

**Downtown Development Authority
Shreveport, Louisiana**

Financial Statements With Auditors' Report

As of and For the Year Ended December 31, 2024

Downtown Development Authority
Shreveport, Louisiana

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Independent Auditors' Report

Board of Directors
Downtown Development Authority
Shreveport, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and major fund of Downtown Development Authority, a component unit of the City of Shreveport, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise Downtown Development Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of Downtown Development Authority, as of December 31, 2024, and the respective changes in financial position, 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Downtown Development Authority 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 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 the 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 Downtown Development 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.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 GAAS 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgement 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 Downtown Development 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 Downtown Development 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 – 8 and budgetary comparison information on pages 25 – 26, 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 GAAS, 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 Downtown Development Authority's basic financial statements. The accompanying other supplementary information, Schedule of Compensation, Benefits, and Other Payments to Agency Head, shown on page 27, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying

accounting and other records used to prepare the basic financial statements. 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 GAAS. In our opinion, the information 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, 2025, on our consideration of Downtown Development 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 Downtown Development 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 Downtown Development Authority's internal control over financial reporting and compliance.



Cook & Morehart
Certified Public Accountants
June 18, 2025

DOWNTOWN DEVELOPMENT AUTHORITY
A COMPONENT UNIT OF THE CITY OF SHREVEPORT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024

Our discussion and analysis of Downtown Development Authority's (DDA) financial performance provides an overview of DDA's financial activities for the year ended December 31, 2024. Please read this in conjunction with our financial statements which begin on page 9.

Financial Highlights

- The DDA's net assets increased as a result of this year's operations. As shown in the Statement of Net Position, net assets increased \$216,229 or approximately 8.3 percent compared to prior year.
- The DDA's total revenues decreased \$18,066 when compared to prior year.
- Administrative and program expenditures totaled \$1,367,032 for 2024, a decrease of approximately 5.7 percent compared to prior year.

These changes are discussed in detail in the following paragraphs.

Using this Annual Report

This annual report consists of a series of financial statements. The government-wide financial statements, which include the Statement of Net Position and the Statement of Activities, provide information about the activities of the DDA as a whole and present a long-term view of the DDA's finances. The fund financial statements, which include the Balance Sheet-Government Funds and the Statement of Revenues, Expenditures and Changes in Fund Balances-Governmental Funds, detail how services were financed in the short term as well as what remains for future spending.

The Statement of Net Position and the Statement of Activities

Our analysis of the DDA as a whole is shown at the Statement of Net Position and the Statement of Activities. One of the most important questions asked about the DDA's finances is, "Is the DDA as a whole better or worse as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the DDA as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting method used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the DDA's net assets and associated changes in them. One can think of the DDA's net assets, the difference between assets and liabilities, as one way to measure the DDA's financial health, or financial position. Over time, increases or decreases in the DDA's net assets are one indicator of whether its financial health is improving or deteriorating. The reader will need to consider other factors, however, such as changes in the DDA's property tax base, to assess the overall health of the DDA.

In the Statement of Net Position and the Statement of Activities all of the DDA's functions and programs are reported as governmental activities. Property taxes, grants and contracts with the City of Shreveport finance these activities. The DDA does not have business-type activities or component units.

Fund Financial Statements

The fund financial statements include the Balance Sheet-Government Funds and the Statement of Revenues, Expenditures and Changes in Fund Balances-Governmental Funds and provide detailed information about the DDA's government funds. Government funds focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the DDA's government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the DDA's programs. We describe the differences between governmental activities (reported in the Statement of Net Assets and Statement of Activities) and governmental funds in a reconciliation at the bottom of the fund financial statements.

The DDA has no proprietary (business-type) funds. For purposes of the fund financial statements, all of the DDA's revenues and expenditures are reported in the general fund.

The DDA as a Whole and the DDA's Funds

For DDA, revenue and expenses are essentially the same under the accrual and the modified accrual basis of accounting mentioned earlier. Certain differences apply to accounting for fixed asset acquisitions, depreciation and proceeds of long-term debt. For the statement of net assets and statement of activities, fixed assets are recorded at cost in the Statement of Net Position and depreciation is provided for over the estimated useful life of the assets. For the fund statements, fixed assets are accounted for as capital outlay expenditures upon acquisition and no provision for depreciation is necessary. There were no asset acquisitions during 2024. Fixed assets at December 31, 2024 include the following:

Costs Applicable to Acquisition of Building at 708 Texas Street	\$ 82,814
Costs Applicable to Renovation of Building at 710 Texas Street	779,112
Costs Applicable to Acquisition and Renovation of Building at 1215 Texas Street	391,910
Costs Applicable to Acquisition and Renovation of Building at 416 Cotton Street	387,524
Streetscape and Parking Program Equipment	228,753
Office Equipment and Leasehold Improvements	<u>25,734</u>
	<u>\$1,895,847</u>

As detailed in the following comparative summary of the Statement of Net Position, total assets at the close of the year 2024 decreased \$12,467 or approximately 0.3 percent when compared to prior year.

	December 31	
	<u>2024</u>	<u>2023</u>
Assets:		
Cash-Unrestricted	1,038,712	1,026,166
Investments	1,113,543	1,070,000
Property Taxes Receivable	699,138	736,787
Other Receivables	55,431	12,708
Capital Assets (Net of Accumulated Depreciation)	742,486	815,166
Other Assets	<u>23,310</u>	<u>24,260</u>
Total Assets	<u>3,672,620</u>	<u>3,685,087</u>
Liabilities:		
Finance Purchase-Building	97,305	132,716
Deferred Revenue-Property Taxes	699,138	736,787
Other Liabilities	<u>51,451</u>	<u>207,087</u>
Total Liabilities and Deferred Inflows	847,894	1,076,590
Net Position:		
Invested in Capital Assets	645,181	682,450
Restricted	95,649	107,864
Unrestricted	<u>2,083,896</u>	<u>1,818,183</u>
Total Net Position	<u>2,824,726</u>	<u>2,608,497</u>
Total Liabilities and Net Position	<u>3,672,620</u>	<u>3,685,087</u>

As the DDA completed the year, its net position totaled \$2,824,726 which is \$216,229 greater than last year's total of \$2,608,497. This increase is detailed in the following comparative summary of the Statement of Activities:

	Year Ended December 31		Increase
	<u>2024</u>	<u>2023</u>	<u>(Decrease)</u>
Revenues:			
Property Taxes	714,179	730,912	(16,733)
Charges for Services	704,507	705,410	1,497
Investment Income	71,335	22,063	49,272
Grants	41,968	98,946	(56,978)
Expense Reimbursements	30,000	30,000	
Miscellaneous	<u>21,272</u>	<u>13,996</u>	<u>4,876</u>
Total Revenue	1,583,261	1,601,327	(18,066)
Expenditures:			
Administrative	529,297	567,311	(38,014)
Interest on Long-Term Debt	3,634	4,719	(1,085)
Programs/Projects:			
Parking Services	414,376	393,019	21,357
Streetscape Maintenance	303,697	284,731	18,966
Other Programs and Projects	<u>116,028</u>	<u>199,584</u>	<u>(83,556)</u>
Total Expenditures	<u>1,367,032</u>	<u>1,449,364</u>	<u>(82,332)</u>
Change of Net Position	216,229	151,963	<u>64,266</u>
Net Position at Beginning of Year	<u>2,608,497</u>	<u>2,456,534</u>	
Net Position at End of Year	<u>2,824,726</u>	<u>2,608,497</u>	

As detailed in the above table, DDA’s total revenues decreased \$18,066 and total expenditures decreased \$82,332. The decrease in revenues is primarily attributable to non-recurring operating grants for downtown development that were received in 2023 but not in 2024. The decrease in expenditures is primarily attributable to the decrease in costs associated with the above-mentioned non-recurring operating grants and decreased administrative costs.

Included at charges for services in the above table are the following:

	Year Ended December 31	
	<u>2024</u>	<u>2023</u>
Contracts with City of Shreveport:		
Parking Services	\$ 416,700	\$ 416,700
Streetscape Maintenance Services	279,830	279,830
Other Streetscape Service Revenues	7,977	6,480
Other Parking Service Revenue	<u> </u>	<u>2,400</u>
	\$ <u>704,507</u>	\$ <u>705,410</u>

Parking Services

DDA has contracted with the City of Shreveport to manage the City’s downtown parking system. DDA’s basic responsibilities under this contract include:

1. Enforcement of parking and no parking zones.
2. Collection of funds from and maintenance of parking meters.
3. Issuance of parking citations and collection of payments.
4. Recommendations for parking improvements and planning.

Expenses incurred by DDA during 2024 applicable to the parking program totaled \$414,376 an increase of \$21,357 or approximately 5.4 percent compared to 2023. Overall, revenues from parking services exceeded expenses by \$2,324.

Streetscape Maintenance Services

DDA entered into a contract with the City of Shreveport to manage and maintain the City’s downtown streetscape areas. DDA’s basic duties under this contract include landscape maintenance, litter pick-up, street sweeping and holiday decorations. This contract has a one-year term and is renewable annually. Expenses applicable to the streetscape maintenance program totaled \$303,697 for 2024 which is \$15,890 more than streetscape service revenues totaling \$287,807.

General Fund Budgetary Highlights

The DDA submits a budget at the beginning of each year for approval by the DDA board and the City Council. There were no amendments to the 2024 budget during the year. As detailed in the following financial statements, DDA reports revenues and expenses under the accrual basis of accounting.

Actual revenues for the year were more than budgeted revenues by approximately \$15,094. The difference is due primarily to additional operating grants and contributions for the parking program.

Actual expenditures, before debt services, were less than budgeted expenditures by approximately \$314,626, which is primarily attributable to administrative expense savings and less than expected expenditures for downtown development projects.

Next Year's Budget

Revenues under the parking management contract with the City of Shreveport are expected to total \$416,700 for 2025. The base contract for 2025 is consistent with 2024.

Revenues under the streetscape contract with the City of Shreveport are expected to total \$279,830 for 2025. The base contract for 2025 is consistent with 2024.

Budgeted property tax revenues for 2025 are \$682,541, an expected decrease of approximately 4 percent compared to 2024.

Contacting DDA's Financial Management

This financial report is designed to provide taxpayers, customers and creditors with a general overview of the DDA's finances and to show the DDA's accountability for the money it receives. For questions concerning this report or if additional financial information is needed, contact the Downtown Development Authority at 416 Cotton Street, Shreveport, Louisiana, (318) 222-7403.

Downtown Development Authority
Shreveport, Louisiana
Statement of Net Position
December 31, 2024

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 1,038,712
Investments	1,113,543
Receivables	754,569
Prepaid expenses	23,310
Capital assets, net	
Non-depreciable	130,237
Depreciable (net)	612,249
Total assets	<u>3,672,620</u>
LIABILITIES	
Accounts payable	22,442
Accrued expenses	12,475
Long-term liabilities:	
Due within one year	53,065
Due in more than one year	60,774
Total liabilities	<u>148,756</u>
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue	
Property taxes	699,138
Total deferred inflows of resources	<u>699,138</u>
NET POSITION	
Net investment in capital assets	645,181
Restricted	95,649
Unrestricted	2,083,896
Total net position	<u><u>\$ 2,824,726</u></u>

See accompanying notes to the basic financial statements.

Downtown Development Authority
Shreveport, Louisiana
Statement of Activities
For the Year Ended December 31, 2024

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	
<u>Functions and Programs:</u>				
Governmental Activities:				
Downtown Development	\$ 645,325	\$	\$	\$ (645,325)
Streetscape Program	303,697	287,807		(15,890)
Parking Program	414,376	416,700	41,968	44,292
Interest on long-term debt	3,634			(3,634)
Total functions and programs	<u>\$ 1,367,032</u>	<u>\$ 704,507</u>	<u>\$ 41,968</u>	(620,557)
<u>General Revenues:</u>				
Ad valorem taxes				714,179
Interest and investment earnings				71,335
Expense reimbursements				30,000
Miscellaneous				21,272
Total general revenues				<u>836,786</u>
Change in net position				216,229
Net position at beginning of year				<u>2,608,497</u>
Net position at end of year				<u>\$ 2,824,726</u>

See accompanying notes to the basic financial statements.

Downtown Development Authority
Shreveport, Louisiana
Balance Sheet
Governmental Fund
December 31, 2024

	General
Assets	
Cash and cash equivalents	\$ 1,038,712
Investments	1,113,543
Receivables	754,569
Total assets	<u>\$ 2,906,824</u>
Liabilities	
Accounts payable	\$ 22,442
Accrued expenses	12,475
Total liabilities	<u>34,917</u>
Deferred inflows of resources	
Unavailable revenue	
Property taxes	699,138
Total deferred inflows of resources	<u>699,138</u>
Fund balance	
Restricted	95,649
Unassigned	2,077,120
Total fund balance	<u>2,172,769</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 2,906,824</u>
Total fund balance - governmental fund	\$ 2,172,769
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds (net of accumulated depreciation of \$1,153,361).	742,486
The nonallocation method of accounting for certain prepayments is used in the fund statements, since the prepayment does not provide expendable financial resources - prepaid insurance	23,310
Long-term liabilities, including compensated absences and finance purchases, are not due and payable in the current period and therefore are not reported in the funds.	<u>(113,839)</u>
Net position of governmental activities	<u>\$ 2,824,726</u>

See accompanying notes to the basic financial statements.

Downtown Development Authority
Shreveport, Louisiana
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Fund
For the Year Ended December 31, 2024

Revenues:	<u>General</u>
Ad valorem taxes	\$ 714,179
Expense reimbursements	30,000
Charges for services	704,507
Intergovernmental revenues	41,968
Miscellaneous	21,272
Interest income	71,335
Total revenues	<u>1,583,261</u>
 Expenditures:	
Current:	
General government:	
Downtown development	590,630
Streetscape maintenance	303,750
Parking services	433,947
Debt Service:	
Principal payment	35,411
Interest and other charges	3,634
Total expenditures	<u>1,367,372</u>
 Net change in fund balance	 215,889
 Fund balance at beginning of year	 <u>1,956,880</u>
 Fund balance at end of year	 <u><u>\$ 2,172,769</u></u>

See accompanying notes to the basic financial statements.

Downtown Development Authority
Shreveport, Louisiana
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance
of Governmental Fund to the Statement of Activities
For the Year Ended December 31, 2024

Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balance of Governmental Funds to the Statement of Activities:

Net change in fund balance - total governmental funds	\$ 215,889
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Amounts reported for governmental activities in the statement
of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$72,680) exceeded capital outlays (\$0) in the current period.	(72,680)
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The nonallocation method of accounting for prepayments is used in the fund statements, since the prepayment does not provide expendable financial resources.	(950)
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Repayment of debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	35,411
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the funds.

Accrued leave	38,559
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Change in net position of governmental activities	<u>\$ 216,229</u>
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See accompanying notes to the basic financial statements.

Downtown Development Authority
Shreveport, Louisiana
Notes to Financial Statements
December 31, 2024

INTRODUCTION

The Downtown Development Authority (DDA), a component unit of the City of Shreveport, is an organization established by an ordinance of the City of Shreveport to provide for the revitalization of downtown Shreveport. Its purpose is to coordinate the efforts of the public and private sectors for the economic and overall development of the Downtown Development District, a special taxing district within the City of Shreveport created by an act of the Louisiana State Legislature. The governing authority of the DDA is a board of directors consisting of seven voting members and two non-voting ex-officio members. The voting members are appointed by the Mayor of the City of Shreveport and confirmed by the City Council for three-year terms. The ex-officio members are the Mayor and the executive director of DDA. The board members do not receive compensation for serving on the board. The governing authority of the DDA board was established by an ordinance of the City of Shreveport.

(1) Summary of Significant Accounting Policies

The Downtown Development Authority's financial statements are prepared in conformity with governmental accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the DDA are discussed below.

A. Reporting Entity

The DDA was determined to be a component unit of the City of Shreveport for the following reasons:

The City of Shreveport appoints the members of the board of directors of DDA. The DDA must submit to the City its proposals, programs and recommendation for the levy of special ad valorem taxes. The City also has the ability to modify or approve the budget of the DDA and its plan of work.

The accompanying financial statements present information only on the funds maintained by the DDA and do not present information on the City of Shreveport, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

B. Basic Financial Statements – Government-Wide Statements

The DDA's basic financial statements include both government-wide (reporting the funds maintained by the DDA as a whole) and fund financial statements (reporting the DDA's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The DDA's general fund is classified as a governmental activity. The DDA does not have any business-type activities, component units, or fiduciary funds.

In the government-wide Statement of Net Position, the governmental activities column is presented on a consolidated basis and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables, as well as all long-term debt and obligations. The DDA's net position is reported in two parts – net investment in capital assets and unrestricted net position. The DDA first utilizes restricted resources to finance qualifying activities.

(Continued)

Downtown Development Authority
Shreveport, Louisiana
Notes to Financial Statements
December 31, 2024
(Continued)

The government-wide Statement of Activities reports both the gross and net cost of each of the DDA's functions. The functions are also supported by general government revenues (property taxes, expense reimbursements, and interest income). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues and operating grants. Program revenues must be directly associated with the function. Program revenues of DDA include contractual payments under its parking and streetscape programs. Operating grants include operating-specific and discretionary (either operating or capital) grants. The net costs (by function) are normally covered by general revenue (property taxes, expense reimbursements, interest income, etc.).

This government-wide focus is more on the sustainability of the DDA as an entity and the change in the DDA's net assets resulting from the current year's activities.

C. Basic Financial Statements – Fund Financial Statements

The financial transactions of the DDA are recorded in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures. The various funds are reported by generic classification within the financial statements.

The following fund types are used by the DDA:

1. Governmental Funds – the focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the DDA:
 - a. General fund – Currently the DDA has only one fund, the general fund, which is used to account for all financial resources and expenditures.

D. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Accrual:

The governmental funds in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual:

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under modified accrual basis of accounting, revenues are recorded when susceptible to accrual: i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred

(Continued)

Downtown Development Authority
Shreveport, Louisiana
Notes to Financial Statements
December 31, 2024
(Continued)

The exception to this general rule is that principal and interest on general long-term debt is recognized when due. Depreciation is not recognized in the governmental fund financial statements.

E. Cash and Cash Equivalents

Cash includes amounts in petty cash, demand deposits, and interest bearing demand deposits. Cash equivalents include amounts in time deposits with original maturities of ninety (90) days or less when purchased. Under state law, the DDA may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

Investments are limited by R.S. 33:2955 and the DDA's investment policy. If the original maturities of investments exceed ninety (90) days, they are classified as investments; however, if the original maturities are ninety (90) days or less, they are classified as cash equivalents.

F. Prepaid Items

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.

G. Capital Assets

Capital assets purchased or acquired in excess of \$5,000 are reported at historical cost or estimated historical cost. Contributed assets are reported at their acquisition value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Equipment	7 years
Furniture and fixtures	7 years
Vehicles	5 - 7 years
Buildings and improvements	30 years

For fund financial statements, capital assets are recorded as expenditures in the governmental funds at the time purchased. No depreciation is recorded in the fund financial statements.

H. Long-term Debt

All long-term debt to be repaid from governmental resources are reported as liabilities in the government-wide statements. The long-term debt consists of a finance lease for a building.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principle and interest are reported as expenditures.

(Continued)

Downtown Development Authority
Shreveport, Louisiana
Notes to Financial Statements
December 31, 2024
(Continued)

I. Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Actual results could differ from those estimates.

J. Compensated Absences

DDA's formal leave policy provides for the accumulation or vesting of leave. Employees are allowed to carryover a maximum of ten days of leave to the following year. Carryover days not used in the subsequent year are forfeited.

K. Net Position

Government-wide net position is divided into three components: Net investment in capital assets consists of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets plus deferred outflows of resources less deferred inflows of resources related to those assets. Restricted net position consists of assets that are restricted by the DDA's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors (less related liabilities and deferred inflows of resources). All other net position is reported as unrestricted net position. When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), DDA's policy is to first apply the expense toward restricted resources and then toward unrestricted resources.

L. Fund Balance

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

1. Nonspendable - amounts that cannot be spent either because they are not in spendable form or because they are legally or contractually required to be maintained intact.
2. Restricted - amounts that can be spent only for specific purposes due to constraints placed on the use of resources that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
3. Committed - amounts that can be used only for the specific purposes as a result of constraints imposed by the board of directors (the DDA's highest level of decision making authority). Committed amounts cannot be used for any other purpose unless the board of directors remove those constraints by taking the same type of action (i.e. legislation, resolution, ordinance).
4. Assigned - amounts that are constrained by the DDA's intent to be used for specific purposes, but are neither restricted nor committed.
5. Unassigned - all amounts not included in other spendable classifications

(Continued)

Downtown Development Authority
Shreveport, Louisiana
Notes to Financial Statements
December 31, 2024
(Continued)

The DDA's policy is to apply expenditures against restricted fund balance and then to other, less-restrictive classifications – committed and then assigned fund balances before using unassigned fund balances.

The calculation of fund balance amounts begins with the determination of nonspendable fund balances. Then restricted fund balances for specific purposes are determined (not including non-spendable amounts). Then any remaining fund balance amounts for the non-general funds are classified as restricted fund balance. It is possible for the non-general funds to have negative unassigned fund balance when non-spendable amounts plus the restricted fund balances for specific purpose amounts exceeds the positive fund balance for the non-general fund.

M. Deferred Outflows / Inflows of Resources

DDA's statement of net position may report a separate section for *deferred outflows of resources*. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. At this time, DDA has no transactions that meet the definition of deferred outflows of resources.

DDA's governmental activities and governmental fund reports a separate section for *deferred inflows of resources*. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The DDA has one item that meets this definition and qualifies for reporting in this category. Accordingly, the item "unavailable revenue" is reported in the governmental fund balance sheet and statement of net position. The DDA reports unavailable revenue from property taxes in the statement of net position and in the balance sheet of its governmental fund. This amount is deferred and recognized as an inflow of resources in the period for which the amount was levied and budgeted.

N. Fair Value Measurements

Generally accepted accounting principles require disclosure to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels:

Level 1 inputs – The valuation is based on quoted market prices for identical assets or liabilities traded in active markets;

Level 2 inputs – The valuation is based on quoted market prices for similar instruments traded in active markets, quoted prices for identical or similar instruments in markets that are not active, and inputs other than quoted prices that are observable for the asset or liability;

Level 3 inputs – The valuation is determined by using the best information available under the circumstances and might include the government's own data but should adjust those data if (a) reasonably available information indicates that other market participants would use different data or (b) there is something particular to the government that is not available to other market participants.

(Continued)

Downtown Development Authority
Shreveport, Louisiana
Notes to Financial Statements
December 31, 2024
(Continued)

The asset's or liability's fair value measurement level within the fair value hierarchy is based on lowest level of any input that is significant to the fair value measurement.

(2) Ad Valorem Taxes

Ad valorem tax revenues collected by the DDA in the year 2024 represent collections of the 2023 tax levy and totaled \$714,179 at a millage rate of 9.04. DDA's receivable for ad valorem taxes is subject to adjustment by the Louisiana Tax Commission and a possible adjustment depending on final ad valorem tax receipts. Ad valorem taxes are levied on December 1 and due by December 31 of each year. The current expiration of the levy is 2027. The City of Shreveport and the City of Bossier collect the ad valorem taxes and remits to DDA periodically. Since the 2024 tax levy is intended to fund the 2025 fiscal year, the levy has been recorded as a receivable and deferred inflow of resources. Amounts recognized as revenue from property taxes in 2024 represent collections in 2024 of the 2023 tax levy. Approximately 19% of DDA's tax revenues are derived from one taxpayer, and a total of 42% is derived from ten taxpayers.

(3) Budgets

DDA's budgetary calendar is January 1 through December 31 of each year. The 2024 budget, prepared by the Executive Director, was approved by the DDA board and the City Council. An abbreviated version of the budget as illustrated in the city ordinance was published in official journal of the City newspaper. There were no amendments to the 2024 budget during the year. Unexpended budget balances lapse at the end of the year.

The 2024 budget was adopted on the cash basis of accounting except for certain accounts receivable, accounts payable, and payroll related payables which are recorded by DDA.

(4) Tax Abatements

As of December 31, 2024, DDA is subject to tax abatement agreements which were entered into by the State of Louisiana through the Restoration Tax Abatement Program (RTA). The RTA program is a program, which provides an up to ten-year abatement of a portion of ad valorem property taxes on the renovations and improvements of existing commercial structures and owner-occupied residences. It is a five-year award with an option for a five-year renewal with local governing authority approval. The legal authority is Louisiana Revised Statute 47:4311, et seq. DDA has not made any commitments as part of the agreements other than to reduce taxes.

Restoration Tax Abatement Program (RTA): Eligibility Criteria: This incentive is open to all Louisiana businesses and homeowners with existing structures to be expanded, restored, improved or developed in qualifying locations, and as approved by the local governing authority. Qualifying locations for properties include Downtown Development Districts, Historic Districts (includes properties listed on the National Register of Historic Places), and Economic Development Districts. Eligible expenses are building and materials, machinery and equipment (only that which becomes an integral part of the structure), and labor and engineering.

Mechanism By Which the Taxes are Abated: The property tax valuation before the restoration is frozen, whereby the property owner is not taxed on the increase in value that they would otherwise have to pay for the restoration. 61 Provisions for Recapturing Abated Taxes: Per LA R.S. 47:1313, any remaining portion of the exemption provided may be terminated for a violation of the contract.

(Continued)

Downtown Development Authority
Shreveport, Louisiana
Notes to Financial Statements
December 31, 2024
(Continued)

Gross Dollar Amount by Which DDA's Tax Revenues Were Reduced: DDA estimates property tax revenues have been reduced by \$60,776 for the year.

(5) Cash and Cash Equivalents

At December 31, 2024, the DDA has cash and cash equivalents and investments (book balances) totaling \$2,152,255, as detailed below.

A. Cash and Cash Equivalents

Cash and cash equivalents at December 31, 2024 (book balances) totaled \$1,038,712. These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

B. Investments

At December 31, 2024, the District had investments totaling \$1,113,543 consisting of certificates of deposit with an initial maturity greater than 90 days. The certificates of deposits are carried at cost, which approximates market. The investments are presented in the financial statements at fair value using level 2 fair value measure.

C. Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. As of December 31, 2024, \$1,679,386 of the DDA's bank balances totaling \$2,258,678, were exposed to custodial credit risk as uninsured and collateral held by the pledging bank's trust department not in DDA's name.

Even though deposit amounts protected by the pledged securities are considered (Category 2) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the clerk that the fiscal agent has failed to pay deposited funds upon demand.

(6) Accounts Receivable

The following is a summary of receivables at December 31, 2024:

<u>Class of Receivable</u>	<u>Amount</u>
Property taxes	\$ 699,138
Accrued interest	12,992
Intergovernmental	41,928
Related party receivables – DSDC and DSU	<u>511</u>
Total	<u>\$ 754,569</u>

(Continued)

Downtown Development Authority
Shreveport, Louisiana
Notes to Financial Statements
December 31, 2024
(Continued)

(7) Capital Assets

Capital asset activity for the year ended December 31, 2024, was as follows:

	Balance at Jan. 1, 2024	Additions	Deletions	Balance at Dec. 31, 2024
<u>Governmental Activities:</u>				
Capital assets, not being depreciated:				
Idle assets	\$ 56,237	\$	\$	\$ 56,237
Land	74,000			74,000
Total capital assets, not being depreciated	130,237			130,237
Capital assets, being depreciated:				
Buildings	1,511,123			1,511,123
Equipment and furniture	25,734			25,734
Streetscape equipment	132,131			132,131
Parking program equipment	96,622			96,622
Total capital assets, being depreciated, at historical cost	1,765,610			1,765,610
Less accumulated depreciation:				
Buildings	(863,295)	(62,532)		(925,827)
Equipment and furniture	(3,664)	(2,293)		(5,957)
Streetscape equipment	(109,116)	(4,997)		(114,113)
Parking program equipment	(104,606)	(2,858)		(107,464)
Total accumulated depreciation	(1,080,681)	(72,680)		(1,153,361)
Total capital assets, being depreciated, net	684,929	(72,680)		612,249
Governmental activities capital assets, net	<u>\$ 815,166</u>	<u>\$ (72,680)</u>	<u>\$</u>	<u>\$ 742,486</u>

Depreciation expense for the year ended December 31, 2024 was charged to the various functions follows:

Downtown Development	\$ 64,825
Streetscape Program	4,997
Parking Program	2,858
Total	<u>\$ 72,680</u>

(Continued)

Downtown Development Authority
Shreveport, Louisiana
Notes to Financial Statements
December 31, 2024
(Continued)

(8) Retirement Plan

DDA provides a Deferred Compensation Plan pursuant to Section 457 of the Internal Revenue Code and a Governmental 401(a) Money Purchase Plan. DDA's Plan does not meet the criteria established under GASB, therefore, the plan's assets and liabilities are not presented in the financial statements of DDA. Required contributions to the plan, equal to 3% of covered payroll, amounted to \$17,119 for the year ended December 31, 2024. Account balances are fully vested after five years of service. Employer contributions are reported as follows for the year ended December 31, 2024:

Administrative	\$ 8,347
Street	4,165
Parking	<u>4,607</u>
Total	<u>\$ 17,119</u>

(9) Risk Management

The DDA purchases commercial insurance to provide workers compensation and general liability and property insurance. There were no significant reductions in insurance coverage from the previous year.

(10) Subsequent events

Subsequent events have been evaluated through June 18, 2025, the date the financial statements were available to be issued.

(11) Long-term Debt

Changes in long-term debt for the year ended December 31, 2024 are summarized as follows:

	Balance 12/31/23	Additions	Reductions	Balance 12/31/24	Amount Due Within One Year
Finance purchase- building	\$ 132,716	\$	\$ 35,411	\$ 97,305	\$ 36,531
Compensated absences	<u>59,225</u>		<u>39,452</u>	<u>19,773</u>	<u>19,773</u>
	<u>\$ 191,941</u>	<u>\$</u>	<u>\$ 74,863</u>	117,078	56,304
Less amounts due within period of availability				<u>(3,239)</u>	<u>(3,239)</u>
Total long-term liabilities, governmental activities				<u>\$ 113,839</u>	<u>\$ 53,065</u>

(Continued)

Downtown Development Authority
Shreveport, Louisiana
Notes to Financial Statements
December 31, 2024
(Continued)

Finance Purchase - Building

During 2015, DDA entered into a triple net commercial lease agreement to lease certain immovable property and all improvements located thereon. The lease agreement qualifies as a finance purchase lease for accounting purposes. The property is included in capital assets at a cost of \$387,524, with accumulated depreciation totaling \$123,792 as of December 31, 2024. Interest has been imputed at a rate of 3.117%, and DDA will make monthly payments through August 2027. The debt service requirements to maturity are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 36,531	\$ 2,514	\$ 39,045
2026	37,686	1,359	39,045
2027	23,088	271	23,359
Total	<u>\$ 97,305</u>	<u>\$ 4,144</u>	<u>\$ 101,449</u>

(12) Accrued Expenses

Accrued expenses at December 31, 2024, consisted of the following:

Accrued Leave	\$ 3,239
Payroll related	9,236
Total	<u>\$ 12,475</u>

(13) Related Party Transactions

Contracts with City of Shreveport

DDA has entered into two contracts with the City of Shreveport. The following provides information in regards to those contracts.

- (1) Management and maintenance services for the streetscape areas: DDA has a contract with the City of Shreveport to manage and maintain the downtown streetscape areas. Payments under this contract for 2024 total \$279,830.
- (2) Parking system management: DDA has a contract with City of Shreveport to manage the downtown parking system. Payments under this contract for 2024 total \$416,700.

Downtown Shreveport Development Corporation Activity

Downtown Shreveport Development Corporation (DSDC), a nonprofit organization, utilizes the professional staff of DDA. DDA has entered into a contract with DSDC, effective January 1, 2024 through December 31, 2024. The following provides information in regards to the contract.

(Continued)

Downtown Development Authority
Shreveport, Louisiana
Notes to Financial Statements
December 31, 2024
(Continued)

DSDC will pay DDA for administrative services. Amounts paid to DDA by DSDC for administrative services for 2024 was \$30,000.

DSDC will pay DDA to operate and manage a downtown parking lot. Amounts earned by DDA for this service for 2024 was \$2,400.

DSDC will pay DDA for streetscape services for a downtown parking lot leased by DSDC. Amounts earned by DDA for this service for 2024 was \$6,300.

DDA entered into a triple net commercial lease with DSDC to lease certain immovable property and improvements located thereon. The lease qualifies as a financing purchase lease for accounting purposes. Total payments made during 2024 under this lease were \$39,045.

(14) Restricted Fund Balance / Restricted Net Position

Amounts shown as restricted fund balance and restricted net position as of December 31, 2024, totaling \$95,649, are restricted for trees, murals, signage, and other beautification projects within the downtown area.

(15) Litigation and Claims

At December 31, 2024, DDA is involved in one lawsuit. In the opinion of legal counsel, DDA should bear no liability for the lawsuit, and therefore, the ultimate outcome of the lawsuit will not materially affect DDA's financial position or results of operations.

Downtown Development Authority
Shreveport, Louisiana
Budgetary Comparison Schedule
Governmental Fund - General Fund
For the Year Ended December 31, 2024

	<u>Budgeted Amounts</u> <u>Original & Final</u>	<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Property taxes	\$ 710,000	\$ 714,179	\$ 4,179
Expense reimbursements	30,000	30,000	
Charges for services	702,830	704,506	1,676
Miscellaneous income	12,900	21,312	8,412
Interest income	70,000	70,827	827
Total revenues	<u>1,525,730</u>	<u>1,540,824</u>	<u>15,094</u>
Expenditures:			
Current:			
General government:			
Downtown development	980,518	607,732	372,786
Streetscape maintenance	286,130	293,939	(7,809)
Parking services	362,000	412,351	(50,351)
Debt Service:			
Principal payment	39,045	39,045	
Interest and other charges	4,719	3,637	1,082
Total expenditures	<u>1,672,412</u>	<u>1,356,704</u>	<u>315,708</u>
Excess of revenues over expenditures	(146,682)	184,120	330,802
Fund balance at beginning of year	<u>146,682</u>	<u>1,972,166</u>	<u>1,825,484</u>
Fund balance at end of year	<u>\$</u>	<u>\$ 2,156,286</u>	<u>\$ 2,156,286</u>

Downtown Development Authority
Shreveport, Louisiana
Notes to Required Supplementary Information
December 31, 2024

The 2024 budget was adopted on the cash basis of accounting except for certain accounts receivable, accounts payable, and payroll related payables which are recorded by DDA. There were no amendments to the 2024 budget. Budget comparison statements included in the accompanying financial statements include the original and amended budget. The schedule below reconciles excess (deficiency) of revenues and other sources over expenditures and other uses on the budget basis with GAAP basis:

	<u>General Fund</u>
Excess of revenues and other sources over expenditures and other uses (budget basis)	\$ 184,120
Adjustments:	
Expenditure accruals – net	42,437
Revenue accruals – net	<u>(10,668)</u>
Excess of revenues and other sources over expenditures and other uses (GAAP basis)	<u>\$ 215,889</u>

Downtown Development Authority
Shreveport, Louisiana
Other Supplementary Information
Schedule of Compensation, Benefits, and Other Payments to Agency Head
For the Year Ended December 31, 2024

Agency Head: Janie Landry, Interim Executive Director 1/1/2024 - 10/14/2024

Purpose		Amount
Salary	\$	83,452
Benefits-insurance		11,324
Benefits-retirement		2,504
Benefits-other		420

Agency Head: Cedric Glover, Executive Director 10/15/2024 - 12/31/2024

Purpose		Amount
Salary	\$	24,708
Benefits-insurance		1,232
Benefits-other		126

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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*

Independent Auditors' Report

Board of Directors
Downtown Development Authority
Shreveport, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities and major fund of Downtown Development Authority as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise Downtown Development Authority's basic financial statements, and have issued our report thereon June 18, 2025.

Report on Internal Control Over Financial Reporting

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

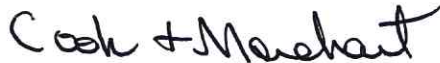
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Downtown Development 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 entity'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.



Cook & Morehart
Certified Public Accountants
June 18, 2025

Downtown Development Authority
Shreveport, Louisiana
Schedule For Louisiana Legislative Auditor
December 31, 2024

Summary Schedule of Prior Audit Findings

There was one finding in the prior audit for the year ended December 31, 2023.

Reference No: 2023-001 Fraud/Misappropriation

Finding of fraud or misappropriation: Two fraudulent checks purporting to be drawn on DDA's bank account were presented to the bank for payment and were cashed by the bank. The approximate amount of funds involved was \$1,794.13.

Current Status: The funds in question were refunded back to the DDA by the banking institution. Formal charges were brought against the individual, and that individual was arrested on September 28, 2023.

Schedule of Current Year Audit Findings

There are no findings in the current audit for the year ended December 31, 2024.

COOK & MOREHART

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Independent Accountants' Report on Applying Agreed-Upon Procedures

To Downtown Development Authority
Shreveport, Louisiana
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, 2024 through December 31, 2024. The Downtown Development Authority's management is responsible for those C/C areas identified in the SAUPs.

Downtown Development 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, 2024 through December 31, 2024. 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:

1) *Written Policies and Procedures*

Testing not required for this area for the fiscal period January 1, 2024 through December 31, 2024, due to no exceptions being noted in prior year.

2) *Board or Finance Committee*

Testing not required for this area for the fiscal period January 1, 2024 through December 31, 2024, due to no exceptions being noted in prior year.

3) *Bank Reconciliations*

Testing not required for this area for the fiscal period January 1, 2024 through December 31, 2024, due to no exceptions being noted in prior year.

4) Collections (excluding electronic funds transfers)

- A. 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).
- B. 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 (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then 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
 - i. Employees responsible for cash collections do not share cash drawers/registers;
 - ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;
 - iii. Each employee responsible for collecting cash is not also 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; and
 - iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.
- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.
- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (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). *Alternatively, 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:
 - i. Observe that receipts are sequentially pre-numbered.
 - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - iii. Trace the deposit slip total to the actual deposit per the bank statement.
 - iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
 - v. Trace the actual deposit per the bank statement to the general ledger.

Procedures performed. Noted the following exceptions:

Exception: Employees who collect parking fines and fees share the same cash drawer.

Exception: One deposit selected for testing was not made within one business day of receipt at the collection location.

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

Testing not required for this area for the fiscal period January 1, 2024 through December 31, 2024, due to no exceptions being noted in prior year.

6) *Credit Cards/Debit Cards/Fuel Cards/P-Cards*

Testing not required for this area for the fiscal period January 1, 2024 through December 31, 2024, due to no exceptions being noted in prior year.

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

A. 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 and 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

- i. If reimbursed using a per diem, observe that 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);
- ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
- iii. Observe that 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 Policies and Procedures procedure #1A(vii); and
- iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

There were no travel or travel-related expense reimbursements during the fiscal period.

8) *Contracts*

Testing not required for this area for the fiscal period January 1, 2024 through December 31, 2024, due to no exceptions being noted in prior year.

9) *Payroll and Personnel*

Testing not required for this area for the fiscal period January 1, 2024 through December 31, 2024, due to no exceptions being noted in prior year.

10) *Ethics*

Testing not required for this area for the fiscal period January 1, 2024 through December 31, 2024, due to no exceptions being noted in prior year.

11) Debt Service

Testing not required for this area for the fiscal period January 1, 2024 through December 31, 2024, due to no exceptions being noted in prior year.

12) Fraud Notice

Testing not required for this area for the fiscal period January 1, 2024 through December 31, 2024, due to no exceptions being noted in prior year.

13) Information Technology Disaster Recovery/Business Continuity

Testing not required for this area for the fiscal period January 1, 2024 through December 31, 2024.

14) Prevention of Sexual Harassment

Testing not required for this area for the fiscal period January 1, 2024 through December 31, 2024, due to no exceptions being noted in prior year.

We were engaged by Downtown Development 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 Downtown Development Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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



Cook & Morehart
Certified Public Accountants
June 18, 2025



June 18, 2025

Cook & Morehart, CPAs
1215 Hawn Ave
Shreveport, LA 71107

The Downtown Development Authority submits the following responses to the exceptions identified in the Statewide Agreed-Upon Procedures Report for the year ended December 31, 2024:

Exception: Employees who collect parking fines and fees share the same cash drawer.

Response: Daily work and deposits are reviewed by someone independent of the collection process.

Exception: One deposit selected for testing was not made within one business day of receipt at the collection location.

Response: Significant deposits are made on the day received. DDA will consider adopting procedures to ensure deposits are made within one business day of receipt.

Sincerely,

A large, stylized handwritten signature in blue ink, appearing to read "C.B. Glover". The signature is written over the printed name and title of the signatory.

Cedric B. Glover
Executive Director