board must adopt a balanced budget; that is, total budgeted revenues and other financing sources including beginning fund balance must equal or exceed total budgeted expenditures and other financing uses. State statutes require the Board to amend its budget when revenues plus projected revenues within a fund are expected to be less than budgeted revenues by five percent or more and/or expenditures within a fund are expected to exceed budgeted expenditures by five percent or more.

Inventory - Land Acquisitions

Land inventory is recorded at cost and represents cost incurred in the acquisition, and the development and maintenance of blighted or adjudicated properties after acquisition. Donated property is recorded at acquisition value. Gain or loss resulting from the sale or transfer of the related properties is reflected in the change in net position in the period of sale or transfer.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Prepaid 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.

Subscription-Based Information Technology Arrangements

Subscription-based information technology arrangements (SBITA) are contracts that convey control of the right to use another party's information technology software, alone or in combination with tangible capital assets, as specified in the contract for a period of time in an exchange or exchange-like transaction. Such assets are reported on the government-wide financial statement net of amortization as subscription assets. SBITAs are amortized during the extent of the agreement. The Authority has not entered into any material agreements gaining control of the right to use another party's information technology as described above at December 31, 2025.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosures of contingent assets and liabilities at the date of the financial statements. They may also affect the reported amounts of revenues and expenses of proprietary funds and the government-wide financial statements during the reporting period. Actual results could differ from those estimates. Estimates are used primarily when accounting for capital assets and depreciation, valuation of land inventory, right-of-use assets and amortization, prepaid expenses, the allowance for loan receivables, and grant and contract revenue and receivables.

New Accounting Pronouncements

The GASB has released Statement No. 102, *Certain Risk Disclosures*. This Statement establishes financial reporting requirements for risks related to vulnerabilities due to certain concentrations or constraints. The requirements of this Statement are effective for periods beginning after June 15, 2024. The adoption of this Statement did not have a material impact on the Authority's financial statements.

Date of Management's Review

Subsequent events have been evaluated through June 18, 2026, which is the date the financial statements were available to be issued.

(2) CASH AND CASH EQUIVALENTS

As a political subdivision of the State of Louisiana, the Authority may deposit funds in state chartered financial institutions or nationally chartered institutions with principal offices maintained within Louisiana. Under Louisiana law, all deposits must be secured against custodial credit risk through either FDIC insurance or the pledge of investment securities owned by the financial institution. Custodial credit risk is the risk that deposits in a financial institution may be unable to be recovered in the event of a bank failure. The bank balance of cash and cash equivalents held in excess of FDIC insurance of $1,870,710 was fully collateralized at December 31, 2025.

(3) CAPITAL ASSETS

Capital assets and depreciation as of December 31, 2025, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets being depreciated:				
Furniture and equipment	$ 156,007	$ 27,212	$ (129,417)	$ 53,802
Computer software	6,432	-	(6,432)	-
Total capital assets being depreciated	162,439	27,212	(135,849)	53,802
Less accumulated depreciation for:				
Furniture and equipment	119,634	5,713	(116,906)	8,441
Computer software	6,372	-	(6,372)	-
Total accumulated depreciation	126,006	5,713	(123,278)	8,441
Total governmental capital assets, net	$ 36,433	$ 21,499	$ (12,571)	$ 45,361

(4) RIGHT-OF-USE ASSET - LEASES

The Authority has a right-of-use leased asset for an office space through an operating lease. The lease is paid in monthly installments of $4,761 for the first year, $4,904 for second year, and $5,051 for the remaining term. The carrying liability is recorded at the present value of the future lease payments using a weighted-average discount rate equal to the U.S. Treasury Rate (4.56%) as of the respective date in which the initial valuation of the liabilities were recorded. The lease is set to mature in August 2026. The lease contains a renewal option for two additional terms of one year each.

The Authority has an operating lease liability of $39,512 as of December 31, 2025, with $39,512 maturing within the next year. The Authority incurred $54,957 of amortization expense related to right-of-use leased asset in the year ended December 31, 2025.

(4) RIGHT-OF-USE ASSET – LEASES (CONTINUED)

The following is a summary of the right-of-use lease and lease liability at December 31, 2025:

	12/31/24	Increases	Decreases	12/31/25
Right-of-use lease asset	$ 172,765	$ -	$ -	$ 172,765
Less: accumulated amortization	81,836	54,957	-	136,793
Total lease asset, net	$ 90,929	$ (54,957)	$ -	$ 35,972
Lease liability	$ 96,230	$ -	$ 56,718	$ 39,512

Future maturities of the lease liability as of December 31, 2025 is as follows:

Year Ending December 31,	Principal	Interest	Total Payments
2026	$ 39,512	$ 532	$ 40,044
Total	$ 39,512	$ 532	$ 40,044

(5) LONG-TERM LIABILITIES

Governmental Activities

Long-term liabilities for governmental activities relates to lease liabilities. See Note 4.

Business-type Activities

On September 23, 2021, the Authority entered into an interest free note payable with a financial institution in the principal amount of $474,611. The note payable is due in monthly principal payments of $1,582, with a final balloon payment of $381,271 due September 2026. The balance as of December 31, 2025, was $393,895. The Authority entered into the note payable agreement to finance the acquisition of certain parcels of land (property), where the Authority will grant one or more mortgages encumbering the property. The note is collateralized by the underlying property, including any rents and proceeds from any insurance.

	12/31/24	Additions	Deletions	12/31/25
Note Payable	$ 409,747	$ -	$ (15,852)	$ 393,895

(5) LONG-TERM LIABILITIES (CONTINUED)

Future maturities of long-liabilities as of December 31, 2025, are as follows:

Year ended December 31,	Amount
2026	$ 393,895
	$ 393,895

The following is a summary of long-term liabilities for the Authority's primary government:

	12/31/24	Additions	Deletions	12/31/25	Due in one year
Notes payable	$ 409,747	$ -	$ (15,852)	$ 393,895	$ 393,895
Lease liability	96,230	-	(56,718)	39,512	39,512
	$ 505,977	$ -	$ (72,570)	$ 433,407	$ 433,407

(6) COMMITMENTS AND CONTINGENCY

Advancing Cities Contracts

The Authority was awarded a $5,000,000 contract from JPMorgan Chase Foundation for the Plank Road Corridor Masterplan Implementation to be paid in installments through March 2026. Accordingly, the Authority entered into contracts with vendors as part of this initiative. The remaining commitments on these contracts as of December 31, 2025, is $363,517 and is reported under unearned grant revenue in the statement of net position and governmental funds balance sheet.

Cooperative Endeavor Agreement

The Authority entered into a cooperative endeavor agreement with the State of Louisiana for the purpose of predevelopment activities for a community-centered real estate development project for the Scotlandville Community Development Corporation. The Authority received $500,000 under this agreement during the 2022 fiscal year. As of December 31, 2025, $121,655 in expenditures have been incurred under this agreement and the remaining funds of $319,681 are reported under unearned grant revenue in the statement of net position and governmental funds balance sheet.

(7) COMPENSATION OF GOVERNING BOARD

The five members of the Authority's Board of Commissioners serve without compensation.

(8) GAP FINANCING AND RENTAL REHABILITATION LOANS RECEIVABLE

In the furtherance of its mission, the Authority issues below-market interest rate loans to multi-family housing developers and other organizations. These loans have repayment terms from 3 to 30 years and the principal of certain loans may be forgiven upon satisfactory compliance with the lending and regulatory agreements. At December 31, 2025, the Authority had four loans outstanding to borrowers under active lending agreements.

These loans are carried as an asset in the government activities financial statements at the outstanding principal amount less an allowance for amounts estimated to be uncollectable or forgiven as determined by management. Loans outstanding at December 31, 2025 consist of:

	Amount
Principal balances outstanding	$ 2,615,806
Interest on principal balances	578,183
Allowance for uncollectable or forgiven amounts	(2,945,430)
Total loans outstanding, net	$ 248,559

(9) LAND BANKING INVENTORY

In furtherance of its mission, the Authority acquires properties for redevelopment. These properties may be acquired through transfer of adjudicated properties from the East Baton Rouge Parish government, by purchase, or through donation.

While held in inventory, the Authority clears the title of the properties, maintains and develops them, and then transfers the properties to other organizations for further development, rehabilitation, or other uses. Costs to acquire and develop are carried as inventory in the Land Banking Fund's Statement of Net Position and are expensed upon transfer of the property. Routine maintenance costs, such as lawn maintenance, are expensed as incurred.

Activity of land banking inventory during 2025 was as follows:

	Amount
Beginning balance	$ 3,014,032
Disposal of land inventory	(4,677)
Cost incurred to acquire new and maintain existing properties	-
Ending balance	$ 3,009,355

(10) TAX SALE CERTIFICATE PURCHASE PROGRAM

The Authority has a program whereby tax lien certificates are purchased at tax sale for those properties within East Baton Rouge Parish whose taxes are delinquent and unpaid. The tax certificates convey the right to receive redemption payments of the taxes plus interest and penalties for three years subsequent to acquisition by the Authority. Property rights convey to the purchaser of the tax certificates if the taxes are not paid within the three years.

R.S. 33:4720.1051 gives the Authority preference to purchase the tax certificate at the minimum bid amount except for a higher bid submitted by a conventional mortgage holder. At December 31, 2025, the Authority did not own any tax lien certificates.

(11) RELATED PARTY

Cortana Corridor Economic Development District

On July 15, 2021, the Authority created the Cortana Corridor Economic Development District (the District) pursuant to Louisiana Revised Statue 33:4720.151. The District was created as a special taxing district and is considered a component unit of the City-Parish as the City-Parish appoints three of the five board members of the District, while the council member presiding over District 6 of the City-Parish (the City-Parish district covers the geographical region of the District) appoints the other two members.

Additionally, the annual operating budget of the District is required to be approved by the City-Parish in conjunction with the City-Parish's legally adopted budget. As a result, the City-Parish can impose its will on the District. In May 2022, the Authority entered into an agreement with the District to perform administrative services on their behalf. This agreement compensates the Authority $2,000 monthly per month plus third-party costs, fees, and expenses.

In addition to performing administrative services, the Authority also manages the Master Plan for the Cortana Corridor on behalf of the District. According to the terms of the agreement, the Authority is compensated $18,000 from the District, on a quarterly basis, beginning June 2023. On October 14, 2024, this agreement was amended to be extended through December 31, 2025 for a monthly fee of $7,350 following the completion of the original term. A project management fee was introduced and approved in April, 2025 for the District 6 Community Center at a rate of $1,971 per month. At December 31, 2025, the Authority is owed $7,654 from the District related to administrative and management fees.

(11) RELATED PARTY (CONTINUED)

Plank Road Community Land Bank and Trust

On April 5, 2023, Plank Road CLBT, Inc. ("Plank Road Community Land Bank and Trust", or "CLBT") was formed, which is a 501(c)(3) nonprofit that will work with the Authority to implement its Plank Road Corridor Masterplan and as part of the Advancing Cities Grant described in Note 7. At least one member of CLBT's Board shall, at all times, be a member from the Authority's Board of Commissioners. The CLBT's mission is to bring people and resources together to promote equitable investment, innovative development, and thriving communities across all of Baton Rouge. No transactions occurred during 2025.

(12) CONCENTRATIONS

The Authority received $920,000 from the City-Parish during the year ended December 31, 2025, of which $845,000 and $75,000 was reflected as intergovernmental and operating grants in the General Fund and Land Acquisition Program Fund, respectively. This funding represented 62% of the General Fund's revenues for 2025. Any substantial reduction to this funding could have a negative impact on the Authority's General Fund's operations.

(13) INTERFUND TRANSFERS

Transfers were made from the MFA Fund to the General Fund to provide for operating costs approved by the budget. Amounts transferred from the General Fund to the Land Acquisition Program Fund were for reimbursements of expenditures related to the Scotlandville Community Development Corporation Cooperative Endeavour Agreement.

	Transfer In	Transfer Out
Governmental-type activities:		
General Fund:		
MFA Fund	$ 28,169	$ -
Total General Fund	28,169	-
MFA Fund:		
General Fund	-	28,169
Total MFA Fund	-	28,169
Total governmental-type activities	28,169	28,169
Total primary government	$ 28,169	$ 28,169

(14) INTERFUND BALANCES

Interfund receivable and payable balances represent short-term borrowings between funds. The interfund balances of the primary government at December 31, 2025 were as follows:

	Receivable	Payable
Governmental-type activities:		
General Fund:		
MFA Fund	$ 6,313	$ -
Land Bank Fund	406,156	225,000
OCD Fund	482,518	-
Total General Fund	894,987	225,000
MFA Fund:		
General Fund	-	6,313
Total MFA Fund	-	6,313
OCD Fund:		
General Fund	-	482,518
Land Bank Fund	-	284
Total OCD Fund	-	482,802
Total governmental activities	894,987	714,115
Business-type activates:		
Land Bank Fund:		
General Fund	225,000	406,156
OCD Fund	284	-
Total Land Bank Fund	225,284	406,156
Total primary government	$ 1,120,271	$ 1,120,271

(15) DEVELOPMENT AGREEMENT

On December 1, 2016, the Authority entered into an agreement to lease property located at 1509 Government Street, Baton Rouge, Louisiana. The Authority leased the property to a company to facilitate the development and construction of a mixed-use development consisting of residential, commercial, and retail purposes.

The Authority's lease with the Company expires January 1, 2029. Monthly payments are $10,334 and rental income of approximately $124,010 is recorded in the Land Banking Fund for the year ended December 31, 2025.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

EAST BATON ROUGE REDEVELOPMENT AUTHORITY D/B/A BUILD EBR
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgetary Amounts		Actual on	Variance
	Original Budget	Final Budget	GAAP Basis	Positive (Negative)
REVENUES:				
Intergovernmental grants	$ 660,000	$ 845,000	$ 845,000	$ -
Private grants	112,203	239,600	323,760	84,160
Charges for services	-	155,940	155,942	2
Other income	-	-	-	-
Total revenues	772,203	1,240,540	1,324,702	84,162
EXPENDITURES:				
Current function:				
Community development:				
Salaries and benefits	551,405	718,120	693,549	24,571
Legal and professional	334,580	308,040	312,932	(4,892)
Supplies and other operating	70,587	45,200	93,724	(48,524)
Rent and utilities	65,295	60,970	2,710	58,260
Travel and meetings	7,500	12,210	12,017	193
Debt service:				
Principal	-	-	56,718	(56,718)
Interest	-	-	3,012	(3,012)
Capital outlay	25,325	41,790	27,212	14,578
Total expenditures	1,054,692	1,186,330	1,201,874	(15,544)
Excess (deficiency) of revenues over expenditures	(282,489)	54,210	122,828	99,706
OTHER FINANCING SOURCES:				
Proceeds from sale of capital assets	-	-	-	-
Proceeds from insurance	-	-	-	-
Transfers in	28,169	28,160	28,169	9
Transfers out	-	-	-	-
Total other financing sources (uses)	28,169	28,160	28,169	9
Net change in fund balance	(254,320)	82,370	150,997	99,715
Fund balance, beginning of year	1,196,117	1,196,117	1,196,117	-
Fund balance, end of year	$ 941,797	$ 1,278,487	$ 1,347,114	$ 99,715

(1) BUDGETS

Budget Policy and Budgetary Accounting

A proposed budget is required to be prepared by the Authority and submitted to the City-Parish for approval prior to the beginning of each fiscal year. A budget summary and notice of a public hearing is required to be published with the public hearing being conducted prior to the commencement of the budget year.

In connection with budget preparation, a portion of the unassigned fund balance of an individual fund may be designated for expenditures of the subsequent year. Such designation represents the extent to which the fund balance is used to balance the subsequent year's operating budget of that fund, as reflected in the legally adopted budget.

Basis of Accounting

The Authority's budget is prepared on the modified accrual basis of accounting, which is described in Note 1 to the Authority's financial statements for the year ended December 31, 2025. The Authority's basis of budgetary accounting follows generally accepted accounting principles.

(2) EXPENDITURES EXCEEDING APPROPRIATIONS

Excess expenditures over appropriations by function within the General Fund are as follows:

	Final	Actual	Variance
Current function:			
Community development:			
Legal and professional	$ 308,040	$ 312,932	$ (4,892)
Supplies and other operating	45,200	93,724	(48,524)
Debt service:			
Principal	-	56,718	(56,718)
Interest	-	3,012	(3,012)
Total expenditures	$ 353,240	$ 466,386	$ (113,146)

The excess expenditures were covered by available fund balance in the General Fund.

OTHER SUPPLEMENTARY INFORMATION

EAST BATON ROUGE REDEVELOPMENT AUTHORITY D/B/A BUILD EBR
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2025

	Gretchen E. Siemers President & CEO 01/01/25 - 02/28/25		Deidre D. Robert President & CEO 03/01/25 - 12/31/25	
Salary	$	100,330	$	187,260
Benefits -retirement	$	4,806	$	-
Benefits -insurance	$	6,451	$	19
Auto Allowance	$	-	$	5,250
Cell phone allowance	$	690	$	1,050
Total	$	112,277	$	193,579

OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS

ERICKSEN KRENTEL LLP
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

8550 United Plaza Boulevard, Suite 600
Baton Rouge, LA 70809
ericksenkrentel.com

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

To the Board of Commissioners and Management
East Baton Rouge Redevelopment Authority d/b/a Build EBR
Baton Rouge, LA

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and aggregate remaining fund information of the East Baton Rouge Redevelopment Authority d/b/a Build EBR (a component unit of the City of Baton Rouge - Parish of East Baton Rouge) ("the Authority"), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated June 18, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority'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 the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority'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.

To the Board of Commissioners and Management
East Baton Rouge Redevelopment Authority d/b/a Build EBR
June 18, 2026

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority'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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of This Report

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

This report is intended solely for the information and use of the Authority's Board of Commissioners and management, the Louisiana Legislative Auditor, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Baton Rouge, Louisiana
June 18, 2026

Certified Public Accountants

EAST BATON ROUGE REDEVELOPMENT AUTHORITY D/B/A BUILD EBR
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2025

A. SUMMARY OF AUDIT RESULTS

1. The independent auditors' report expresses an unmodified opinion on the financial statements of the East Baton Rouge Redevelopment Authority d/b/a Build EBR.

2. No significant deficiencies or material weaknesses in internal control relating to the audit of the financial statements are reported in the Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.

3. No instances of noncompliance material to the financial statements of the East Baton Rouge Redevelopment Authority d/b/a Build EBR were reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards.*

4. A management letter was issued for the year ended December 31, 2025.

B. FINDINGS RELATED TO THE FINANCIAL STATEMENTS

EAST BATON ROUGE REDEVELOPMENT AUTHORITY D/B/A BUILD EBR
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2025

FINDINGS RELATED TO THE FINANCIAL STATEMENTS

2024-001 Internal Controls over Financial Reporting

Condition: The Authority did not adjust inventory balances to account for all amounts sold during the year, resulting in an overstatement of inventory and understatement of cost of land inventory sold. Additionally, an adjusting entry were required to recognize grant revenues from amounts presented as unearned grant revenues.

Current Status: The finding has been resolved as of December 31, 2025.

2024-002 Internal Controls Over Monitoring Vendor Contracts

Condition: The Authority had charges for lawn services that did not align with the contractually agreed upon pricing. Additionally, Certain properties that were either sold or transferred during the previous and current fiscal year were still being serviced and invoiced to the Authority and the properties were sold or transferred.

Current Status: The finding has been resolved as of December 31, 2025.

2024-003 Local Government Budget Act

Condition: A budget message, as required by Louisiana Revised Statute 39:1305, was not prepared for the year ended December 31, 2024.

Current Status: The finding was partially resolved as of December 31, 2025 and is repeated as management letter item 2025-001.

ERICKSEN KRENTEL LLP
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

8550 United Plaza Boulevard, Suite 600
Baton Rouge, LA 70809
ericksenkrentel.com

MANAGEMENT LETTER

June 18, 2026

To the Board of Commissioners and Management
East Baton Roude Redevelopment Authority d/b/a Build EBR
Baton Rouge, Louisiana

In planning and performing our audit of the financial statements of East Baton Roude Redevelopment Authority d/b/a Build EBR (the Authority) as of and for the year ended December 31, 2025, in accordance with accounting principles generally accepted in the United States of America., we considered the Authority's system of internal control over financial reporting (internal control) as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

However, during our audit we became aware of a matter other than significant deficiencies and material weaknesses which is an opportunity for strengthening internal controls and operating efficiency.. This letter summarizes our comments and suggestions concerning this matter. This letter does not affect our report dated June 18, 2026, on the financial statements of the Authority.

We will review the status of this comment during our next audit engagement. We have already discussed this comment and suggestion with the personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. Our comment is summarized as follows:

2025-001 Immaterial Noncompliance with State Budget Law

In accordance with Louisiana Revised Statute 39:1305, the Local Governmental Budget Act (LGBA) requires political subdivisions to prepare and legally adopt a budget document. This document must include a budget message signed by the budget preparer, providing a summary description of the proposed financial plan, policies, and objectives, as well as the underlying assumptions, budgetary basis, and a discussion of the most significant features. While the budget for the year ended December 31, 2025 was properly advertised and adopted before year-end, we noted that a budget message was not prepared for the year ended December 31, 2025. We recommend that the Authority review and strengthen its policies and procedures related to budget adoption to ensure compliance with all the requirements of the LGBA, including the timely preparation and inclusion of a budget message. We also noted that the Authority prepared a budget message for the fiscal year 2026, which indicates that management has taken steps to address this matter for subsequent periods.

This communication is intended solely for the information and use of management, the Board of Commissioners, and others within the Authority. It is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Certified Public Accountants